



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

Inputs for discussion Position paper



UNITED NATIONS

ECLAC



XVIII

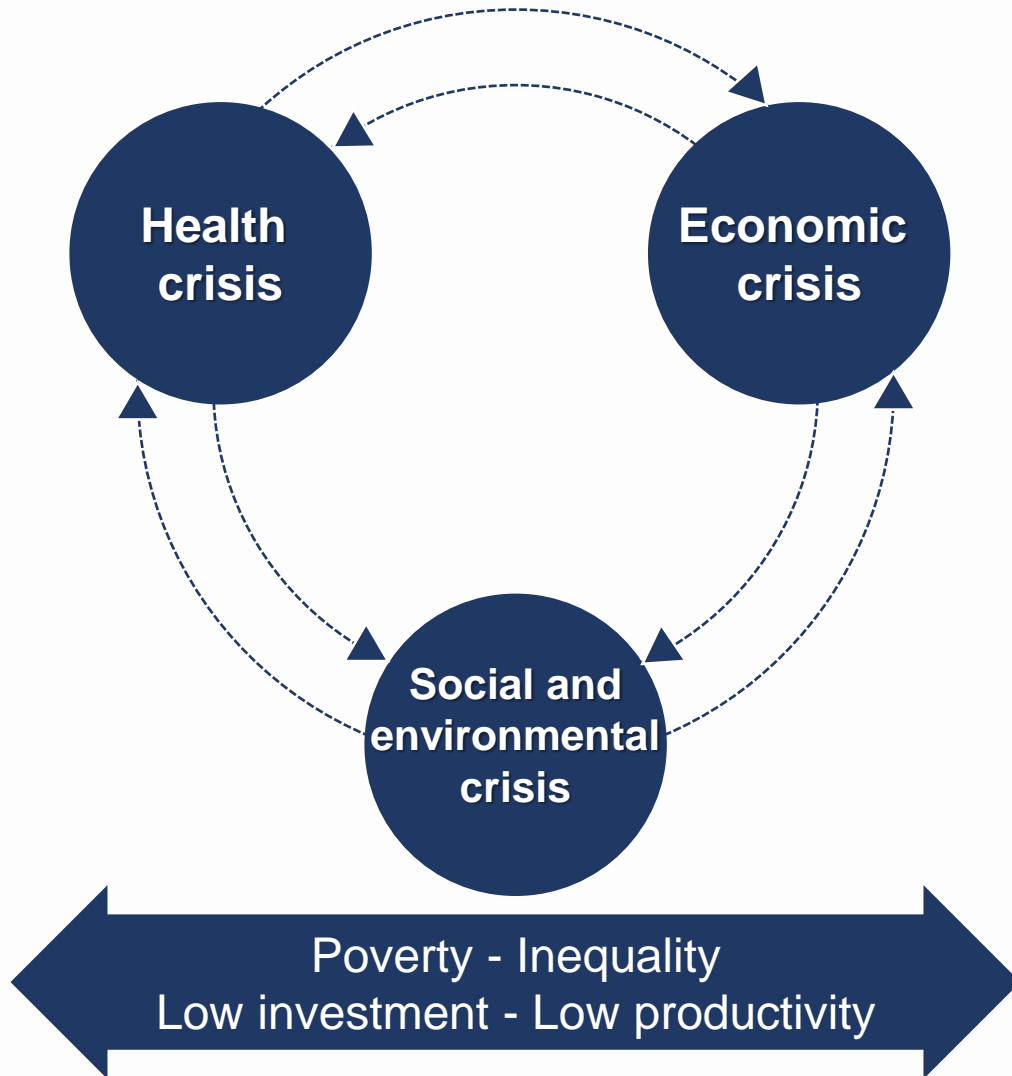
Meeting of the Regional Council for
Planning of the Latin American and
Caribbean Institute for Economic
and Social Planning (ILPES)

Virtual meeting, 19–21 October 2021

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



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



Resurgence of the false dichotomy between growth and environmental protection.



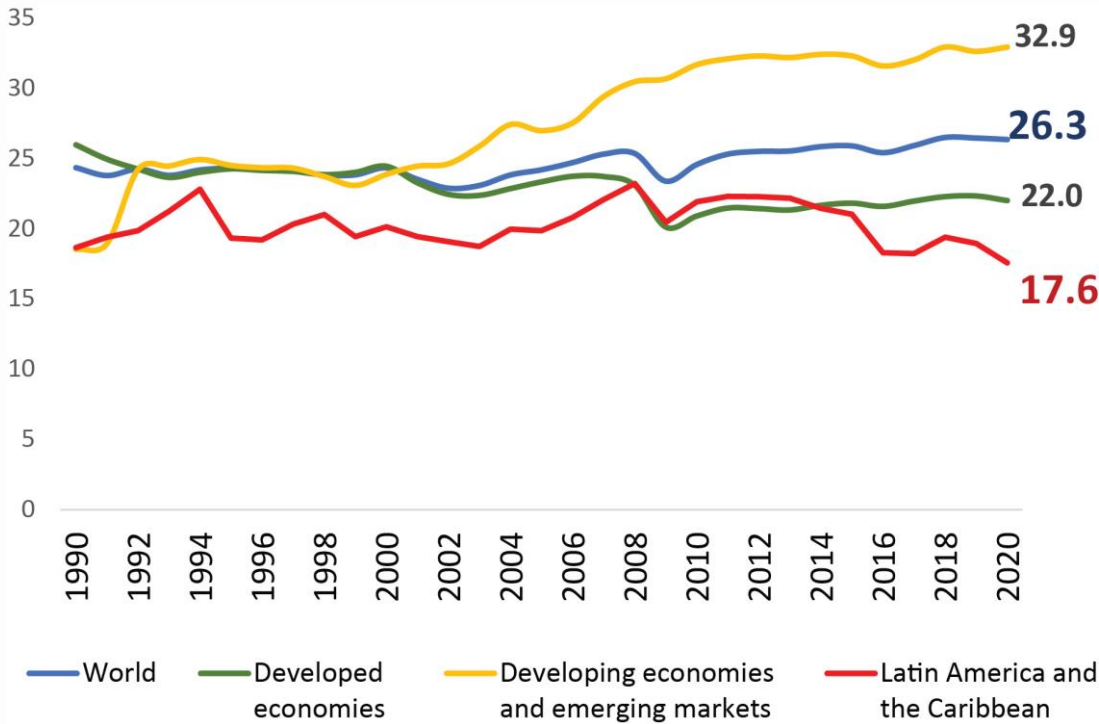
Spotlight on the key role of the State in the delivery of vaccines, emergency transfers to vulnerable persons, public investment in health systems and the financial sustainability of social protection systems, including health.



Fragmented action from institutions that lack resilience

Major gaps in public and private investment reflected in the weakening of public health and education services

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



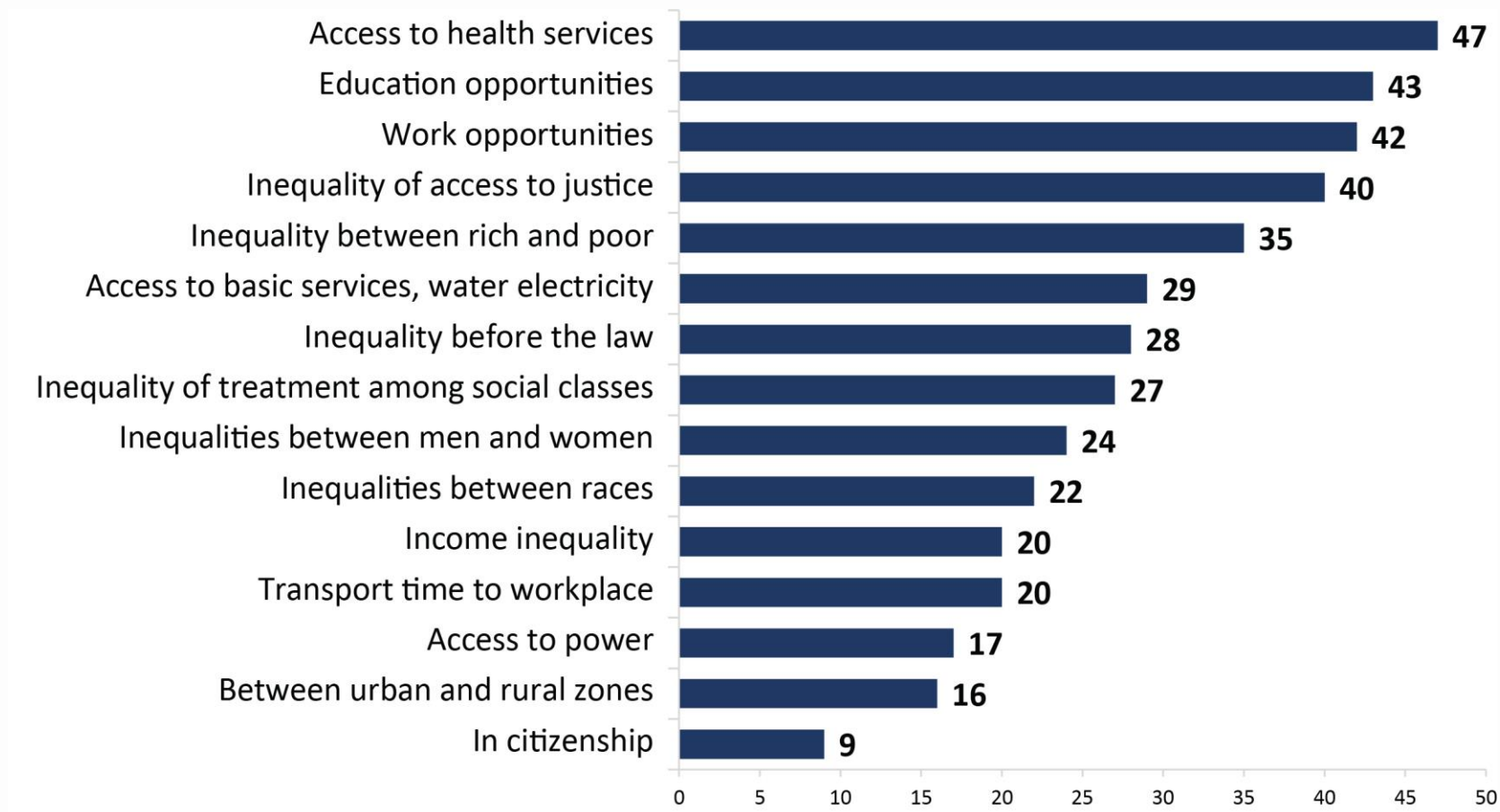
Boosting public investment would positively affect growth:

- 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.

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

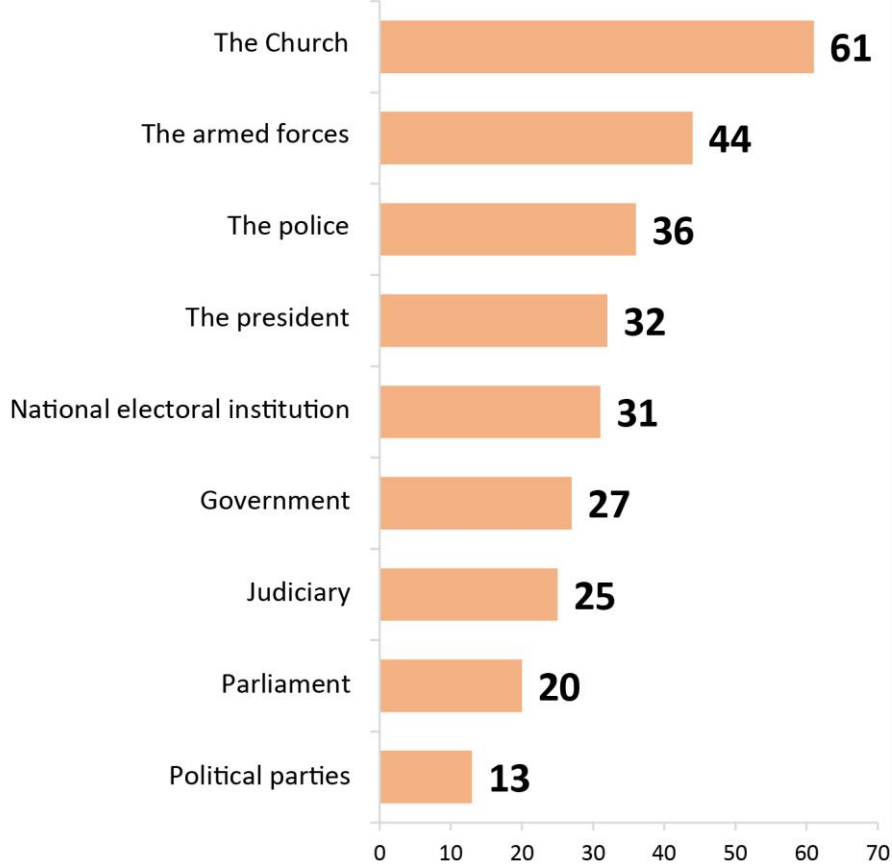
LATIN AMERICA (18 countries): Map of inequality, 2020



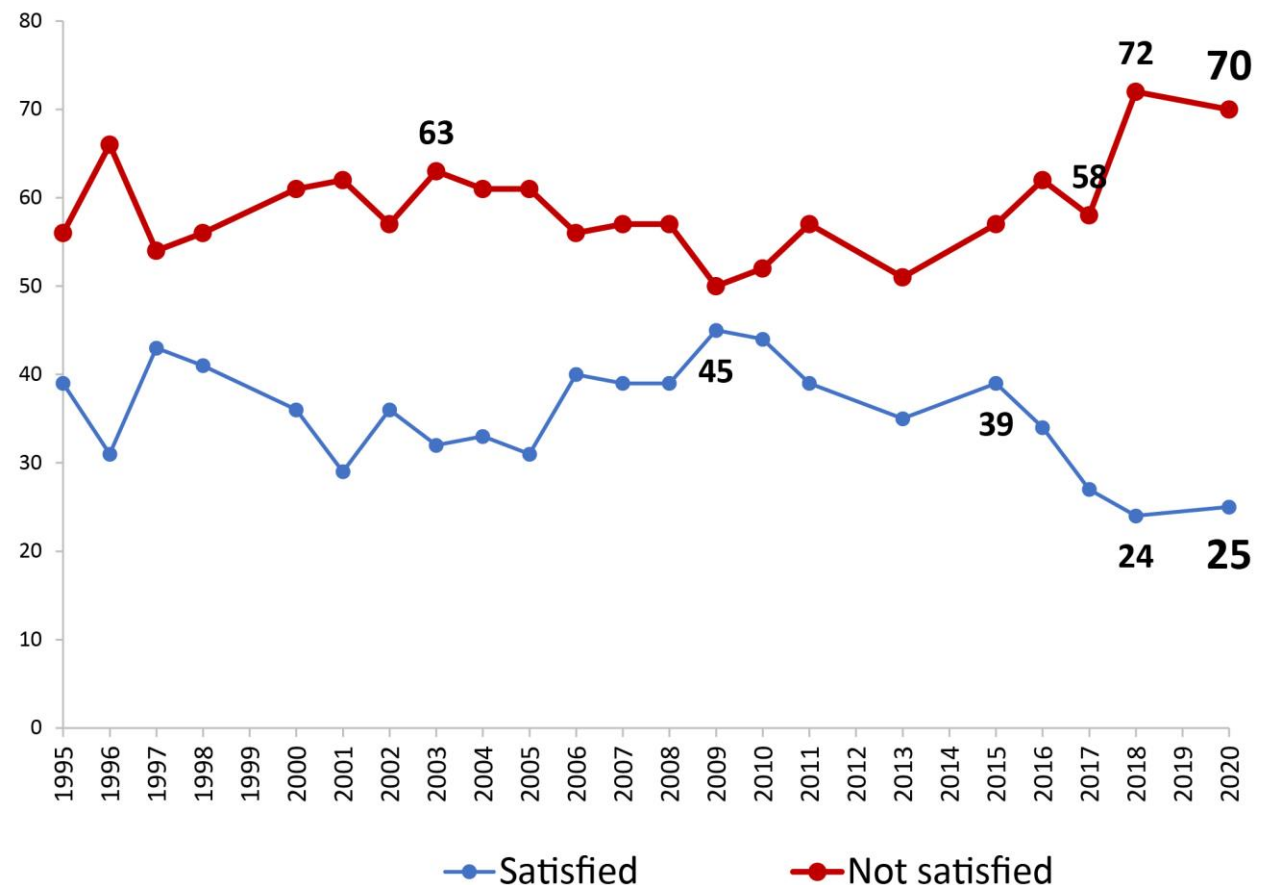
Source: Latinobarómetro 2020.

Citizens' deep distrust of institutions persists and undermines support of democracy

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



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



■ Planning authority with ministerial status

■ Planning authority attached to the Office of the President

Source: Regional Observatory on Planning for Development in Latin America and the Caribbean, September 2021.



**Proposal: build resilient institutions
for a transformative recovery, fostering
the transition to a development model
based on greater equality and sustainability**

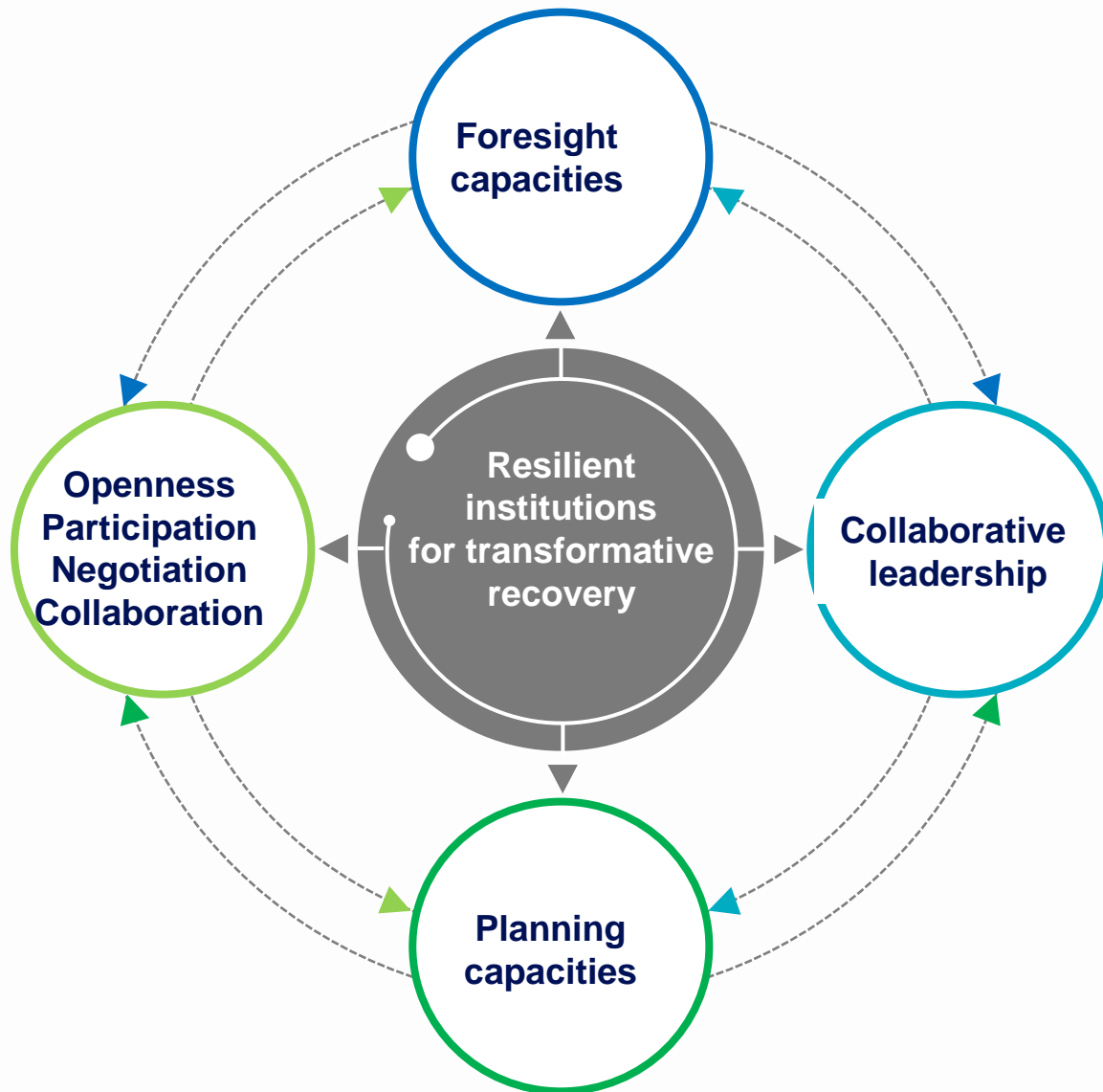
- Foresight capacities
- Openness, participation and negotiation
- Planning to integrate cross-cutting approaches
- New leadership

The big push for sustainability: eight strategic sectors to boost investment and reduce socioeconomic and gender inequalities



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

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

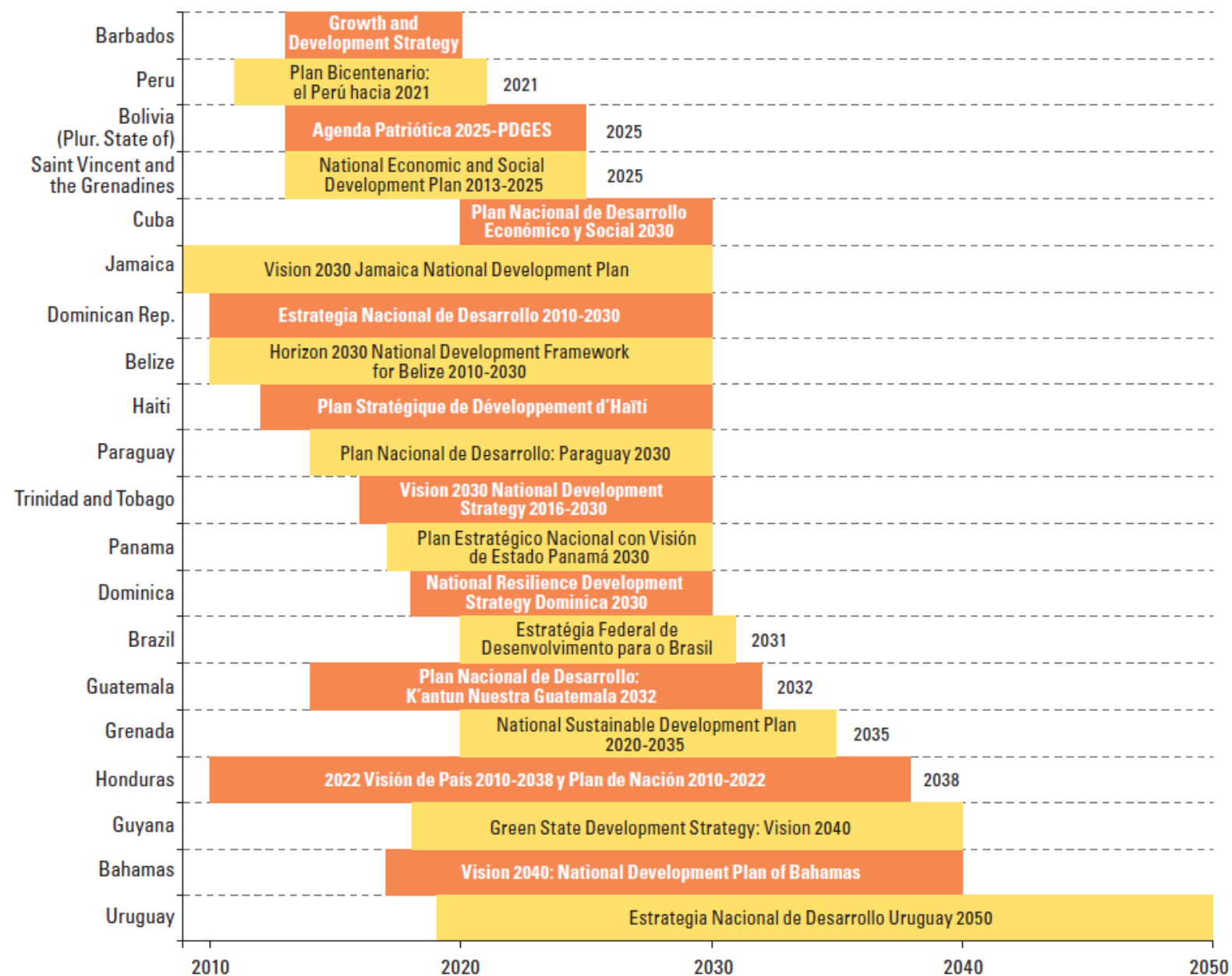
- Allows progress in **consensus** on strategic development sectors
- Allows the **anticipation of disruptive events** and the implementation of measures in the short and medium term
- Requires robust and interoperable **statistics systems**
- **Critical mass of capacities** in foresight being developed: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

Experience in foresight



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.

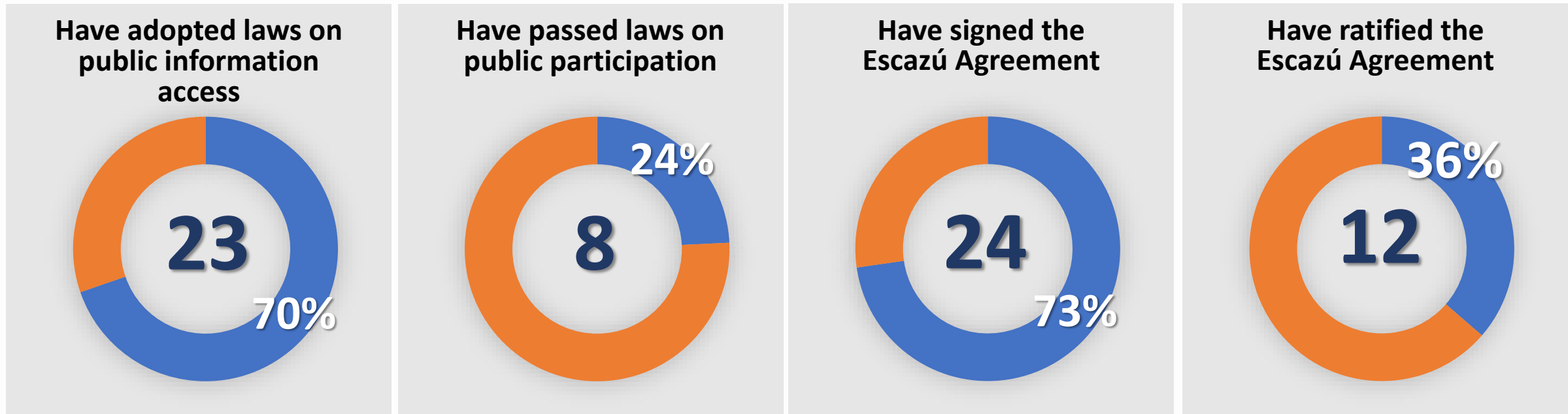




2. Capacities for dialogue, participation and negotiation

Participation and access to information strengthen trust in State decisions

Among 33 Latin America and the Caribbean countries:



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



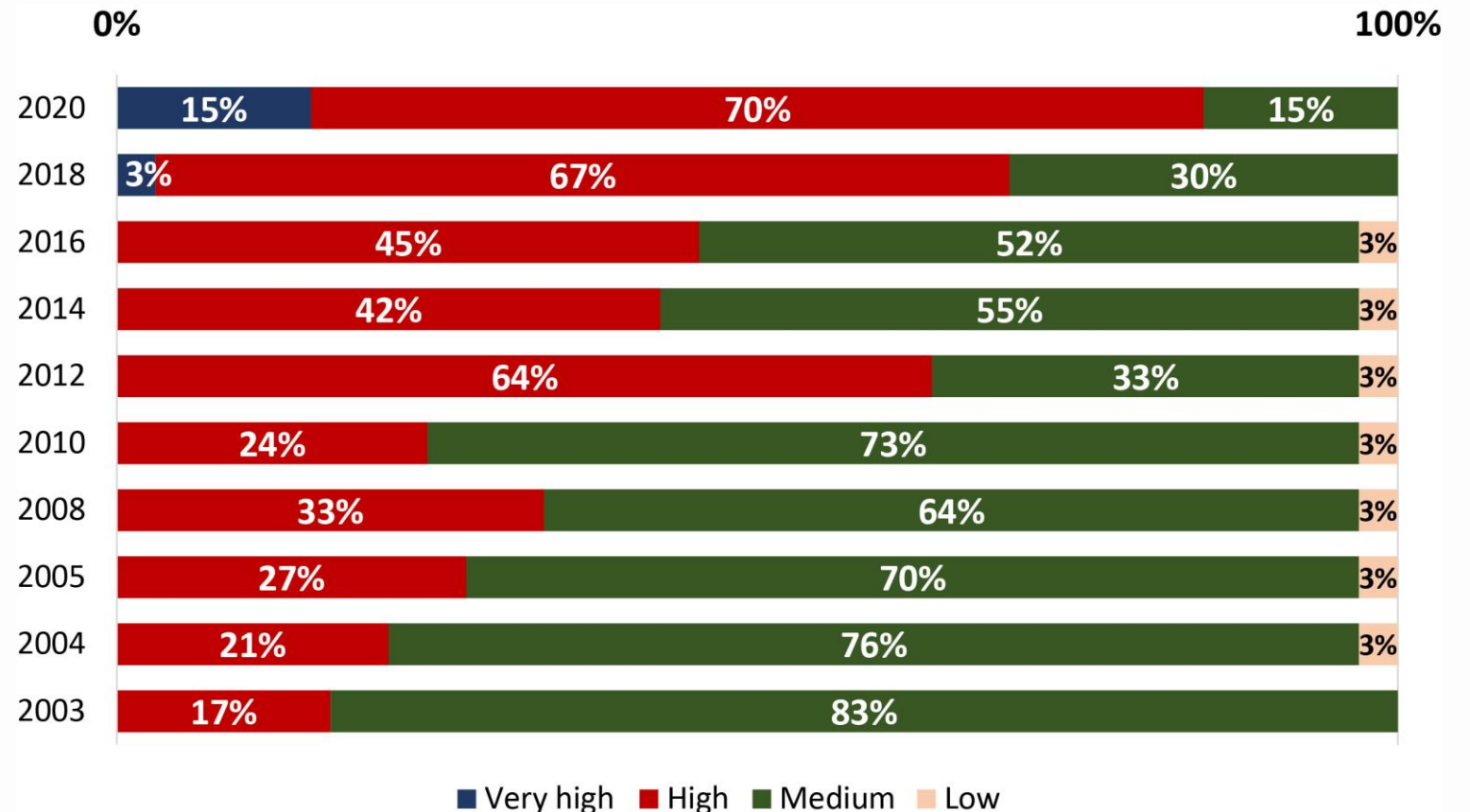
- **Open State (legislative branch, judicial branch)**
 - e.g.: Argentina, Costa Rica, Chile, Colombia, Honduras
- **Inclusion and the gender perspective**
 - e.g.: Argentina, Brazil, Colombia, Mexico, Uruguay
- **Environment/climate change**
 - e.g.: Costa Rica, Ecuador, El Salvador, Panamá

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.

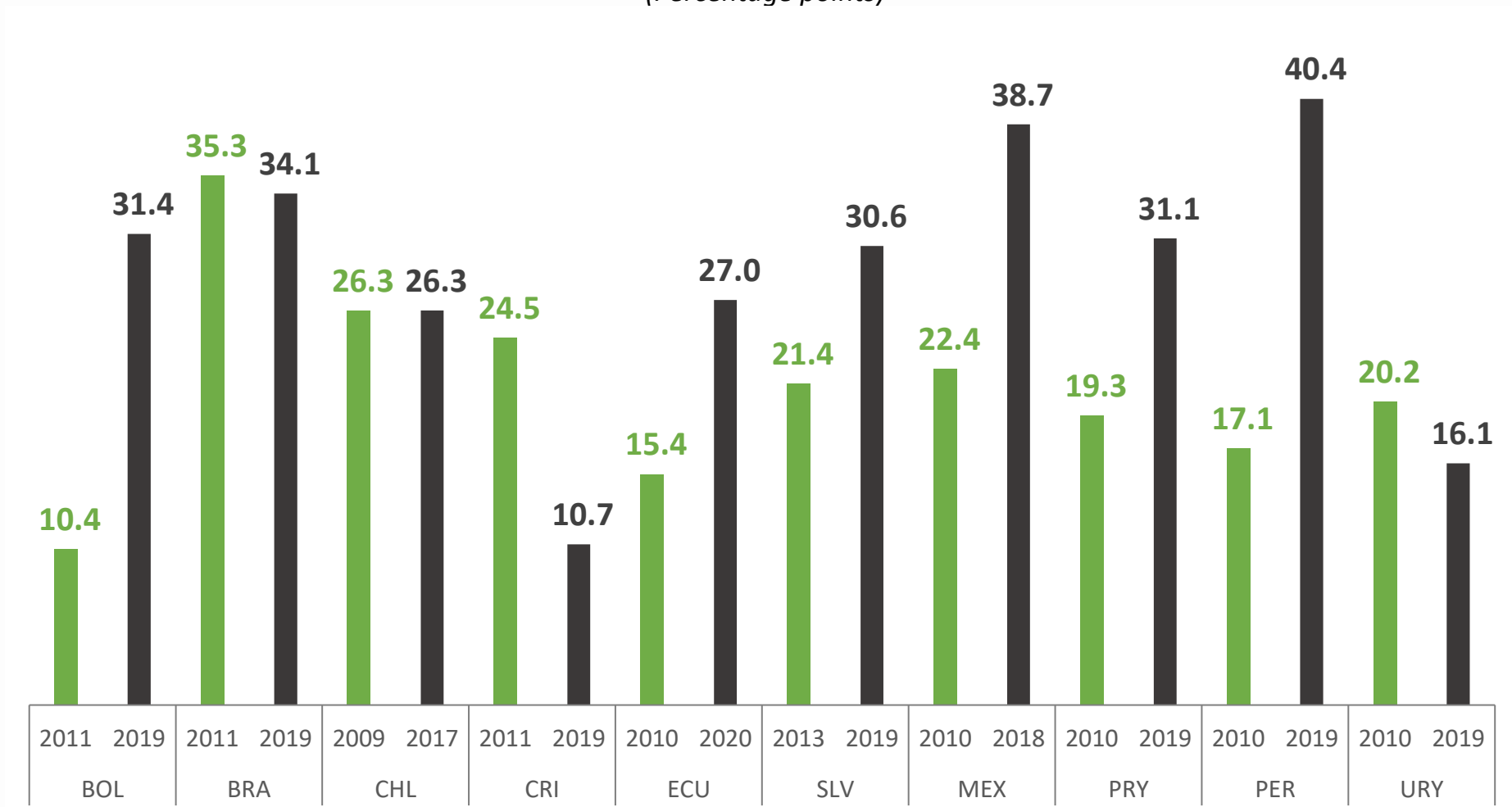
Latin America and the Caribbean (33 countries): countries having reached each level of the United Nations E-government Development Index, 2003–2020
(Percentage of countries)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, E-Government Survey, 2003-2020.

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)

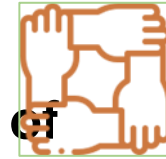


Source: ECLAC Regional Broadband Observatory (ORBA).

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



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



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



A collaborative model of local governance that, when solving public problems, forges partnerships with the private sector, academia and civil society.



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 geoportals for information at territorial-level

DATA BANK
Access CEPALSTAT statistical information

Search Indicators Find the indicator you need

Demographic and Social
Population, motherhood, employment, education, housing and basic services, health, social public expenditures, poverty, income distribution, and more.

Economic
National accounts, domestic prices, productivity and labour costs, balance of payments, trade, external sector, external debt, financial and monetary sector, and more.

Environmental
Physical conditions, ecosystems and biodiversity, environmental quality, energy resources, biological resources, water resources, emissions to the air, natural extreme events, and more.

Multi-Domain
SDGs, gender, cities, indigenous people and afro-descendant population, social cohesion, youth, ICTs, agricultural activity, and more.

REGIONAL AND NATIONAL STATISTICAL PROFILES
Selected indicators

REGIONAL PROFILES

Demographic and Social Economic Environmental Energy SDG

COUNTRY PROFILES

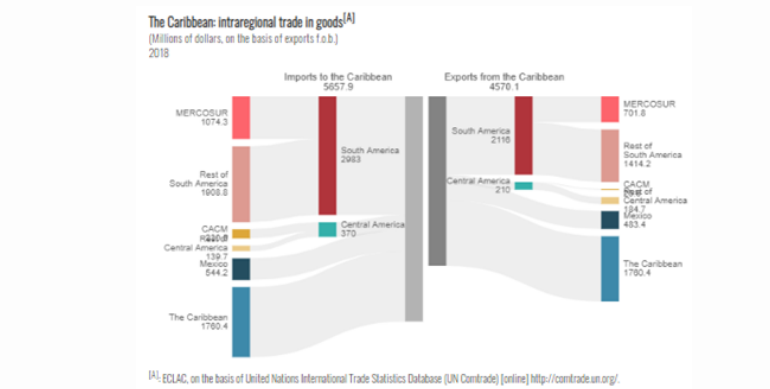
Demographic and Social Economic Environmental Energy Gender

Select Country

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SPATIALLY REFERENCED



Access the latest version of the Statistical Yearbook in its different versions.

- Web Version
- Electronic Version (Tables of the Statistical Yearbook)
- PDF Version

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

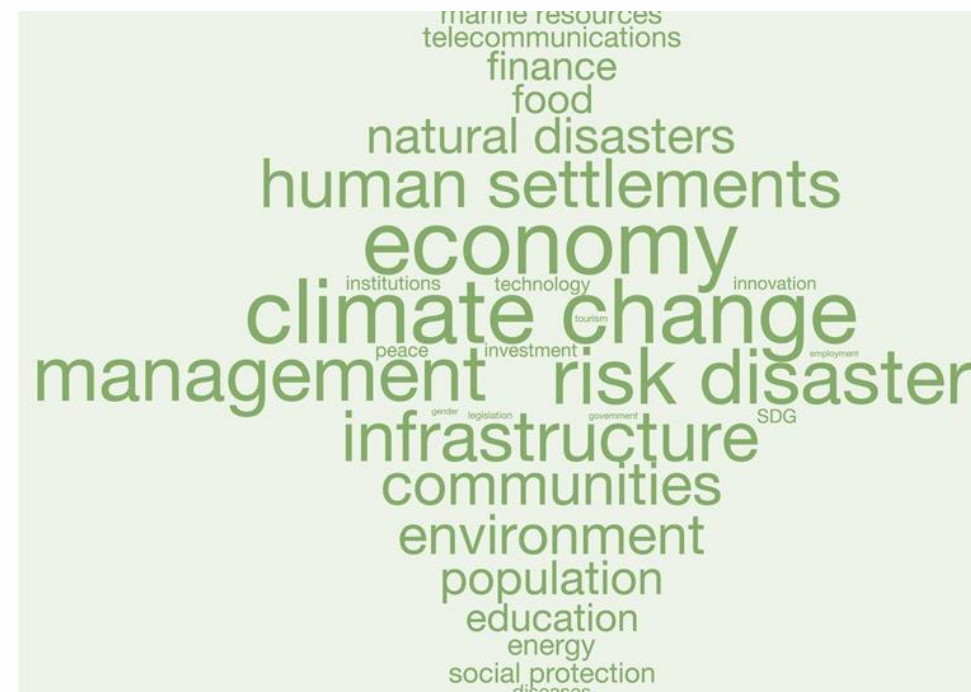
Mitigation of climate change and adaptation to it take place somewhere, and they require planning to respond to future crises

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).

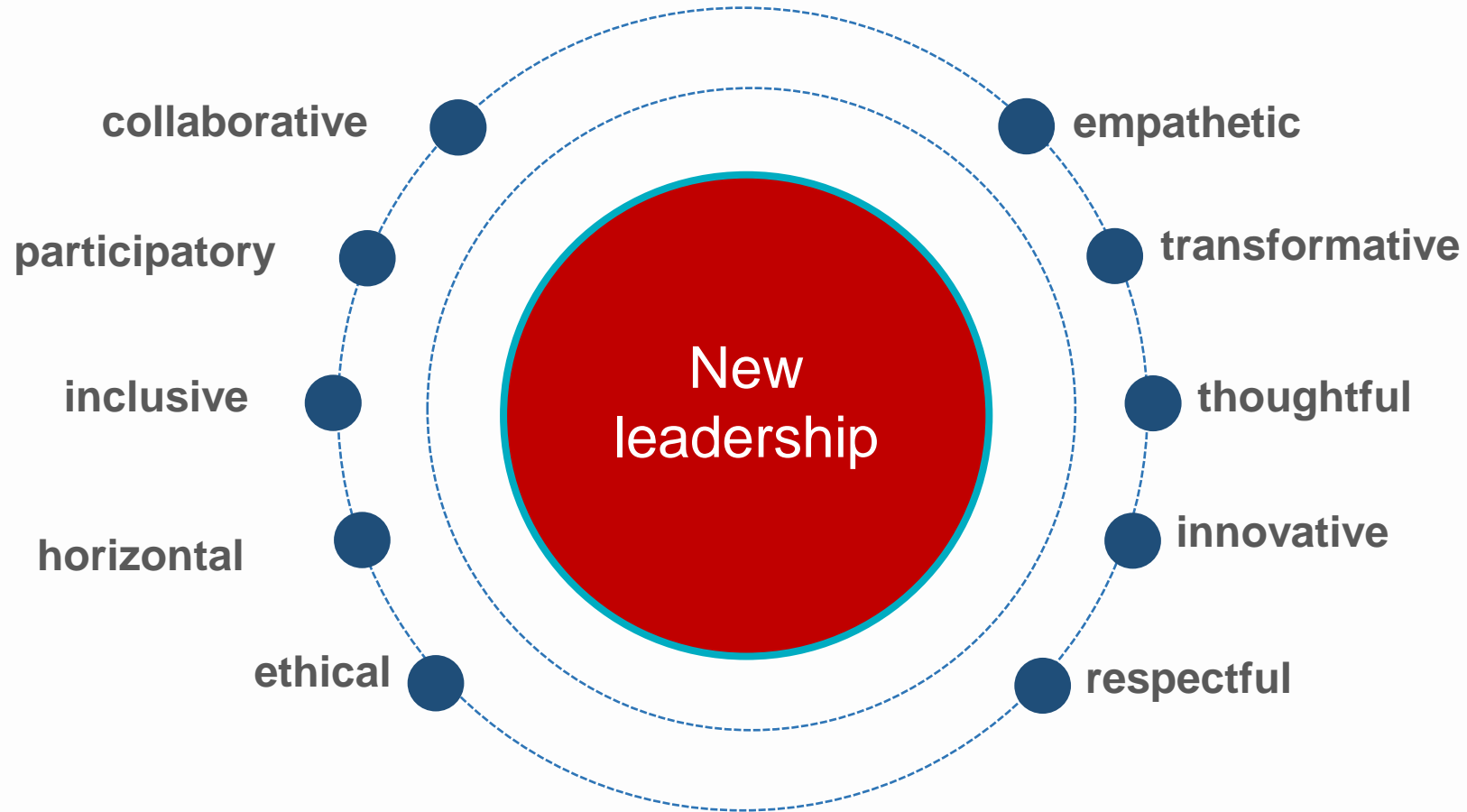
Note: for the word cloud for the term “resilience”, 12 of the 15 national long-term planning instruments of the countries of Latin America and the Caribbean were used, to analyse frequency. The result is for reference purposes.

Source: Regional Observatory on Planning for Development


The top portion of the image features a textured, abstract background with a color palette of warm earth tones, including shades of brown, orange, and red. Overlaid on this background is a white, stylized molecular or network structure consisting of interconnected circles and lines, resembling a chemical or biological diagram. Below this graphic, a solid dark red horizontal bar spans the width of the image.

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



	Old public administration	New public management	New public service
Conception of public interest	Politically defined and expressed in law	Aggregation of individual interests	Dialogue about shared values
To whom are public servants responsive?	Clients and constituents	Customers	Citizens
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

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of R. Denhardt and J. Denhardt, "The New Public Service: Serving Rather than Steering", *Public Administration Review*, vol. 60, No. 6.

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



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