43. Social policy in Latin America: two-tiered welfare regimes at a crossroads

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1. INTRODUCTION

Latin America has historically been both the world's most unequal region and a pioneer in the adoption of social policy among developing countries. The region's countries possess two-tiered welfare regimes in which two distinct social welfare systems, each targeting distinct segments of the population, operate side by side, almost independently from one another. At the risk of oversimplification, the economically better off, who tend to be employed in the economy's formal sector, have, since the middle of the twentieth century, had access to dependable and, in some cases, quite generous contributory social insurance, most notably pensions and health insurance. In contrast, lower-income people, who tend to be employed in the informal sector, have, since the late 1990s, relied on less generous, cash-based social assistance. Whereas the latter are highly redistributive (Cecchini et al., 2021; Stampini et al., 2023), the former are, at best, neutral in terms of their effect on income distribution. Several contributory programs, most notably pensions, are highly regressive (Lindert et al., 2006).

Social policy, poverty, and inequality greatly improved during the first two decades of this century. Buoyed by an influx of fresh resources from a once-in-a-generation commodity boom, governments across the region increased social spending by more than a third during 2000–2019.[1] In addition to bolstering contributory social insurance programs, the additional resources made possible the creation and expansion of large-scale, non-contributory anti-poverty programs. The most notable of these programs are conditional cash transfers (CCTs), which award low-income families regular stipends conditional on their children attending school and/or getting regular medical check-ups, and non-contributory pensions (NCPs), which provide retirement benefits to mostly low-income older adults.[2]

The combination of booming domestic economies and more generous social policy had the effect of reducing poverty and inequality. Average poverty (measured at $6.85 a day) has fallen from over half of the region's population during 1981–2000 to below 30% every year since 2014, including the two COVID-19 pandemic years.[3] The bulk of this decline occurred during 2003–2013. During those years, which featured fast growth and rapidly expanding cash-based anti-poverty programs, regional poverty declined about 40% from 49.5% to 30.4%. Despite the region's subsequent economic underperformance, poverty declined every year from 2014 until 2020, albeit at a slower rate.[4]

Since the 1990s, inequality has followed an "inverted U-shape." It increased in the 1990s in the aftermath of the 1980s debt crisis and neoliberal reforms only to decline steadily during the first 15 years of this century. The declines were unprecedented both for their magnitude (Alvaredo et al., 2024, p. 38), and because they occurred as inequality was increasing in industrialized countries and China and India, the two largest emerging economies (Lustig et al., 2013, p. 130). Although inequality declined throughout the region, declines were larger in countries governed by left-wing presidents and do not appear to have been greater among more commodity-dependent economies (Feierherd et al., 2023).

The end of the boom and subsequent stagnation brought an end to these improvements. Average social spending remained largely unchanged from 2015 until the eve of the pandemic. CCT and NCP coverage also stopped growing during the second half of the 2010s (Figueroa & Holz, 2024). More than a quarter of Latin Americans still live in poverty. The regional decline in inequality came to an end in the mid-2010s with countries diverging: inequality rising again in some, while flattening out or continuing to decline but at a slower rate in others (Alvaredo et al., 2024, p. 38).

Social policy has a central role to play in cementing the improvements in poverty and inequality achieved during the 2000s and in making additional progress toward building more equitable societies. Accomplishing these goals, however, will require making politically-contentious decisions regarding the coverage, targeting, and generosity of non-contributory programs, the relationship between contributory and non-contributory programs, tax policy, and education quality.

This chapter is organized as follows. The next section discusses the historical evolution of social policy in Latin America, emphasizing the two-tiered structure of the region's welfare regimes. This is followed by three sections discussing the recent evolution and current state of the three main dimensions of social policy: social spending, contributory social insurance, and non-contributory social assistance. The chapter concludes with a discussion of the main political challenges and trade-offs politicians must overcome to continue reducing poverty and inequality in the coming decades.

2. TWO-TIERED WELFARE REGIMES

Because of high inequality, poverty in Latin America is more severe than would be expected based on economic development alone. As an example, the region's gross domestic product (GDP) per capita at purchasing power parity in 2023 was only slightly lower than that of East Asia and the Pacific (excluding high-income countries) – \$18,631 versus \$19,173 (World Bank, 2024). Despite this, the share of Latin Americans living on less than \$2.15 a day was three-and-a-half times that of East Asia (4.2% vs. 1.2%). This pattern held, though was less severe, when poverty was measured at \$3.65 a day – 7.6% versus 10.6%, 40% higher. Asia's poverty rate surpassed Latin America's when poverty was measured at \$6.85 a day (32.5% versus 28.0%) (Castaneda Aguilar et al., 2024).

Despite its uneven income distribution, Latin America has been a social policy pioneer among developing regions. Social policy initially expanded during the first half of the twentieth century as organized groups, most notably the military, bureaucrats, and unions, succeeded in extracting benefits from governments; and, reciprocally, governments used benefits to co-opt those groups (Mesa-Lago, 1978). Starting in the late 1990s, a now overwhelmingly democratic Latin America once again became a social policy pioneer, this time for the adoption of cash-based anti-poverty programs. The most important of these are CCTs targeting children and NCPs targeting older adults. Today, both tiers of social policy coexist side by side, almost independently from one another.

The piecemeal manner through which organized groups obtained social benefits explains the "deep but not wide" (Haggard & Kaufman, 2008, p. 12) or "truncated" (Holland, 2018;

Lindert et al., 2006) nature of the region's welfare regimes. Until the 1990s, social policy in most countries consisted of robust social insurance benefits for the minority of workers employed in the formal sector and, at best, minimal safety nets for the rest of the population. As a result, social policy did little to ameliorate income disparities (Goñi et al., 2008; Holland, 2018, p. 563). In fact, *some social insurance programs actually worsen inequality* (Lindert et al., 2006, Ch. 4).

This "Latin American model" of social policy is an imperfect facsimile of Esping-Andersen's (1990) conservative welfare regime. Barrientos (2009) classifies the region's welfare regimes as conservative/informal. They are conservative in that a household's social insurance is linked to the employment of an assumed male breadwinner. However, they are informal in that they exclude the substantial portion of the workforce employed in the informal sector. It was assumed that, as the region modernized, labor market outsiders would be absorbed into industry and thus qualify for contributory programs. This never occurred and today roughly one-half of workers are informally employed.

The existence of this Latin American model obscures the existence of major cross-national differences. The Southern Cone countries, most notably Argentina, Chile, and Uruguay, and later Costa Rica, developed and continue to possess the region's most extensive and generous social policies.[5] Cross-national differences have been attributed to the length of countries' democratic trajectories, as well as the historic strength of left-wing parties and unions (Haggard & Kaufman, 2008; Huber & Stephens, 2012; Segura-Ubiergo, 2007). Conversely, poorer countries with limited democratic experience such as the northern Central American countries and Paraguay are relative social policy laggards.[6] Welfare leaders are also among the region's most ethnically homogeneous countries (Pribble, 2011, p. 206).

Starting in the late 1990s, democratically-elected governments from across the ideological spectrum began adopting cash-based anti-poverty programs, most notably CCTs and NCPs (Arza et al., 2022; Garay, 2016). These programs, which, respectively, cover roughly a fifth of households and a quarter of people over 65, were major drivers of the declines in poverty and inequality achieved during the 2000s (Cecchini et al., 2021; Figueroa & Holz, 2024; Lustig et al., 2013; Stampini et al., 2023). These results owe more to efficient targeting than to transfer generosity, which is modest compared to that of contributory programs.

3. SOCIAL SPENDING

Spending data are the natural place to start analyzing social policy. During 2000–2019, average total social spending in the region relative to GDP increased by a third, from 8.4% to 11.3%. Growth, however, was much faster during the first of those decades (24% during 2000–2009 versus 10% during 2010–2019). This expansion coincided with increasing democratic political competition (Garay, 2016), including from a revitalized left (Huber & Stephens, 2012), in a context of abundant fiscal resources generated by a once-in-a-generation boom. Despite this, spending levels remain low compared to those of industrialized countries. Members of the Organization for Economic Cooperation and Development on average spent 20.1% of GDP on social spending in 2019 (OECD, 2024).

Healthcare spending grew the most, increasing by half from 1.5% to 2.3% of GDP. The other main spending categories increased by a third. Social protection spending, which includes both the most regressive policies, such as contributory pensions, and the most progressive policies, such as CCTs and NCPs, increased from 3.2% to 4.2% of GDP. Education spending increased from 3.1% to 4.0% of GDP.

Regional averages obscure dramatic cross-national differences. In 2019, average total social spending among historical welfare leaders (Argentina, Chile, Costa Rica, and Uruguay) was 60% higher than among the historical laggards (Paraguay and the four northernmost Central American countries) (14.5% versus 8.9% of GDP). Further, the gap between these groups increased during 2000–2019. Spending also tends to be higher among commodity-dependent countries.[7] Those countries spent on average 13.1% of GDP on social policy in 2019 compared to 9.1% among the remaining countries. The gap between these groupings also grew during 2000–2019.

Looking at specific countries, Argentina and Brazil spent the most on social protection. Both dedicated more than 10% of GDP a year to that category during the 2010s, compared to a regional average of about 4%. This is explained by their public contributory pension systems, which have among the region's highest coverage and replacement rates (Mesa-Lago, 2021, pp. 47 and 73). Brazil is one of only a handful of countries to have never fully or partially privatized its pension system. Argentina re-nationalized its fully private pension system in 2008, causing social protection spending to nearly double by 2016. The fiscal sustainability of these systems will be challenged by aging – both countries are undergoing "advanced aging," meaning 15–20% of the population is over 60 (Mesa-Lago, 2021). Chile, the healthcare spending leader, spent twice the regional average during the 2010s (4.2% versus 2.0% of GDP a year). This is a recent phenomenon, resulting from a 2005 reform guaranteeing universal coverage for 80 common health conditions. Health spending nearly doubled between the program's launch and 2019. Costa Rica leads in education spending, having spent upward of 6% of GDP a year during the 2010s versus a regional average of 3.7%. Spending, however, does not guarantee results. Peruvian secondary school students performed comparably to their Costa Rican counterparts in the 2022 Programme for International Student Assessment (PISA) exam despite Peru spending close to the regional average (OECD, 2023, p. 29).

Social spending strongly reflects path dependence: social policy pioneers (as well as late bloomer Costa Rica) continue to be the highest spenders. The most robust determinant of spending levels appears to be time spent as a democracy (Huber & Stephens 2012).[8] Reviewing the quantitative literature on social spending determinants, Flechtner and Sánchez-Ancochea (2022, p. 259) find that most explanations "have been inconclusive: for example, leftist parties, trade openness, or urbanization [a proxy for modernization] have a positive, neutral, or negative effect on social spending, depending on the studies." Further, Flechtner and Middelanis (2024) find that the commodity boom was neither necessary nor sufficient for explaining increased spending so far this century.

Spending levels ramped up significantly in response to the pandemic. Total spending increased by nearly a quarter in 2020 before decreasing somewhat in 2021. Social protection, which included emergency transfers for the unemployed and temporary expansions of existing transfers, increased by 40%. Healthcare spending rose by almost a quarter. In contrast, education spending increased by only 5%. All three types of spending decreased sharply after the pandemic. However, social protection and healthcare spending levels remained higher in 2023 than before the pandemic.

4. CONTRIBUTORY SOCIAL INSURANCE

The bulk of social spending goes to contributory social insurance programs, primarily pensions but also health insurance. Applied to countries with high levels of labor informality, such as those of Latin America, contributory social policy results in very limited income redistribution (Goñi et al., 2008). In fact, the region's social insurance policies have been described as "reverse Robin Hood" because they often redistribute wealth from the poor to the rich (Lindert et al., 2006). This occurs because contributory benefits paid out by governments regularly exceed contributions from payroll taxes. By virtue of paying consumption taxes, informal-sector workers excluded from social insurance are net contributors to those programs. Notably, analyzing eight countries, Lindert et al. (2006) find that more than half of general revenue subsidies to social insurance reached the top quintile, while only 2% went to the bottom quintile.

Contributory pensions are by far the region's most expensive social program and represent the bulk of social protection spending. Looking at 17 countries, Arenas de Mesa et al. (n.d.) find that only 57% of people over 65 received contributory pensions in 2021. There is also a gender gap, with 60% of men receiving pensions compared to 53% of women. Based on 2021 household surveys from eight countries, Figueroa and Holz (2024, p. 44) find that only 47% of the economically active population pays into pension systems. Whereas nearly three-quarters of workers in the highest decile contributed, only 7% of those in the bottom decile did. Only one-fifth of rural workers contributed compared to half of urban ones. The share of the workforce contributing was highest in Uruguay, Costa Rica, and Chile (about two-thirds) and lowest in Bolivia, Guatemala, and Honduras (less than a fifth) (Mesa-Lago, 2021, p. 46).

Only a handful of countries have unemployment insurance. Rather than *protect workers* who lose their jobs, most governments *protect jobs* by making firing formal-sector employees difficult and expensive. This has the undesirable effect of incentivizing labor informality (Levy & Cruces, 2021, p. 40). The few countries with unemployment entitlements fail to cover most formal-sector workers, let alone informal-sector ones. Such programs covered only 13% of unemployed Latin Americans in 2021, compared to 61% of Europeans. Among the seven countries with unemployment schemes, coverage was highest in Uruguay (31%) and Chile (24%) and below 10% in Argentina, Ecuador, and Venezuela (Figueroa & Holz, 2024, p. 45).

Healthcare systems also exhibit important failings. Brazil and Costa Rica, which have universal healthcare with a single public insurer that covers everyone, regardless of contributions, are regional outliers. Remaining countries combine contributory public systems for formal-sector workers and generally lower-quality, non-contributory schemes for labor-market outsiders. Out-of-pocket expenditures represented nearly a third of the region's healthcare expenditures or about 2.2% of GDP in 2017. At over 50%, the share of out-of-pocket expenditures was highest in Guatemala and Honduras. Further, an estimated 8.7% and 1.6% of the region's households, respectively, spent more than a tenth and a quarter of their budgets on out-of-pocket healthcare expenditures (Figueroa & Holz, 2024, p. 60).

5. NON-CONTRIBUTORY SOCIAL ASSISTANCE

Non-contributory programs spread rapidly during the 2000s, becoming the second tier of the region's welfare regimes. These programs provide safety nets for low-income people and informal-sector workers, groups excluded or, at least, underserved by contributory social programs. Notably, whereas about 80% of contributory pensions are spent on the richest 40% of the population, about three quarters of CCT stipends go to the poorest 40% (Goñi et al., 2008, p. 289). In contrast to traditional policies, which have reflected the interests of urban groups (Haggard & Kaufman, 2008), CCTs and NCPs have a rural bias (Robles et al., 2019).

Widely lauded as the most effective anti-poverty innovation in recent decades, CCTs relieve poverty in the short term by boosting household incomes. In the long term, by keeping beneficiary children in school and in good health, CCTs should (in theory) improve beneficiaries' future employment prospects. A homegrown Latin American innovation, these programs first emerged in Brazil and Mexico in the late 1990s before spreading across Latin America (Borges, 2022; Sugiyama, 2011) and the world. A voluminous body of research reports that, in addition to reducing poverty, transfers positively impact school enrollment, attendance and grade completion, and reduce dropout rates and child labor (see for example, Borges, 2021).

By 2019, CCTs covered more than 130 million people, slightly more than one in five residents (22%) of 21 Latin American and Caribbean countries. After expanding dramatically during the early 2000s, coverage peaked in 2010 at 23% of the population (about 136 million people) before hovering near 21% prior to the pandemic. Average national spending on these programs peaked in 2014 at 0.30% of GDP before falling to 0.22% of GDP in 2019.

Based on household surveys of 15 countries, Cecchini et al. (2021, p. 19) estimate that, in the absence of CCT programs, extreme and total poverty (measured at national poverty lines) in 2017 would have been higher by 13% (0.7 pp, 3.4 million people) and 5.1% (0.8 pp, 3.9 million people), respectively. These effects are all the more remarkable considering that regional CCT expenditure that year averaged just 0.24% of GDP. This was roughly 2% of average social spending or about 6% of average social protection spending in the region that year.[9] The largest declines in extreme poverty occurred in Uruguay (50%) and Brazil (24%). The smallest occurred in Bolivia (2%) and Honduras (0.5%) (Cecchini et al., 2021, p. 19).

Simultaneous to the expansion of CCTs, countries across the region adopted NCPs targeting older adults excluded from contributory pensions. By 2019, these programs covered 12.6 million, mostly poor, people over 65 or roughly a quarter of that population across 24 Latin American and Caribbean countries. Coverage expanded steadily during the 2000s, crossing the 10% threshold in 2007 and hovering above 20% since 2013. Average national spending on NCPs has grown steadily, reaching 0.48% of GDP in 2019. This was more than double CCT spending but only about 4% of average social spending and 11% of average social protection spending in the region that year.[10]

Despite covering far fewer people than CCTs, NCPs, because of their greater generosity, are responsible for pulling more people out of poverty. Based on household surveys of 13 countries, Cecchini et al. (2021, p. 20) estimate that, in the absence of such programs, extreme and total poverty (measured at national poverty lines) in 2017 would have been higher by 11.9% (0.8 pp, 3.9 million people) and 4.8% (0.9 pp, 4.4 million people), respectively.[11] The largest declines in extreme poverty occurred in Uruguay (50%) and Chile (33%). The smallest occurred in El Salvador (2%) and the Dominican Republic (no impact) (Cecchini et al., 2021, p. 20).

By providing an income floor for the poorest, these transfers likely prevented poverty from spiking in the years following the commodity boom. More systematically, looking at 15 countries, Cecchini et al. (2021, p. 16) estimate that, in the absence of such programs, extreme and total poverty (measured at national poverty lines) in 2017 would have been higher by about a quarter (1.7 pp, 9.2 million people) and a tenth (2.0 pp, 10.9 million people), respectively.[12]

The effects of transfers on poverty are a function of program coverage and generosity. Around 2017, Brazil, Costa Rica, and Paraguay provided the most generous non-contributory transfers, while Colombia, the Dominican Republic, and Bolivia provided the least generous. Coverage was highest in Bolivia, Panama, and Chile and lowest in Paraguay, Honduras, and El Salvador (Cecchini et al., 2021, p. 13). That Bolivia stands out for both the highest coverage and the lowest generosity points to a tradeoff between these objectives. Analyzing the politics of CCTs, Borges (2022) finds that left-wing presidents, though no more likely to adopt programs than right-wing or centrist ones, adopt programs that are more generous, universalistic, and permissive in their conditionality enforcement. Left-wing presidents also tend to reform programs they inherit in line with those goals. Ciccia and Guzmán-Concha (2023) find that NCP expansion during the 2010s was greater in countries that experienced sustained protest cycles combined with either high levels of political competition or left-wing legislative control.

Due to their simplicity and effectiveness, both programs were central to the region's pandemic response. CCT coverage increased by almost a fifth, to 25.9% of the population, in 2021. NCP coverage increased by nearly a tenth to 26.7% of the over-65 population. It remains to be seen if coverage will fully revert to pre-pandemic levels.

Non-contributory programs, however, are no panacea. CCTs have, at best, a minimal impact on learning outcomes (García & Saavedra, 2022). They are keeping more students in school for longer. Yet low education quality is preventing those students from acquiring the skills needed to break the intergenerational cycle of poverty. Twelve of the 13 Latin American countries that participated in the 2022 PISA exam scored below what would be expected based on their per capita GDP and all scored in the bottom half of participating countries.[13] Low quality education likely explains why the long-term labor market and income effects of CCTs are inconclusive or, at best, modest (Molina Millán et al., 2023, p. 142).

Worryingly, the expansion of non-contributory pensions and health insurance risks incentivizing informality, and thus potentially reducing economic growth and productivity. Contributory programs are funded through payroll taxes on workers and firms. Employers may be more likely to remain off the books to avoid payroll taxes when non-contributory programs cover employees' social insurance needs. Workers may also prefer this arrangement since they could pocket some of what would have been deducted from their paychecks. Since the odds of being fined for tax avoidance increase with firm size, firms seeking to free-ride off non-contributory programs will choose to remain small. Due to their size, lack of access to credit, and limited investment in worker training, informal firms exhibit lower productivity than formal ones. Collectively, thousands of firm-level decisions could have noticeable macro effects (Levy & Cruces, 2021, p. 138).

6. CONCLUSION

Latin American social policy is at a crossroads. After notable improvements during this century's first 15 years, levels of poverty, inequality, social spending, and cash transfer coverage have largely stagnated. Further improvements will require governments to make politically difficult decisions.

Governments could try to continue down the path they followed in the 2000s: bolstering the non-contributory tier while leaving the contributory tier unchanged. This would require some combination of better targeting and increased coverage. In many countries, the combined rosters of CCTs and NCPs now surpass the number of people living in poverty. Yet these programs still suffer from significant targeting errors (Robles et al., 2019; Stampini et al., 2023). In 2019, less than half of the region's poor lived in households with at least one transfer recipient. Further, on average, two-fifths of beneficiaries had incomes above the poverty line (Stampini et al., 2023, pp. 14–16).

Extending coverage to the excluded poor would require aggressive (and costly) efforts to track down and enroll eligible households, particularly in remote rural areas, as well as better adapting enrollment rules to the needs of families with precarious incomes who tend to cycle in and out of poverty (Robles et al., 2019). Funding for this could be freed up by adopting a more proactive approach to "graduating" non-poor beneficiaries. However, revoking the benefits of tens of millions would be politically unpopular. Further, most non-poor beneficiaries remain vulnerable to falling into poverty during hard times.

Given this, the solution might be to spend more. There are two ways of achieving this: "redistributing" funds from contributory to non-contributory programs and increasing tax collection. However, one reason why the second pillar's creation did not generate a political backlash is that its benefits were positive sum. The new policies were layered on top of the old ones and the beneficiaries of legacy policies were unaffected (Holland & Schneider, 2017). Taking from beneficiaries of regressive contributory programs to give to beneficiaries of progressive non-contributory ones would pit the poor against the better-organized middle class. Raising additional revenue would be just as contentious. Non-contributory programs have been funded mainly by consumption tax increases. Further tax increases would require raising income taxes, which the rich would resist (Holland & Schneider, 2017, p. 992).

If funding obstacles were overcome, further decreases in poverty and inequality could be achieved by increasing stipend generosity. But, if non-contributory benefits, especially pensions and healthcare, become *too* generous, more workers may choose informality over the highly-taxed formal sector (Holland & Schneider, 2017). Further incentivizing employment and business creation in the low-productivity informal sector would have pernicious effects on the region's economies (Levy & Cruces, 2021). And, it is ultimately growth, not social policy, that is the main driver of poverty reduction. Related to this, governments should move away from labor laws that *protect jobs* and toward ones that *protect workers from the risk of job loss*. Adopting and expanding unemployment insurance, however, would be expensive and involve major political fights with organized labor and probably the left.

These challenges increase the appeal of "kicking the can down the road." But that may not be possible. Aging will challenge the sustainability of pension and healthcare systems. The region's over-65 population will surpass its under-19 population around 2035, and workforce growth will slow significantly starting around 2050 (CEPAL, 2025). Contributory pensions are already the most expensive social programs and NCPs are significantly more expensive than CCTs. This demographic reality will require an unpopular combination of pension reform, tax increases, and austerity.

Funding those obligations while further reducing poverty and inequality will also require a skilled workforce, something that CCTs alone cannot provide. Major reforms are needed to improve public education quality. Yet, as Holland and Schneider (2017, p. 1000) note, "quality-enhancing reforms are hard, given that they require long time horizons, investments to build stronger bureaucracies, and in some cases reforms that run afoul of powerful interest groups like teacher unions." The issue's politics are further complicated by the fact that much of the middle class has already exited the public education system.

The region seized the opportunities for redistribution and welfare expansion created by favorable economic and political conditions at the start of this century. Deeper redistribution will require difficult reforms. The political costs of such reforms will likely be frontloaded, while their benefits may not be noticeable until several years after the leaders enacting them leave office. Hopefully, politicians will have the mix of foresight, courage, and political capital to preemptively tackle these challenges rather than waiting until demographic transformations force their hands.

NOTES

1. Unless otherwise stated, social spending data are from CEPAL (2025).
2. Bolivia and Mexico have universal NCPs.
3. Unless otherwise stated, poverty figures are from CEPAL (2025).
4. Poverty increased in 2021 following the end of pandemic relief.
5. Brazil is sometimes included in this group.
6. Bolivia is sometimes included among these countries.
7. Those countries in which primary commodities represented at least 60% of exports (Cárcamo-Díaz & Csordas, 2021, p. 1).
8. Research that incorporates democracy as a binary variable has yielded inconsistent results (Flechtner & Sánchez-Ancochea, 2022, p. 263).
9. Author's calculations based on Figueroa & Holz (2024) and CEPAL (2025) spending data.
10. Author's calculations based on Figueroa & Holz (2024) and CEPAL (2025) spending data.
11. Author's calculations based on Cecchini et al. (2021) and CEPAL (2025) population estimates.
12. Author's calculations based on Cecchini et al. (2021) and CEPAL (2025) population estimates.
13. Chile was the exception.

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