Resilient institutions for a transformative post-pandemic recovery in Latin America and the Caribbean

Inputs for discussion

Position paper
Key messages

- The pandemic in the region: a protracted health and social crisis
- The State has played an essential role in the pandemic response and must continue to do so in the transformative recovery.
- The severity and extent of the pandemic have exposed shortcomings in the resilience and quality of our public institutions.
- Public investment must be stepped up in dynamic sectors that generate value and quality employment and reduce the environmental footprint.
- Climate change is a steadily advancing and silent crisis that requires foresight and planning capacities at territorial level.
- An opportunity to build new social compacts based on open government, access to information and receptiveness to wider citizen participation.
A region lacking the tools to address the complexity of the crisis and its links with structural gaps blindsided by the COVID-19 pandemic

Health crisis

Economic crisis

Social and environmental crisis

Structural challenges of low investment and productivity, poverty and inequality exacerbated.

Resurgence of the false dichotomy between growth and environmental protection.

Spotlight on the key role of the State in the delivery of vaccines, emergency transfers to vulnerable persons, public investment in health systems and the financial sustainability of social protection systems, including health.

Fragmented action from institutions that lack resilience

Poverty - Inequality

Low investment - Low productivity
Boosting public investment would positively affect growth:

- Fiscal multipliers are higher for public investment than for current primary spending.
- At the bottom of the cycle, higher public investment attracts private investment (crowding-in).
- Public investment in physical and digital infrastructure is vital to act as a catalyst for private investment.

**Investment as a share of GDP, 1990–2020: a 30-year low**
(Current dollars and percentages)

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Household Survey Data Bank (BADEHOG).
In the eyes of the public, the worst manifestations of inequality in Latin America are in health and education.

LATIN AMERICA (18 countries): Map of inequality, 2020

- Access to health services: 47
- Education opportunities: 43
- Work opportunities: 42
- Inequality of access to justice: 40
- Inequality between rich and poor: 35
- Access to basic services, water electricity: 29
- Inequality before the law: 28
- Inequality of treatment among social classes: 27
- Inequalities between men and women: 24
- Inequalities between races: 22
- Income inequality: 20
- Transport time to workplace: 20
- Access to power: 17
- Between urban and rural zones: 16
- In citizenship: 9

Source: Latinobarómetro 2020.
Citizens’ deep distrust of institutions persists and undermines support of democracy

**Latin America (18 countries): Trust in institutions, 2020 (Percentages)**

- The Church: 61%
- The armed forces: 44%
- The police: 36%
- The president: 32%
- National electoral institution: 31%
- Government: 27%
- Judiciary: 25%
- Parliament: 20%
- Political parties: 13%

**Latin America (18 countries): Satisfaction with democracy, 1995–2020**

Source: Latinobarómetro 2020.
Institutions under strain: planning systems, which are currently being strengthened, must play a greater role in decision-making, in the design of emergency measures and in recovery.
Proposal: build resilient institutions for a transformative recovery, fostering the transition to a development model based on greater equality and sustainability

- Foresight capacities
- Openness, participation and negotiation
- Planning to integrate cross-cutting approaches
- New leadership
The big push for sustainability: eight strategic sectors to boost investment and reduce socioeconomic and gender inequalities

8 sectors for sustainability: raise competitiveness, create jobs, reduce environmental footprint

- Transition to renewable energies
- Sustainable urban mobility
- Digital regulation: Universal access
- Sustainable tourism
- Circular economy
- Care economy
- Bioeconomy and ecosystem services
- Health-care Manufacturing industry

Strengthening the sectors that drive the economy requires a coordinated and coherent territorial approach and enhancing the coherence of public (fiscal, social, environmental, industrial and integration) policies.
Increase investment by at least 9 percentage points and prioritize investments that incorporate equity, labour inclusion, citizen participation and environmental sustainability.

National public investment systems must be strengthened for a transformative recovery with a local and territorial approach.
Transformative recovery based on a big push for sustainability requires institutions with renewed capacities for greater resilience in the face of complex problems.

The challenge is building resilient institutions that can anticipate, prepare for and respond to a crisis, and also learn and adapt in order to address new adverse events that may arise in the future.
1. Foresight capacities
Foresight is essential for the building and collective ownership of future scenarios that give weight to country visions and State policies

- Allows progress in **consensus** on strategic development sectors
- Allows the **anticipation of disruptive events** and the implementation of measures in the short and medium term
- Requires robust and interoperable **statistics systems**
- **Critical mass of capacities** in foresight being developed: in the State, the academic sector and civil society

**Experience in foresight**

- **National planning bodies**
  - Ministry of National Planning and Economic Policy (MIDEPLAN)
  - Office of Planning and the Budget (OPP) of the Office of the President of the Republic

- **International bodies**
  - United Nations

- **Academic institutions**
  - Centre for Foresight Studies of Cuyo, Faculty of Political and Social Sciences, National University of Cuyo
  - Centre for Strategic and Prospective Thinking (CEPEP), Externado University of Colombia
  - Institute for Foresight, Innovation and Knowledge Management, University of Valle, Colombia
  - Metropolitan University of Technology (UTEM)

- **National science, technology and innovation agencies**
  - Ministry of Science, Technology and Innovation (MINCyT)
  - Foresight Observatory of the Honduran Institute of Science, Technology and Innovation (IHCIETI)

- **Sectoral bodies**
  - National Agricultural Technology Institute (INTA)
  - National Apprenticeship Service (SENA), PREVIOS system
  - Economic Intelligence Unit, Ministry of the Economy

- **Other**
  - Associação Instituto Unitas
  - Caribbean Development Foresight Institute
  - Futures Forum
  - Smart Caribbean Futures
More than half of countries have visions, plans and strategies with time frames ranging from 2030 to 2050.

The institutionalization of foresight throughout the State apparatus facilitates participatory governance.
Foresight and innovation go hand in hand, so it is important to foster partnerships between State institutions and innovation laboratories.

Foresight and innovation laboratories are **collaborative learning environments** where current and future needs are identified and sustainable solutions are developed.

**Innovation** is key because of the use of inputs such as platforms, methods, techniques, tools and software.
2. Capacities for dialogue, participation and negotiation
Participation and access to information strengthen trust in State decisions

Among 33 Latin America and the Caribbean countries:

- **23** (70%) have adopted laws on public information access.
- **8** (24%) have passed laws on public participation.
- **24** (73%) have signed the Escazú Agreement.
- **12** (36%) have ratified the Escazú Agreement.

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Regional Observatory on Planning for Development in Latin America and the Caribbean and Observatory on Principle 10 in Latin America and the Caribbean.
Advancing towards an open State after a decade of progress strengthens participation, transparency and accountability.

**FOUR COMPONENTS OF OPEN GOVERNMENT**

1. Public information access
2. Public integrity and accountability
3. Participation and collaboration among actors
4. Strengthening of institutional capacities

**TRENDS IN COMMITMENTS OF RECENT ACTION PLANS**

- **Open State (legislative branch, judicial branch)**
  - e.g.: Argentina, Costa Rica, Chile, Colombia, Honduras
- **Inclusion and the gender perspective**
  - e.g.: Argentina, Brazil, Colombia, Mexico, Uruguay
- **Environment/climate change**
  - e.g.: Costa Rica, Ecuador, El Salvador, Panamá

Source: Economic Commission for Latin America and the Caribbean (ECLAC), updated to 2021
Digital government allows access to information and services, brings public management closer to citizens and fosters collaboration between State institutions.

Despite significant progress in the past decades, gaps between countries and between rural and urban areas remain.

Latin America and the Caribbean (33 countries): countries having reached each level of the United Nations E-government Development Index, 2003–2020

(Percentage of countries)

<table>
<thead>
<tr>
<th>Year</th>
<th>Very high</th>
<th>High</th>
<th>Medium</th>
<th>Low</th>
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</thead>
<tbody>
<tr>
<td>2020</td>
<td>15%</td>
<td>70%</td>
<td>15%</td>
<td>0%</td>
</tr>
<tr>
<td>2018</td>
<td>3%</td>
<td>67%</td>
<td>30%</td>
<td>0%</td>
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<tr>
<td>2016</td>
<td>45%</td>
<td>52%</td>
<td>3%</td>
<td>0%</td>
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<tr>
<td>2014</td>
<td>42%</td>
<td>55%</td>
<td>3%</td>
<td>0%</td>
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<tr>
<td>2012</td>
<td>64%</td>
<td>33%</td>
<td>3%</td>
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<tr>
<td>2010</td>
<td>73%</td>
<td>33%</td>
<td>3%</td>
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<tr>
<td>2008</td>
<td>64%</td>
<td>33%</td>
<td>3%</td>
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<tr>
<td>2005</td>
<td>70%</td>
<td>27%</td>
<td>3%</td>
<td>0%</td>
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<tr>
<td>2004</td>
<td>76%</td>
<td>21%</td>
<td>3%</td>
<td>0%</td>
</tr>
<tr>
<td>2003</td>
<td>83%</td>
<td>17%</td>
<td>3%</td>
<td>0%</td>
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</tbody>
</table>

Reducing the digital divide between urban and rural areas opens up access to health and education services and government aid.

Urban-rural divide: 67% of urban households with Internet connection compared to 23% of rural households

(Percentage points)

Source: ECLAC Regional Broadband Observatory (ORBA).
A collaborative model of local governance that, when solving public problems, forges partnerships with the private sector, academia and civil society.

The ability to negotiate and build pacts: it requires the virtuous coexistence of governmental and social capacities of empathy and dialogue to build pacts to construct resilient territories.

Attention to the needs and aspirations of the different local actors. Strengthening the participation of local communities and indigenous peoples is essential for this.

Local leadership that inspires trust, and contributes to resolving the conflicts or tensions that usually emerge in the course of collaborative activities.

Systems for collecting and disseminating information related to potential local emergencies must also take account of local knowledge.
Regional public good

- Interoperable access statistical databases and statistics in dynamic geportals for information at territorial-level

OPEN SOURCE INTEROPERABLE

COMPARABLE OPEN DATA

INTEGRATED

Observatories: planning, gender equality, Covid-19, social policies, SDG Gateway ODS of the United Nations system in Latin America and the Caribbean
3. Planning capabilities to integrate cross-cutting approaches

- Gender
- Territory
- Climate action
Making planning exercises gender-sensitive is vital to gender mainstreaming in all areas of public administration.

- **84.4% of the countries of the region** have included gender equality targets in their medium- and long-term planning instruments.

- **However, 70.4%** have at least 6 targets linked to SDG 5. Just **7.4%** have more than 10 targets linked to SDG 5.

- **The goal of gender equality** must NOT be isolated and separate from a country’s development planning.

- **The challenge is to break free from the notion that gender equality is just a list of principles** and to design and apply planning instruments that mainstream gender in all the core and strategic areas of a country’s development.

Source: Regional Observatory on Planning for Development in Latin America and the Caribbean.
The territorial approach in plans and policy links sectors and forms connections with local communities’ priorities

- Territorial policies require coordination in their design, dialogue and an intersectoral, multilevel, multi-stakeholder and long-term approach.

- A policy ecosystem requires an institutional framework with linkages among different sectors and levels of government, with a long-term approach to achieve a greater impact on the populations of territories.

EXAMPLES:

- Costa Rica: National land use policy
- Bolivia: Comprehensive state planning system
- Dominican Republic: Regional plan for land use and territorial development
Mitigation of climate change and adaptation to it take place somewhere, and they require planning to respond to future crises

The term “resilience” appears in national planning instruments in relation to thematic areas, but not institutions

- A lack of global mitigation means that a greater local adaptation effort is required
- Agriculture is the most vulnerable sector, and its structure, output and crop cycles will all change.
- Electricity generation systems are vulnerable, particularly hydroelectric.
- Cities are key actors for sustainable development.
- The challenge of water resources: the availability of drinking water will be affected, as will water for farming and industry.
- The loss of biodiversity has been underestimated.
- Coastal areas and their infrastructure are at risk.

25 countries: Antigua and Barbuda, Bahamas, Barbados, Belize, Bolivia, Chile, Colombia, Costa Rica, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Honduras, Jamaica, Paraguay, Peru, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname, Trinidad and Tobago, Uruguay

Source: Economic Commission for Latin America and the Caribbean (ECLAC).
Note: for the word cloud for the term “resilience”, 12 of the 15 national long-term planning instruments of the countries of Latin America and the Caribbean were used, to analyse frequency. The result is for reference purposes.

Source: Regional Observatory on Planning for Development
4. New leadership for a transformative recovery
New forms of leadership are needed, to link the territorial development activities of stakeholders and the State.
## Better public institutions, focused on serving citizens

<table>
<thead>
<tr>
<th>Conception of public interest</th>
<th>Old public administration</th>
<th>New public management</th>
<th>New public service</th>
</tr>
</thead>
<tbody>
<tr>
<td>Politically defined and expressed in law</td>
<td>Aggregation of individual interests</td>
<td>Dialogue about <strong>shared values</strong></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>To whom are public servants responsive?</th>
<th>Clients and constituents</th>
<th>Customers</th>
<th>Citizens</th>
</tr>
</thead>
</table>

| Role of government | A “rowing” role, focused on politically defined objective | A “steering” role, acting as a catalyst for market forces | A “serving” role, negotiating and brokering interests among citizens |

| Mechanisms for achieving policy objectives | Administering programmes through government agencies | Creating mechanisms and incentives through private and non-profit agencies | Building coalitions of public, private and non-profit agencies |

| Assumed organizational structure | Bureaucratic, based on authority and control of clients | Decentralized, with primary control within agencies | Collaborative, with shared leadership |

The pandemic has drawn attention to the irreplaceable role of the State as representative of the public interest at all territorial levels.

A transformative recovery requires public institutions:

- That are more **resilient**, which can anticipate, prepare, respond, adapt and transform in a context of uncertainty with more complex development challenges.

- With **foresight and planning capacities** to mainstream gender equality and climate action, with a territorial approach.

- With **fresh public administration skills** to formulate comprehensive policies that reflect the urgent need for a change in the pattern of development, by channelling **public and private investments** into eight strategic innovative knowledge-based sectors, as part of a big push for sustainability, as proposed by ECLAC.

- That **inspire trust through participatory and collaborative leadership** that is more open, consultative, transparent and accountable, and which pursues political pacts that link all development stakeholders in a territory.
Breaking paradigms to rethink planning, foresight and the territorial dimension and face the complexities of our era:

*We are not facing an era of change, but a change of era*

“Our world has never been more threatened. Or more divided. We face the greatest cascade of crises in our lifetimes. The COVID-19 pandemic has supersized glaring inequalities. The climate crisis is pummelling the planet. […] A surge of mistrust and misinformation is polarizing people and paralysing societies. […] Solidarity is missing in action —just when we need it most.

[…] We face a moment of truth. Now is the time to deliver. Now is the time to restore trust. Now is the time to inspire hope. And I do have hope. [...] Let us restore trust. Let us inspire hope. And let us start right now.”

António Guterres, September 2021
Thank you very much