



Regional Conference
on Social Development
in Latin America and the Caribbean
Santiago, 3–5 October 2023



SIDE EVENT

“The sustainability of non-contributory pension systems in Latin America and the Caribbean: Opportunities and challenges”

Fifth Regional Conference on Social Development in Latin America and the Caribbean

October 3rd, 2023

13:00 to 14:30. (Chile time, -3 UTC)

Enrique V. Iglesias Auditorium

1. Introduction

Social protection systems have played a crucial role in mitigating the unprecedented health, economic and social impact of the COVID-19 pandemic and the prolonged social crisis that continues to affect the region. These systems will become increasingly important in the current scenario of major transformations and recurrent crises. These changes will have a significant impact on pension systems and their design. In addition to changes in the world of work, demographic changes characterised by rapid ageing may increase the financial pressure on these systems. It's important to remember that in 2021, the population aged 65 and over in Latin America and the Caribbean will represent 8.9% of the region's total population. By 2065, this percentage is estimated to reach 24.7% of the total population. It is worth noting that while it took Europe 60 years to reach its current level of ageing, Latin America and the Caribbean will follow a similar path in just 30 years. As a result, it's foreseeable that the fiscal pressure on pension systems, especially non-contributory schemes, will continue to increase in the coming years. In this context, it is essential to strengthen pension systems, considering the need for comprehensive reforms that address not only the necessary improvements in terms of adequacy, coverage and financial sustainability but also other dimensions. These include the integration of contributory and non-contributory systems, the elimination of gender gaps and the potential degree of solidarity that can be built into their design in the current circumstances.

In the face of these challenges, non-contributory pension schemes have become an increasingly important part of social protection policies. Over the last 20 years, their presence has increased from 11 countries covering about 1 million people aged 65 and over in 2000 to 28 countries covering more than 16 million people aged 65 and over in 2021. It is estimated that without these schemes, poverty and extreme poverty among people aged 65 and over would increase. Moreover, the impact of non-contributory pension schemes goes beyond the economic dimension. Their effects have been documented in areas such as the health of older people, increased life expectancy and the reduction of child labour, among others.



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As part of the 5th Regional Conference on Social Development in Latin America and the Caribbean and the CEPAL/BMZ-GIZ project "Transformative Reactivation: Overcoming the Consequences of the COVID-19 Pandemic in Latin America and the Caribbean", this side event aims to identify the challenges faced by non-contributory pension schemes and their contribution to strengthening pension systems in the region.

2. Objective

This side event aims to provide a platform for dialogue and exchange of experiences on the status of non-contributory pension schemes in the region. It aims to identify progress, common challenges and innovations in their implementation with a view to the future of social protection. The event will examine the sustainability challenges of these systems in terms of coverage, adequacy and financial sustainability. It will also address their adaptability and resilience to crises and their integration with contributory pension systems.

3. Methodology and questions

The event will begin with an opening session to welcome the speakers. The panellists will then be given 10 minutes each to present the main advances in the design and implementation of non-contributory pension systems in terms of coverage, adequacy, financial sustainability and the challenges they face. This will be followed by a short period of dialogue to answer questions from the audience and provide an opportunity for further discussion of the main points raised.

Some guiding questions for the presentations and subsequent dialogue are:

- What are the main challenges for combining the objectives of coverage, adequacy and financial sustainability in the design and implementation of non-contributory pension systems in the current context?
- What will be the main challenges for non-contributory pension systems in light of ongoing demographic and labour market changes, and what options are available to address them?
- How can non-contributory pension schemes contribute to a more inclusive and universal pension system?

4. Date and Time

October 3rd, 2023, from 13:00 to 14:30. (Chile time, -3 UTC)



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5. Participation

The event is aimed at government representatives, members of civil society and academia in the region.

Limited space is available.

6. Languages

Spanish and English (event with simultaneous translation)



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7. Preliminary Program

Tuesday, October 3rd, 2023	
Moderator: Claudia Robles Farías, Social Affairs Officer, Social Development Division, ECLAC	
Inaugural Session: Welcoming Remarks	
13:00-13:05	Welcoming Remarks Alberto Arenas de Mesa, Director, Social Development Division, ECLAC
Progress in non-contributory pension systems in Latin American and Caribbean countries	
13:05-14:00	"Challenges for the creation of a non-contributory pension system in Honduras" José Carlos Cardona, Secretary of State in the Office of the Secretary of Social Development (SEDESOL), Honduras
	"Challenges of the implementation of the Universal Guaranteed Pension (PGU)". Claudio Reyes, Social Security Undersecretary, Ministry of Labour and Social Security, Chile.
	"Creation and implementation of the solidarity pillar of the Dominican Republic's subsidized regime" Pedro Alcántara, SDVS Policy Director, National Social Security Council (CNSS) of the Dominican Republic
Dialogue on main challenges for the future of non-contributory pension systems in the region	
14:00-14:25	Space for dialogue and questions from the audience
14:25-14:30	Closing remarks Claudia Robles Farías, Social Affairs Officer, Social Development Division, ECLAC