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# Beyond Emergency Measures: Assessing Preexisting Social Policy and Labor Program Expansion in Latin America During COVID-19

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## ABSTRACT

This study examines the effects of the Covid-19 pandemic on preexisting cash transfers and labor programs across Latin America, analyzing their temporal expansion and identifying the determinants of changes in their generosity and coverage, with a particular focus on the inclusion of informal workers. The research employed two main analytical approaches, (1) inferential statistics (*t*-tests) to examine program expansion and its temporality across 17 Latin American countries, and (2) pooled time-series cross-section regression analysis with panel-corrected standard errors to investigate determinants of program transformations. The study focuses on two types of social assistance programs—conditional cash transfers and labor and productive inclusion programs. Data was collected for the period 2019–2022 period. Results show the region experienced an expansion in preexisting cash transfer programs, in addition to the previously documented growth in emergency cash transfer programs. No significant expansion was observed in labor and productive inclusion programs. Policy legacies emerged as the primary determinant for social policy transformations. While conditional cash transfer programs expanded, labor programs remained largely unchanged. The findings underscore the critical role of policy legacies in shaping the evolution of social assistance programs during the pandemic, particularly in their expansion to include informal workers.

## 1 | Introduction

The Covid-19 pandemic led to the urgent demand to adjust and expand Latin America's noncontributory social protection systems to respond to the growing need for assistance for poor, vulnerable, and middle-income households. The social policy outputs implemented during the pandemic suggest that expanding the benefits and coverage of the welfare state is possible, a point the literature has largely reviewed and explained. We are aware that there was an expansion of social policy during the Covid-19 pandemic, particularly in the form of social emergency programs (Blofield et al. 2023; Busso et al. 2021; Cejudo et al. 2022; Mordecki and Barceló 2024). This situation

raises the question of how existing cash transfer policies and labor programs were altered in response to the creation of numerous emergency policies. While extensive research has been conducted on the expansion of new temporary policies, less attention has been given to the fate of preexisting programs. Have these policies undergone expansion? If so, has the expansion been temporary in nature?

Although social policy expansion of emergency programs is a clear short-term response, understanding the medium-term changes in established social assistance and labor programs during crises like Covid-19 is crucial. Blofield et al. (2023) elucidate the phenomenon of policy expansion (mainly though

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emergency cash transfer programs) by attributing it to a triad of determinants that account for variations in policy efforts across nations and over time—the policy legacies, the nature of government as either unified or fragmented, and the availability of fiscal resources. Their research illustrates further that in scenarios characterized by crisis, the dynamics of democratic processes governing the augmentation of social policies undergo a transformation. In such contexts, ideological leanings and the dynamics of electoral rivalry are relegated to a secondary position.

It is also important to fill the gap on the effects on and needs of the informal sector during the pandemic and during its recovery, including social assistance and tailored employment policies for different groups of the population. Expectations on this matter increased in Latin America during the pre-pandemic period. Greater demands for the welfare state's most important reforms triggered social mobilization in several countries in the late 2010s and early 2020s (Anria and Niedzwiecki 2016; Garay 2016; Blofield 2012; Guzmán-Concha and Ciccía 2020; Dorlach 2021).

A large part of the literature has focused on the short-term effects of the crisis (Barrientos 2020; Cejudo et al. 2022; Filgueira et al. 2020; Lupien et al. 2021; Lustig and Tommasi 2020), but the medium-term effects of the social policy expansion must be examined. The Covid-19 crisis is an example of plausibility, but there are serious apprehensions about the sustainability of the innovations recently introduced (Bertranou et al. 2019).

This article investigates whether Latin American countries experienced a temporary increase in the expenditure and coverage of institutionalized noncontributory social programs and labor programs following the Covid-19 pandemic. Does the expansion observed in emergency programs extend to institutionalized programs? Our focus is on informal employment during the pandemic and the diverse policies implemented by countries in the region, which enhanced either direct transfers or labor policies targeting informal workers.

We examine 63 programs (23 Conditional Cash Transfers [CCT] and 40 labor inclusion programs) across 17 Latin American countries. While many CCT programs were not originally specifically designed to target informal workers, several have explicit provisions for reaching this population. For example, Argentina's *Asignación Universal por Hijo* targets families in the informal sector directly, while Bolivia's *Bono Madre Niño-Niña* reaches informal workers thanks to its focus on uninsured populations. Other programs like Brazil's *Bolsa Familia* and Chile's *Seguridades y Oportunidades* incorporate informal workers through broader, poverty-based targeting criteria. During the pandemic, these programs demonstrated significant adaptability, with some showing remarkable increases in coverage that benefited informal workers. This evolution in program coverage and targeting represents an important shift in how CCTs operate within Latin American social protection systems, particularly in their capacity to reach informal sector workers during crisis conditions.

We propose that these developments led to a temporary expansion of institutionalized welfare programs in Latin America in CCTs, but not in labor inclusion programs. Initially, the focus was on including those outside the formal employment sector through cash transfers as informal employment experienced a sharper decline than formal employment at the pandemic's onset. As the crisis evolved, there was a policy shift, and with the context of low economic growth, informal employment became the primary driver of employment recovery. Despite this shift, the social protection extended to informal workers during the pandemic has since been diminished or withdrawn. In summary, the response in social protection highlights the limitations and fragmented nature of welfare systems in the region (Barrientos 2019, 2024; Busso et al. 2021).

The pervasive extension of informality within Latin American labor markets presents a significant challenge to the efficacy of labor reforms (Correa and Velásquez 2024). The unique circumstances of the pandemic provide an opportunity to evaluate these policies using a panel data analysis in the context of a natural experiment, enabling an investigation into whether the social policy response improved coverage significantly for informal workers. The study delves into the evolution of informal employment and cash transfer policies as countries transitioned toward a post-pandemic reality. It examines the institutional arrangements that were implemented, the extent and effects of these policies, and their level of institutionalization. Employing the path-dependency theory, the research measures the degree of institutionalization of these social policy responses, investigating whether the reforms resulted in a critical juncture that created path dependencies, thereby expanding and enhancing social protection for informal workers.

## 2 | Latin American Social and Labor Policy Response in Context: A Literature Review

Before the Covid-19 pandemic, social protection systems in the region were poorly developed considering shock-responsive objectives, being only reactive to climate-related shocks, especially rapid-onset shocks. The pandemic showed the deep interdependency between environment, social, and economic dimensions, especially in a context of higher exposure to disasters and risks related to the ongoing climate crisis (Bagolle et al. 2023; Cid and Marinho 2022; ECLAC/ILO 2021b). During the pandemic, the most prominent innovation was a vertical and horizontal expansion of social protection instruments.

The vast part of the measures taken to reduce the adverse effects of the economic crisis entailed emergency cash and in-kind transfers (Atuesta and Van Hemelryck 2023; Blofield et al. 2020; Filgueira et al. 2020; Robles and Rossel 2022). From March 2020 to October 2021, the Economic Commission for Latin American and the Caribbean (ECLAC) reported that 33 countries from the region adopted 468 initiatives, of which 378 were noncontributory emergency measures, such as cash transfers, in-kind transfers (including food delivery, medicines, and electronic devices for educational purposes, among others), and measures to guarantee and facilitate the access to basic services (water, energy, Internet, and telephone). Moreover, 30 countries enacted other forms of support through 90 measures

such as tax relief, price-fixing, and payment facilities. Nonetheless, there are some concerns regarding the adequacy of these measures as most of them are not currently in operation, leaving a significant share of the population without protection in the context of job shortages and low income levels, particularly in countries whose response was restricted or where there was no special response to mitigate the economic crisis caused by the Covid-19 pandemic (Blofield et al. 2023).

Informal workers and their families were one of the main focal points for socioeconomic policies during the pandemic. Informal employment in Latin America experienced especially diverse dynamics over the last two decades. The economic growth the region registered from the mid-2000s to the middle of the following decade resulted in a generalized drop in regional informality rates, with informal employment representing less than 50% of total employment (ILO 2018; Salazar-Xirinachs and Chacaltana 2018). During this period, in addition to the generation of formal jobs resulting from economic growth in both export sectors and those linked to domestic markets, there was an increase in conditional transfer policies, an extension of several policies that allowed for increased social security coverage, and policies for the formalization of productive activities (Bertranou et al. 2019; ILO 2018; Salazar-Xirinachs and Chacaltana 2018). Moreover, the formalization process meant progressively including traditionally excluded groups, such as nonprofessional, self-employed workers and domestic service workers, in the spectrum of labor policies (Garay 2016; Velasco 2019).

Latin America experienced a negative trend from 2014 to 2019, when the regional economy stagnated, reflected in an increase in the region's informality rate to represent half of the employed population (ECLAC/ILO 2022; ILO 2020). During this period, growth averaged less than 2% per year, triggering a stagnation in job creation in general, but with growth in informal employment (ECLAC/ILO 2022). Simultaneously, with tighter fiscal spaces, many countries reduced or even reversed several of the policies implemented during the previous period, particularly those seeking to expand social protection coverage for workers (ECLAC/ILO 2021a; ECLAC/ILO 2021b). Before the pandemic, the wave of reforms to social protection policies generated a climate of political tension and, in several countries, protests, which highlighted the challenges regarding the sustainability of policies that expanded social protection for workers and the need to seek social dialog mechanisms to ensure their continuity (ECLAC, 2021; ILO 2020).

When analyzing the implementation of policies and their effects on labor indicators, many studies highlight their sequence, focus, and intensity during the different stages in the transition to post-pandemic (ECLAC/ILO 2021b; ECLAC/ILO 2023; ILO 2023). Although measures were activated to protect the income of informal workers and their families in 2020, the bulk of policies aimed at maintaining jobs for formal workers and ensuring the economic security of the unemployed (ECLAC/ILO 2023; ILO 2023). On the other hand, since the end of 2020, as confinement measures were reduced, and more strongly in 2021, when the vaccination process began, there was a progressive transition from an emphasis on policies to protect employment to instruments that prioritized incentives for the

creation of dependent formal employment (ECLAC/ILO 2021b; ECLAC/ILO 2023; ILO 2023).

Latin American countries also developed several adaptations and innovations to the different social protection programs to meet the population's needs during the most challenging times of the pandemic. These innovations were valuable in identifying and registering beneficiaries to proceed with horizontal expansions to protect households from income losses and external shocks. Information and communications technologies are crucial for this achievement, but "taking special care to protect people's information under a rights-based approach and, in the same way that there is a social infrastructure in place to determine the processes for the delivery of social entitlements, a support infrastructure must be developed" (Atuesta and Van Hemelryck 2023, p. 70).

Regarding population coverage, 50.2% of the regional population received an emergency transfer, more than double the regular coverage of conditional cash transfers (22.7% of the regional population). This figure represents 422 million people, but its total number decreased by 2021, with 16.6 million fewer than in 2020. Despite this reduction, the coverage of emergency programs in 2021 was still "more than double that of conditional transfer programmes and other continuous cash transfer programmes" (ECLAC 2022, p. 129).

Latin American countries also implemented emergency initiatives to mitigate the significant declines in employment and labor market participation (Gentilini 2022). The International Labor Organization (ILO) reported a loss of 30 million jobs in the region, attributed to both unemployment and reduced working hours (ILO 2021). Initially, these countries faced the challenge of inadequate comprehensive unemployment insurance systems. In response, they expanded the coverage and increased the size of unemployment benefits linked to these insurances to compensate for lost labor income during lockdowns.

In the reviewed literature, researchers seek to determine whether the Covid-19 pandemic represented a potential turning point toward greater expansion and reduction of segmentation by social protection systems, whether at the regional level or in national cases.

In this regard, Arza et al. (2024) suggest the determinants of universalism are a product of factors such as characteristics of democracy, macroeconomic conditions, and policy legacies. Although these factors explain the so-called segmented expansion of social policy since the first decade of the 21st century in the region, segmentation persisted to the detriment of informal workers with no access to contributory social protection. With Covid-19, there was an opportunity to reduce these barriers to accessing and quality of benefits, but the macroeconomic context, specifically the fiscal context, was a particular constraint due to the magnitude of external debt and limited political space to expand the tax base for greater permanent revenues.

Niedzwiecki and Pribble (2023) argue that although the Covid-19 pandemic had devastating economic and political effects that exposed structural inequities and generated new

demands for greater state intervention, the economic crisis made it difficult to increase spending and introduce new social programs that would endure over time. The authors propose potential explanatory factors for Latin American social policy in the post-pandemic era, where countries with governments led by left-wing programmatic political parties, with high electoral competition and an economic growth rebound, would be best prepared to respond to the crisis. In contrast, right-wing governments, especially those led by nonprogrammatic parties and with a high debt burden, may respond slowly and even take the opportunity to reverse social programs. These factors could generate very different trajectories of recovery and well-being in the post-pandemic context (Niedzwiecki and Pribble 2023).

Blofield et al. (2023) have examined the factors driving the expansion of emergency cash transfer programs during the pandemic. Their analysis suggests policy legacies, fiscal capacity, and government fragmentation are key variables influencing the effectiveness and scope of emergency cash transfer policies in response to the pandemic in Latin America. This observation is noteworthy as it highlights the endeavors of countries, despite their constraints, to safeguard low-income families and children amid an unparalleled crisis such as that induced by Covid-19 (see Rivarola Puntigliano 2020). These initiatives now face challenges related to fiscal costs and the development of sustainable revenue streams to support their continuation as permanent policies. Still, the vast part of the emergency programs to tackle negative economic and social effect caused by Covid-19 have now been removed from implementation, which aligns with a meta-analysis conducted by Cruz-Martínez et al. (2023) that reveals that only very few social policy reforms during the pandemic have been institutionalized.

The literature on national cases provides more details on the lack of institutionalization of the initial impulse of social policy toward a universalist trajectory following the Covid-19 situation, with variables such as fiscal space or the role of policy legacies predominating in a continuity with the post-commodity price boom trajectory.

Martínez-Franzoni and Sánchez-Ancochea (2023) examine Costa Rica as a missed opportunity to make a shift in the austerity discourse that limits the expansion of social policy. The Costa Rican case is interesting due to its strong social institutionalization and access to the social protection system for a population that in other countries is excluded; however, it shares the lag in benefits for the informal population. A similar argument is put forward by Voorend and Abarca (2023), who point out that by 2023, no social policy developed in the context of the pandemic resulted in a sustained improvement in the advancement of any dimension of universalism. Instead, under the motto of austerity, the country has resumed this path, eroding a potential universalist trajectory of the social policy regime. In the case of Peru, the policies of withdrawing funds from individual capitalization accounts during the Covid period seriously compromise the future trajectory of the private pension system and its sustainability due to the lack of a universal or quasi-universal noncontributory pillar on which pension damage can be mitigated, especially for people close to retirement or with low taxable salaries (Olivera 2023).

### 3 | Research Design and Methods

In the initial phase of the Covid-19 pandemic, the emergency response focused predominantly on monetary transfers, which were supplemented by in-kind transfers and additional measures such as price controls, tax reductions, and initiatives to facilitate service payments. As the crisis persisted, it became necessary to modify some of the measures implemented in 2020. Adjustments were made to their duration, the frequency of transfers or deliveries, and the scope of coverage, alongside the introduction of new measures.

According to Atuesta and Van Hemelryck (2023), 19 countries in the region leveraged the infrastructure and institutional frameworks of CCT programs and noncontributory pension models to implement swiftly emergency cash and in-kind transfer initiatives. In total, five measures were introduced where the primary innovation was the expansion of coverage, and 15 measures increased the amounts disbursed by existing conditional transfer and social pension programs. Additionally, some programs adopted new strategies or modified the services provided to beneficiaries. Finally, seven countries in the region implemented 15 new cash and in-kind transfer measures that used the institutional frameworks of existing noncontributory pension programs and conditional cash transfer programs to streamline operations and reach the most severely affected households.

The Covid-19 pandemic presents a unique opportunity for researchers to examine social policy responses on a global scale, resembling a natural experiment (Thomson 2020). While traditional natural experiments allow for causal inferences based on exogenous shifts in exposure, our study acknowledges certain limitations in this context.

We employ inferential statistics to investigate the potential expansion of preexisting social programs in response to the pandemic across the region. We consider Covid-19 as an exogenous shock (Borlini 2023) that triggered a macro-environmental shift in Latin American political systems. Our focus is on analyzing how this significant environmental change potentially affected the expansion of institutionalized noncontributory and labor programs.

It is important to note that our approach differs from a classic natural experiment in several ways. First, it lacks a true control group as all countries were affected by the pandemic to varying degrees. Second, there are potential confounding factors, such as concurrent policy changes unrelated to Covid-19. Third, it is challenging to isolate the pandemic's effects from other influences on social policy.

Despite these limitations, we believe our study offers valuable insight for several reasons. First, the pandemic provides a clearly defined temporal shock, allowing for before and after comparisons. Second, the use of panel data enables us to track changes within countries over time, with each country serving as its own control to some extent. Third, our analysis of multiple time points (2019, 2020, 2021) allows us to assess both immediate and potentially longer-term effects. Fourth, the examination of both program generosity and coverage provides a comprehensive view of policy changes.

While we cannot claim definitive causal relationships, this quasi-experimental approach offers ecologically valid insights into how social policy and labor programs transformed during this unprecedented period. By acknowledging these limitations and leveraging the strengths of our design, we aim to contribute meaningful findings to the understanding of social policy responses in times of global crisis.

### 3.1 | Database

We compiled a dataset using data from the ECLAC Non-Contributory Social Protection Programs Database. The original dataset, which is publicly accessible, includes time-series data on conditional cash transfer programs, noncontributory pension programs, and labor inclusion programs.

Data availability is better for the CCT programs than for the labor programs. Of the current 32 CCT programs included in the ECLAC database, 23 have available data for at least 2 years in any of the two indicators tested. However, only 40 of the 68 labor programs have available data. Our unbalanced panel database includes the 23 CCT programs<sup>1</sup> with available data across 17 countries, and the 40 labor inclusion programs<sup>2</sup> with available data across 15 countries. Tables 1 and 2 show the descriptive statistics of the indicators used. The countries covered are Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Honduras, Jamaica, Mexico, Panama, Paraguay, Peru, Trinidad & Tobago, and Uruguay. The CCT *Bono Vida Mejor* in Honduras, and the *Programa Soy Mujer* labor program in Venezuela were excluded from the second part of the analysis because of unavailability of data on informality. See Appendix A for the list of CCT and labor programs analyzed, the target population, and basic descriptive data.

### 3.2 | Measurement and Indicators

The indicators listed in Table 3 operationalize the dependent variables. Drawing on the recent findings of Blofield et al. (2020, 2023), we tested the determinants they deemed significant

(policy legacies, legislative support,<sup>3</sup> and fiscal health<sup>4</sup>), alongside other traditional explanatory factors of social policy expansion during the first decade of the 21st century (ideology and civil society strength). This research enriches the qualitative inquiries by Blofield and colleagues by examining some of their hypotheses through quantitative analysis. Moreover, instead of focusing on emergency CCTs, we study institutionalized conditional cash transfer and labor programs. We believe contrasting hypotheses through different methodologies is a vital approach to contribute to knowledge. Moreover, we have expanded the scope of our study to include 18 Latin American countries, up from 10. For a succinct overview of the explanatory variables, their corresponding indicators, and the expected relationship with the dependent variable, see Table 4.

### 3.3 | Data Analysis

We employed panel data analysis in the context of a natural experiment. We employ a two-stage analytical strategy combining *t*-tests with more sophisticated pooled time-series cross-sectional (TSCS) regression analysis, which controls for country-specific factors while examining regional patterns. While country-specific analyses could provide additional insights, they would not address our primary research question about regional-level policy expansion and its determinants.

A first *t*-test assesses if there is a significant difference between the average total amount transferred via conditional cash transfers and labor and productive inclusion programs before and after the pandemic. A second *t*-test confirms if there is a significant difference between the effective coverage of persons as a proportion of the workers in the informal sector. Effective coverage refers to coverage observed for the corresponding year. The units of analysis are the social assistance programs (see Tables 1–3 for a brief description of the indicators used). We included social assistance programs from the Latin American and Caribbean countries with data available for at least 2 of the 3 years. We used 2019 data to measure the pre-Covid value, 2020 data for a value at the height of the pandemic, and 2021 as a proxy of the post-Covid value because is the latest available year for most of the countries.

**TABLE 1** | Descriptive statistics for CCT programs.

Variable	N	Mean	SD	Min	Max	Median
Total amount transferred (% GDP)	57	0.002021	0.002129	0	0.0102	0.0015
Effective coverage (% informal sector)	51	0.779963	0.714231	0.006692	3.180658	0.552075
Policy legacies—2019 CCT coverage (% total population)	57	0.121949	0.100891	0.001796	0.354014	0.108988
GDP growth (annual; constant prices)	69	0.806145	7.386275	−17.668	15.836	0.892
Total external debt (% GDP)	69	48.550725	17.258021	18	88	46
Tax revenue (% GDP)	69	17.714203	5.076049	10.37	28.92	17.01
Government share in lower house	63	0.527413	0.135457	0.175439	0.676923	0.525
Civil society participation index	69	0.742101	0.134589	0.445	0.952	0.795
Left	66	0.386364	0.462397	0	1	0

Abbreviations: CCT, conditional cash transfer programs; GDP, gross domestic product; N, number of observations; Max, highest value in the data; Min, lowest value in the data; SD, standard deviation.

Source: Coppedge et al. (2023); ECLAC (n.d.); Pérez-Liñán et al. (2019, 2023); Pemstein et al. (2023).

**TABLE 2** | Descriptive statistics for labor programs.

Variable	N	Mean	SD	Min	Max	Median
Total amount transferred (% GDP)	111	0.000263	0.000492	1.00E-08	0.003341	0.000042
Effective coverage (% informal sector)	98	0.033583	0.067582	0	0.326598	0.007246
Policy legacies_2019 CCT coverage (% total population)	102	0.003841	0.008142	0.00003	0.042029	0.000883
GDP growth (annual; constant prices)	120	0.857383	8.237747	-17.668	15.836	0.743
Total external debt (% GDP)	120	55.666667	16.696164	18	88	52.5
Tax revenue (% GDP)	120	17.376	3.463795	10.37	25.13	17.3
Government share in lower house	117	0.476556	0.14768	0.175439	0.676923	0.464516
Civil society participation index	120	0.763217	0.142756	0.445	0.92	0.836
Left	117	0.448718	0.479694	0	1	0

Abbreviations: CCT, conditional cash transfer programs; GDP, gross domestic product; N, number of observations; Max, highest value in the data; Min, lowest value in the data; SD, standard deviation.

Source: Coppedge et al. (2023); ECLAC (n.d.); Pérez-Liñán et al. (2019, 2023); Pemstein et al. (2023).

**TABLE 3** | Indicators used for CCTs and labor and productive inclusion programs.

Indicator	Definition	Source
<b>CCT</b>		
Total amount transferred (% GDP)	Total amount of cash transferred received in the year as a percentage of the gross domestic product.	ECLAC (n.d.)
Effective coverage of workers in the informal sector	Persons covered by CCTs as a proportion of the size of the informal sector. Coverage observed for the corresponding year. We used the international labor organization (ILO) definition of informal workers as individuals who are engaged in informal employment. Informal employment, in turn, refers to employment characterized by a lack of legal or social protections, including job security, access to benefits such as healthcare and pensions, and adherence to labor regulations.	ECLAC (n.d.)
<b>Labor and productive inclusion programs</b>		
Total expenditure (% GDP)	Executed budget for the corresponding year as a percentage of the gross domestic product.	ECLAC (n.d.)
Effective coverage of workers in the informal sector	Persons covered by labor and productive inclusion programs as a proportion of the size of the informal sector. Coverage observed for the corresponding year.	ECLAC (n.d.)

Note: The number of informally employed workers was calculated based on the household surveys of the 17 countries considered, using the ILO definitions of informal employment. If figures were not reported as percentage of GDP, we calculated them using the current GDP figures at the World Bank database.

Abbreviations: CCT, conditional cash transfer programs; GDP, gross domestic product; ILO, international labor organization.

Source: ECLAC (n.d.).

By comparing the changes from 2019 to 2020, we expect to confirm if, as occurred with emergency programs, institutionalized social assistance and labor programs also experienced an expansion as a consequence of Covid-19. Comparing 2020 and 2021 allows us to test if the potential expansion was temporal or if it was sustained over time. Finally, by comparing 2019 and 2021, we can reconfirm the temporality of the social policy expansion (if we saw an increase from 2019 to 2020, and the 2021 data is similar to 2019), and we could see if the temporal expansion took 2 years to materialize.

This analysis does not enable us to pinpoint the factors potentially driving the expansion of social and labor programs. To analyze the determinants of changes in the generosity and coverage of CCTs and labor programs, we employed a pooled TSCS regression model with panel-corrected standard errors

(PCSE) as proposed by Beck and Katz (1995). This approach accounts for heteroskedasticity and contemporaneous correlation across countries, which are common issues in TSCS data. Specifically, the panel-corrected standard errors of the model were computed using the PCSE function by Bailey and Katz (2011) in the statistical software R. Bailey and Katz (2011, p. 1) note that “timeseries-cross-section data are characterized by having repeated observations over time on some set of units, such as states (...) [and] often show non-spherical errors because of contemporaneous correlation across the units and unit level heteroskedasticity.” These nonspherical errors lead to inaccuracies in the standard errors derived from ordinary least squares regression. Beck and Katz (1995) address these errors with a “sandwich-type estimator of the covariance matrix of the estimated parameters,” which they term panel-corrected standard errors. By employing this methodology, we ensure that

**TABLE 4** | Indicators used for testing the determinants of CCTs and labor and productive inclusion programs temporal expansion.

Indicator	Definition and expectation	Source
Policy legacies		
2019 coverage as a percentage of the total population	Coverage observed for 2019 as a percentage of the total population (for CCT or labor programs, respectively). It is a proxy for policy legacy of the transfers. A country with an existing program and a broad coverage just before the pandemic facilitated the expansion of emergency cash transfers in the pandemic. It is based on the path-dependence argument of historical institutionalism (Mesa-Lago 1978).	ECLAC (n.d.)
Legislative support		
Share of seats of the government coalition in the lower house in 2019	The indicator shows the degree of support a government has in the legislative power. A broad support in the legislative power facilitates the approval of bills that expand social policy and labor programs. This point is particularly relevant in times of crises like the Covid-19 pandemic (Blofield et al. 2023). The pandemic evidenced the gaps in existing social protection systems, prompting political systems to establish or expand social assistance programs for informal workers (Blofield and Hoffmann 2020)	Pérez-Liñán et al. (2019, 2023)
Fiscal health		
GDP growth	Gross domestic product growth in annual values and at constant prices. The indicator aims to show the economy's health, which facilitates financing the expansion of social and labor programs. The relevance of economic growth or development has been highlighted as a relevant factor for social policy expansion in the literature (Cruz-Martinez 2017; Segura-Ubiergo 2007).	ECLAC (n.d.)
Tax revenue	Tax revenue as a percentage of gross domestic product. The indicator aims to show the government's revenue capacity, which facilitates financing the expansion of social and labor programs. Ulriksen (2013) shows the link between government revenue sources and social policy expansion (social spending), arguing that political systems with a diversified and broad tax base are more likely to establish a social contract for social policy.	ECLAC (n.d.)
External debt	Total external debt as percentage of GDP. The indicator aims to show the government's fiscal constraints due to debt obligations, which is expected to affect negatively financing the expansion of social and labor programs. Higher debt ratios reduce social spending because it reduces the room for further indebtedness, which might be used to finance social protection or create fiscal space for social protection (Lora and Olivera 2007)	ECLAC (n.d.)
Left		
Ideology of governments	Dummy variable where having a left- or center-left wing head of the government is coded with a 1. A country is coded with a 0.5 if it had left- and right-	Coded by authors based on the political party of the head of government.

(Continues)

TABLE 4 | (Continued)

Indicator	Definition and expectation	Source
Civil society participation strength	wing governments in that same natural year. Based on the literature, we expect the probability of an expansion is more likely with a left-wing government (Huber and Stephens, 2012), after controlling for institutional and structural factors (Sirén 2021). Electoral competition motivates redistribution under left-wing governments (Fairfield and Garay 2017).	
Robustness of civil society	The index is formed by taking the point estimates from a Bayesian factor analysis model of the indicators for candidate selection—national/local (v2pscnslnl), CSO consultation (v2cscnsult), CSO participatory environment (v2cspcpt), and CSO women participation (v2csgender). Political parties adapt their policy positions and priorities in response to the ways social movements articulate their interests. The literature demonstrates the effects of mobilizations on the expansion of social policy and social rights (Anria and Niedzwiecki 2016; Blofield 2012; Durlach 2021).	V-Dem Dataset (Coppedge et al. 2023; Pemstein et al. 2023)

Abbreviations: CCT, conditional cash transfer programs; CSO, civil society organizations; GDP, gross domestic product.

Source: Coppedge et al. (2023); ECLAC (n.d.); Pérez-Liñán et al. (2019, 2023); Pemstein et al. (2023).

our estimates are robust to the unique error structures present in our dataset, thereby enhancing the reliability of our findings.

The general form of the model is

$$Y_{it} = \beta_1 X_{1,it} + \beta_2 X_{2,it} + \dots + \alpha,$$

where  $Y_{it}$  represents the dependent variable (CCT coverage or generosity) for country  $i$  at time  $t$ ,  $X_{k,it}$  are the independent variables (such as policy legacies and fiscal health), and  $\alpha$  is the intercept.

## 4 | Results: Social Policy Expansion of CCTs and Labor-Productive Policies: Illusion or Reality?

### 4.1 | CCTs

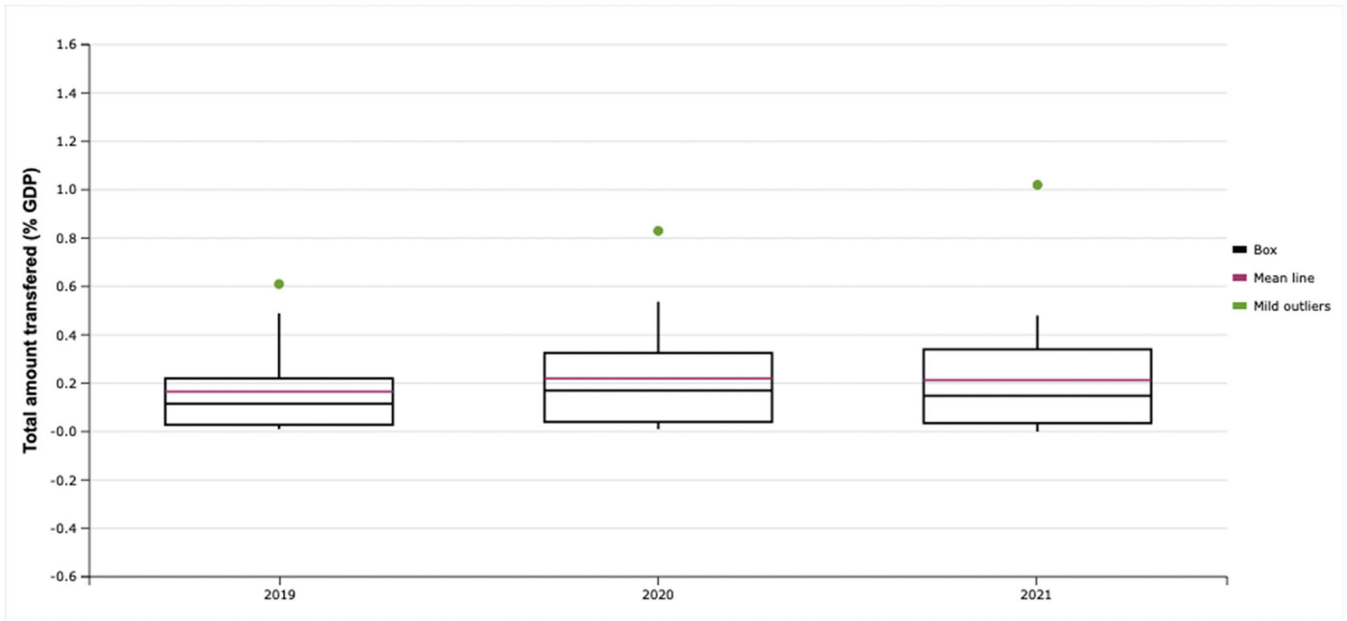
#### 4.1.1 | Testing the Total Amount Transferred

Are we able to find statistically significant differences in the CCT transfers in a cross-section comparative analysis in the Latin American and Caribbean region? If the total amount transferred through CCTs increased during Covid-19 and is statistically significantly different than before the pandemic, it would imply there was a significant expansion in transfers. To test this hypothesis, we compare the total CCT transfers in 2019 (pre-Covid) and 2020 (during Covid). We conduct paired  $t$ -tests between the total amount transferred in 2019 (pre-Covid) and 2020 (during Covid) to test the effect of the pandemic on the total amount transferred to the population through CCTs. We observed a statistically significant increase in the amount

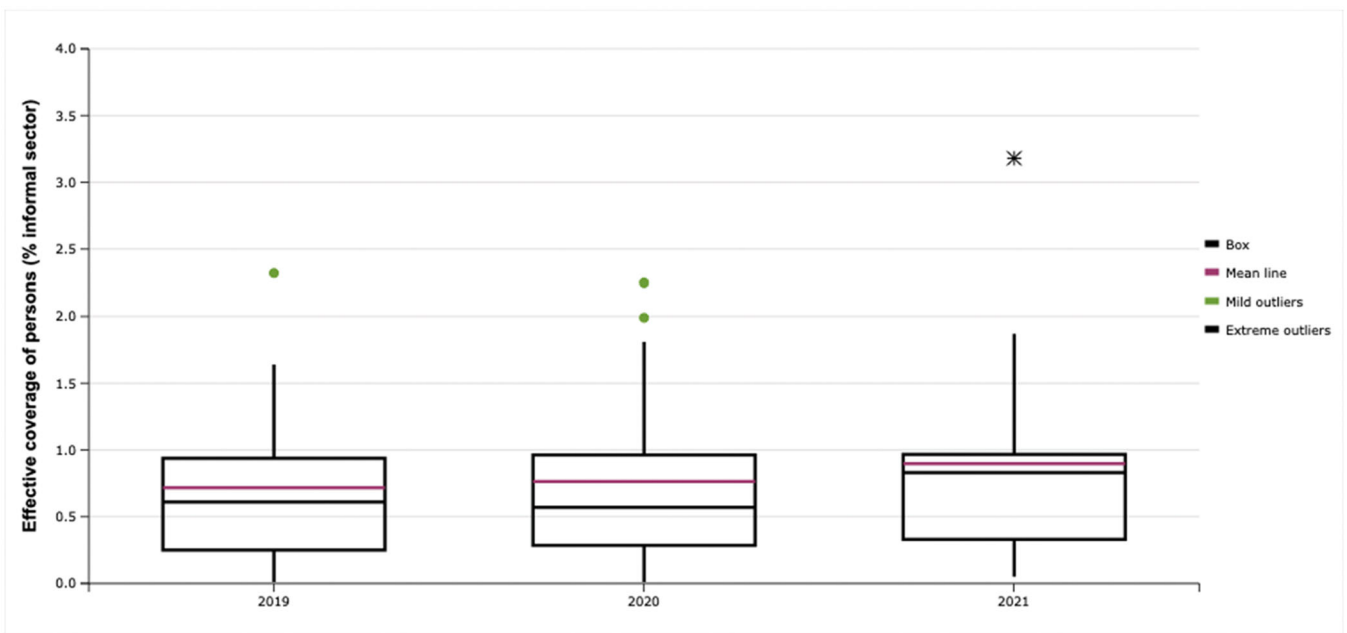
transferred, with the average percentage of gross domestic product (GDP) allocated to CCTs rising from 0.165% in 2019 to 0.209% in 2020 ( $t[19] = 2.757$ ,  $p = 0.013$ ). On average, Latin American countries transferred the equivalent of 0.165% of their GDP (SD = 0.002) in 2019, and 0.209% (SD = 0.003) in 2020.

By comparing the total amount transferred between 2020 and 2021, we can measure the changes in transfers at the height of the pandemic and the last available year, which we consider as the first year in which the crisis begins to normalize or stabilize. Ideally, we would use 2022 or 2023 data to test if CCT transfers remain similar after the emergency social policy expansion in 2020 or if they were reduced. Unfortunately, there are not enough cases with data for 2022. CCT transfers increased slightly from 2020 to 2021, but as Figure 1 shows, the average transfer was very similar. Therefore, contrary to our expectations, the total transfers were not statistically different between 2020 and 2021 ( $t[16] = 0.141$ ,  $p = 0.890$ ). On average, Latin American countries transferred the equivalent of 0.238% of their GDP (SD = 0.003) via CCTs in 2021.

Third, if we compare the changes between 2019 and 2021, we can reconfirm if the temporal expansion observed between 2019 and 2020 persisted into the following year. We found a positive and marginally significant increase in the amount transferred through CCTs between 2019 and 2021, but only at the 0.1 level ( $t[16] = 1.879$ ,  $p = 0.079$ ). If the expansion had been only temporary and only at the time of the emergency, it would imply that the results between 2019 and 2021 would be similar, that is, there would be no significant difference, and we found a marginal difference. This marginal significance suggests that while there may be a continued trend of increased CCT allocations,



**FIGURE 1** | Distribution of CCT transfers, 2019–2021 in Latin America and the Caribbean: A box and whiskers plot. GDP, gross domestic product. *Source:* Authors' elaboration, with data from ECLAC (n.d.).



**FIGURE 2** | Distribution of CCT coverage, 2019–2021 in Latin America and the Caribbean: A box and whiskers plot. CCT, conditional cash transfer. *Source:* Authors' elaboration, with data from ECLAC (n.d.).

the strength of the relationship is less pronounced than in the immediate aftermath of the pandemic's onset. It is crucial to interpret these findings with caution as the  $p$ -value indicates a weaker statistical confidence.

As with our previous analysis, these results should be viewed as indicative of a correlation rather than a definitive causal link. The increase in transfers could be influenced by a range of factors, including economic challenges, policy adjustments, or other socioeconomic dynamics that continued beyond 2020.

#### 4.1.2 | Testing the Changes in Effective Coverage of Persons in the Informal Sector

Is the social policy expansion in transfers reflected in an expansion in coverage in the informal sector? To answer this question, we compare the coverage of CCT programs in 2019 (pre-Covid) and 2020 (during Covid). We find a slightly positive but statistically insignificant increase in the CCT coverage 2019–2020 ( $t[18] = 1.648$ ,  $p = 0.117$ ). Figure 2 confirms the constant evolution of the mean effective coverage across the region. On average, the coverage of the CCT programs equals

71.7% of the population in the informal sector in 2019 (SD = 0.620), 76.4% (SD = 0.679) in 2020, and 89.2% in 2021 (SD = 0.837).

Similarly, if we compare the coverage between 2020 and 2021, we can see a slightly positive but still insignificant difference ( $t[13] = 0.770$ ,  $p = 0.455$ ). Therefore, there is no evidence of a cross-regional significant difference in coverage between the height of the pandemic and the last available year. We need to examine the change between 2019 and 2021 to find a positive and marginally significant increase in coverage at the 0.1 level ( $t[13] = 1.796$ ,  $p = 0.096$ ).

## 4.2 | Labor and Productive Inclusion Programs

### 4.2.1 | Testing the Total Expenditure

In the case of the labor programs, data is available in terms of total expenditure. We also conducted paired  $t$ -tests between the total expenditure in 2019 (pre-Covid) and 2020 (during Covid) to test how the total amount transferred to the population through these labor programs changed during the pandemic. We found a positive but statistically insignificant increase in the amount transferred through institutionalized labor programs between 2019 and 2020 ( $t[21] = 1.478$ ,  $p = 0.154$ ). On average, Latin American countries transferred the equivalent of 0.036% of their GDP (SD = 0.0007) in 2019, and 0.062% (SD = 0.001) in 2020. In sum, we can confirm that the amount spent on these labor programs doubled between 2019 and 2020; however, our evidence does not allow us to support the argument of a temporal labor program expansion across the region between 2019 (pre-Covid) and 2020 (Covid).

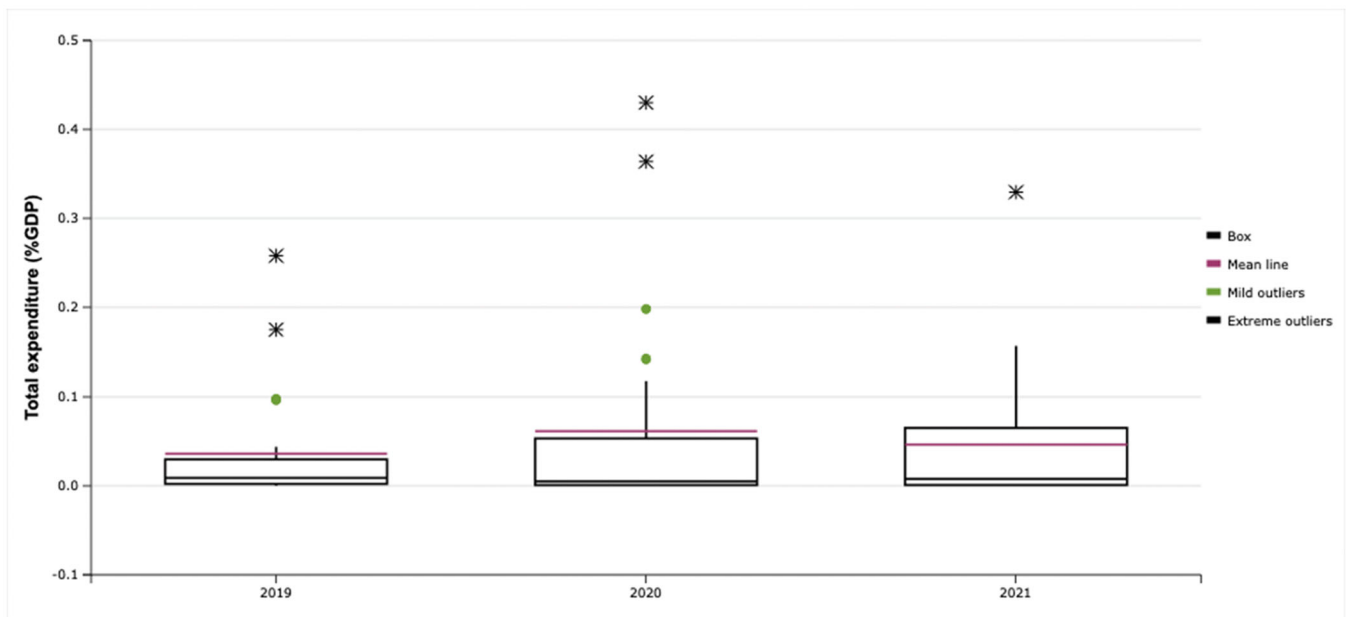
Labor and inclusion program transfers were cut on average from 2020 to 2021, almost in half, as Figure 3 shows. In

contrast with the CCT programs, and in line with our expectations, the total transfers were marginally statistically different between 2020 and 2021 ( $t[17] = 1.876$ ,  $p = 0.078$ ). On average, Latin American countries transferred the equivalent of 0.046% of their GDP (SD = 0.0008) in institutionalized labor programs in 2021. We have evidence to support the idea that these labor program transfers increased between 2019 and 2020, and that this expansion was temporal. Expenditure levels went down in 2021 to a similar point where they were in 2019. Third, looking at the averages between 2019 and 2021, we can reconfirm the argument that expenditure in transfer and inclusion programs were very similar during these 2 years. There is clearly no statistically significant difference ( $t[15] = 0.033$ ,  $p = 0.974$ ).

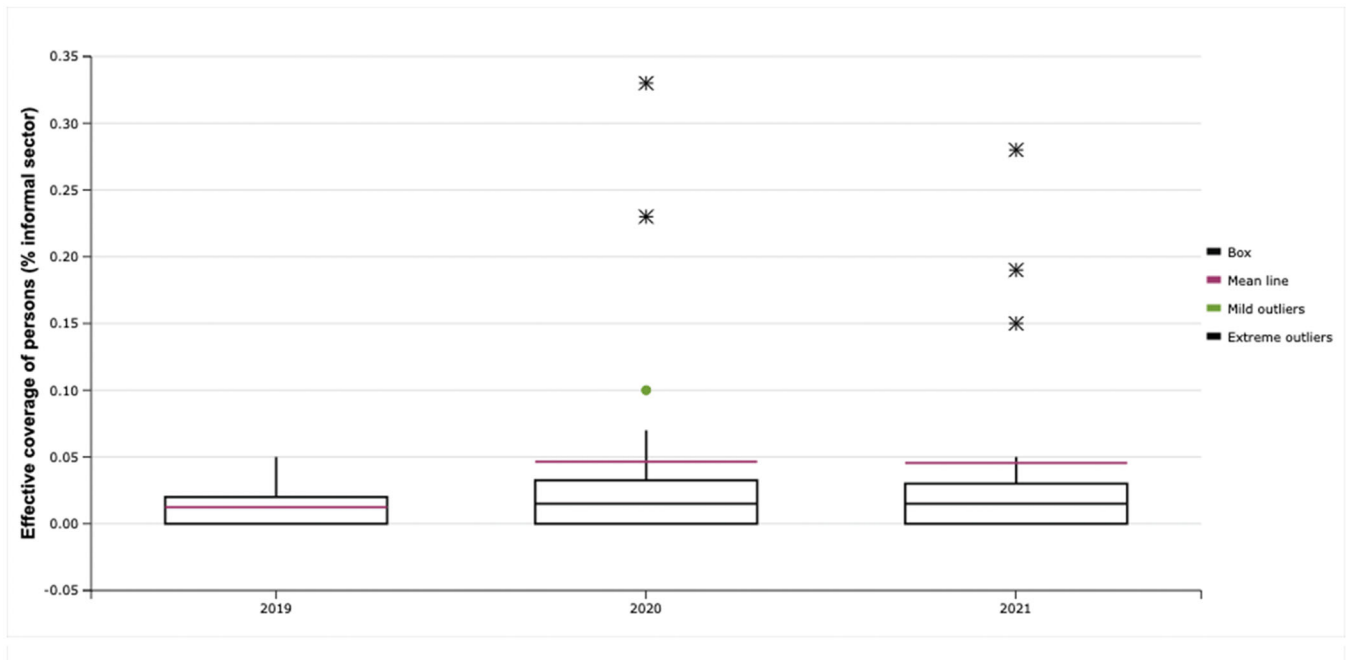
### 4.2.2 | Testing the Changes to Effective Coverage of Persons in the Informal Sector

The effective coverage of these programs in proportion to the size of the informal sector is minimal. On average, the coverage of these labor and inclusion programs equals 1.235% of the population in the informal sector in 2019 (SD = 0.018), 4.65% (SD = 0.085) in 2020, and 4.556% in 2021 (SD = 0.079) (see Figure 4). Even though the increase in coverage from 2019 to 2020 is evident, when we compare the means, we do not find a statistically significant difference ( $t[15] = 1.000$ ,  $p = 0.333$ ).

The coverage was reduced from 2020 to 2021, although the change is not statistically significant ( $t[16] = 1.011$ ,  $p = 0.327$ ). Something similar happens between 2019 and 2021 ( $t[13] = 0.193$ ,  $p = 0.850$ ). Therefore, with the limited available data we do not have evidence of a temporal expansion of these programs between these pandemic years.



**FIGURE 3** | Distribution of labor and productive inclusion program transfers, 2019–2021 in Latin America and the Caribbean: A box and whiskers plot. *Source:* Authors' elaboration, with data from ECLAC (n.d.).



**FIGURE 4** | Distribution of labor and productive inclusion program coverage, 2019–2021 in Latin America and the Caribbean: A box and whiskers plot. *Source:* Authors' elaboration, with data from ECLAC (n.d.).

## 5 | Explaining the Change in the Generosity and Coverage of CCTs and Labor and Productive Inclusion Programs

What factors might be pushing the generosity (total amount transferred) and the effective coverage of persons in the informal sector across the Latin American region? As mentioned in Section 3, we are testing relevant explanatory factors in the current literature in pandemic times and “normal” times, or the pre-pandemic era. It is also crucial to note that the focus of our study is on institutionalized programs rather than emergency measures. Table 5 shows the results of 4 TSCS regression analyses with panel-corrected standard-errors 2019–2022. For the TSCS, we have included the cases with available data in 2022.

The explanatory variables considered do not elucidate the changes in the generosity of CCT and labor programs from 2019 to 2022. Nevertheless, policy legacies have emerged as a significant influence for both program types. A positive and statistically significant association at the 0.01 level is observed between policy legacies and the coverage of CCT and labor programs. Specifically, the coverage levels of these programs at the pandemic's outset are notably linked to their effective coverage as a percentage of the informal sector population.

Remarkable growth rates in effective CCT coverage were recorded by *Avancemos* (Costa Rica), *Benito Juárez* (Mexico), and *Bono de Desarrollo Humano* (Ecuador), with increases of 43.8%, 37.2%, and 32%, respectively. Labor programs such as *Jovenes en Acción* (Colombia), *Programa de Inserción Laboral para Programas Sociales* (Argentina), and *Progresar* (Argentina) saw their effective coverage more than double, with significant growth rates of 119.8%, 113.6%, and 103.4%, respectively.

Cross-country analysis results indicate that an increase in the coverage of 2019 (policy legacies) leads to an increase in the effective coverage of CCTs as a percentage of persons in the informal sector of about 6.3%, and an increase in the effective coverage of Labor programs of approximately 7%. This insight underscores the pivotal role of policy legacies in shaping the reach and effects of social programs during this period.

The robustness of civil society emerges as a significant factor in understanding the cross-country variation in the effective coverage of labor programs during the period, although it does not have a similar effect on CCT coverage. There is a notable positive correlation between the strength of civil society and the effective coverage of labor programs as a percentage of the informal sector population.

From 2019 to 2022, factors such as economic growth, leftist political orientation, and legislative support seem to lack relevance in accounting for the shifts in social expenditure and effective coverage of institutionalized (nonemergency) programs. Surprisingly, our findings reveal that external debt is positively correlated with CCT coverage, while tax revenue shares an inverse relationship with labor coverage. Contrary to initial assumptions that a higher external debt would limit CCT coverage due to fiscal constraints, the data indicate that as external debt relative to GDP increases by 1% across the region, CCT coverage as a percentage of individuals in the informal sector rises by approximately 1.4%. Similarly, an unexpected trend is observed in the relationship between tax revenue and labor coverage; a 1% rise in tax revenue as a percentage of GDP is associated with a 0.3% decrease in the effective coverage of labor programs as a percentage of the informal sector population. These counterintuitive findings challenge conventional hypotheses and prompt a reevaluation of the dynamics between fiscal factors and social program coverage.

**TABLE 5** | Pooled time-series cross-section regression analysis with panel-corrected standard errors to explain change in the generosity and coverage of CCTs and labor and productive inclusion programs, 2019–2022.

	CCT generosity	CCT coverage	Labor generosity	Labor coverage
Policy legacies	0.001426 (0.000575)	6.333032* (0.073173)	0.004692 (0.000622)	6.970997* (0.146504)
Fiscal health—GDP growth	−0.000005 (0.000006)	0.008390 (0.000929)	−0.000008 (0.0000007)	0.000621 (0.000047)
Fiscal health—External debt	0.000052 (0.000003)	0.014079* (0.000488)	−0.000002 (0.0000004)	0.000037 (0.000031)
Fiscal health—Tax revenue	0.000105 (0.000018)	−0.011686 (0.001742)	0.000018 (0.0000013)	−0.003275** (0.000105)
Legislative support	0.001877 (0.000248)	−0.095223 (0.043454)	−0.000726 (0.000056)	0.020820 (0.002064)
Left	−0.000908 (0.000093)	−0.006960 (0.016967)	0.000068 (0.000011)	−0.014945 (0.000692)
Civil society participation strength	−0.000058 (0.000692)	−0.305942 (0.082211)	−0.000721 (0.000053)	0.166107* (0.005877)
Intercept	−0.002855 (0.000337)	−0.203893 (0.055566)	0.000914** (0.000065)	−0.070438 (0.002685)
R <sup>2</sup>	0.2549	0.8347	0.11	0.6296
Adjusted R <sup>2</sup>	0.1058	0.8042	0.04078	0.6018
F-statistic	1.71	27.41*	1.589	22.59*
N × T	43	46	98	101

Note: Panel-corrected standard errors are in parenthesis.

Abbreviations: CCT, conditional cash transfer programs; GDP, gross domestic product; N: The number of cross-sectional units; R<sup>2</sup>: coefficient of determination; T: The number of time periods for which data is available for each cross-sectional unit.

\*Significant at the 0.01 level.

\*\*Significant at the 0.05 level.

Source: Coppedge et al. (2023); ECLAC (n.d.); Pérez-Liñán et al. (2019, 2023); Pemstein et al. (2023).

In sum, this study reaffirms the significance of policy legacies as a key explanatory factor for the transformations observed in social policy and labor programs during the pandemic. This finding emphasizes that historical context is paramount; the enduring legacies of welfare institutions contribute significantly to understand the dynamics and transformations of welfare during times of crisis, such as the pandemic.

## 6 | Discussion

Throughout this study, we argue that the recent changes observed during the pandemic could have been seen as a new (more modest) wave of expansion of social policy in the region than what was experienced in the first decade of the 21st century (Garay 2016). Other scholars argue that this expansion had a particular pattern explained by the emergency and not as a permanent policy, explained partly by the role of policy legacies, divided government, and fiscal space (Blofield et al. 2023). Still, informal workers did not undergo the same expansion in coverage during the pandemic as in the mid-2000s and 2010.

Several factors can explain the outcomes observed during the pandemic. One relates to the intensity of the policy response, which focused primarily on health measures to address the

pandemic. Additionally, labor policy instruments in the region had minimal or no effects on informal workers due to their focus on formal workers (ECLAC/ILO 2023; ILO 2023). Countries such as Trinidad and Tobago, Mexico, Jamaica, Ecuador, and Uruguay did not implement additional social policy actions beyond those already in place during the pre-pandemic period (Busso et al. 2012; ECLAC/ILO 2021a, 2021b). This limited response has been attributed to preexisting fiscal constraints, low economic growth, or, in some cases like Uruguay, a relatively less severe effect of the pandemic on the economy and labor market compared to the regional context (Busso et al. 2012; ECLAC/ILO 2021a). Consequently, the decision not to activate a more robust policy response hindered socio-economic policy implementation in some countries and likely influenced the results of this analysis.

On the other hand, although there was flexibility to increase coverage of social protection policies, it would have been limited. In a context before the pandemic, in which social demands showed the need to seek mechanisms for the extension of social policies on a more permanent basis, it is observed that the post-pandemic will generate a new wave of demands, creating pressure for the reformulation of policy responses (Bertranou et al. 2019; ILO 2018). Even more, the limited fiscal space and dynamics of slowing GDP growth and job creation shape the

political incentives in the post-pandemic period (ECLAC/ILO 2023).

Our research on explanatory factors of the transformations of generosity and coverage of institutionalized social policy and labor programs during the pandemic confirms empirically the relevant role of policy legacies highlighted by Blofield et al. (2023) for emergency programs. Previous research has also highlighted the relevance of this variable. Mesa-Lago (1978, 1983) groundbreaking studies highlight the importance of recognizing the historical policy contributions of welfare institutions to grasp the extent of welfare state evolution during and after the neoliberal period. Pioneer countries, which created their first welfare institutions early 20th century (Mesa-Lago 1994), exhibited the highest degree of coverage, social spending, and outcomes of welfare institutions during the consolidation period of welfare institutions in the region and during the pink-tide (Cruz-Martínez et al. 2024; Cruz-Martínez 2017, 2021). Additionally, Niedzwiecki and Pribble (2017) utilize policy legacies alongside the strength of the opposition to elucidate why right-wing governments in Argentina and Chile were unable to implement substantial cuts in social spending following the left turn.

The strength of civil society is strongly related to the effective coverage of labor programs as a percentage of the informal sector population. This finding aligns with and reinforces contemporary scholarly discourse regarding the influence of social movements on social policy expansion. According to Garay (2016), strong social movements often lead to more inclusive social policy expansions due to active citizen participation in policy formation, a notion supported by Altman and Castiglioni (2021). Furthermore, the role of social movements in expanding benefits to “outsiders” is underscored in the literature. Blofield (2012) points out the significant repercussions of the extensive mobilization by domestic worker’s organizations in Bolivia and Costa Rica. Similarly, Garay (2007) highlights the influential role of these movements in Argentina and Brazil. This insight emphasizes the pivotal role of civil society’s strength and activism in shaping the scope and inclusivity of social policy initiatives, particularly in the context of labor programs.

Meanwhile, economic factors we labeled “fiscal health” (and Blofield et al. [2020, 2023] call “fiscal space”) are only partly relevant, while legislative support (in terms of divided governments) is irrelevant as an explanatory factor. Between 2019 and 2022, factors such as economic expansion, leftist political influence, and legislative backing seem to have little significance in accounting for the changes in social spending (as a percentage of GDP) and effective coverage (as a percentage of informal workers).

While large-scale responses to the pandemic were necessary due to the low levels of social protection coverage pre pandemic, it remains uncertain whether these responses will lead to long-term structural changes. As Costella et al. (2023) note, the sustainability of such responses over time is questionable. Consequently, the most vulnerable populations, particularly the poor, continue to be at risk of exposure to future climate-related shocks, highlighting an ongoing need for robust and sustainable social protection mechanisms. Consequently, “[t]he large social

protection responses that LAC implemented to address the impacts of Covid-19 present an opportunity to prepare for the challenges arising from increased climate-related shocks’ (Costella et al. 2023, p. 6).

## 7 | Conclusions

The severity of the economic and social consequences of the pandemic triggered quasi-universal approaches through the combination of new emergency programs (social assistance and labor programs) and the extension of existing programs through new eligibility cutoffs and innovations in social registries and electronic payments (Costella et al. 2023; Palomo et al. 2022). We provide empirical evidence to support the argument that the region experienced not only an expansion of emergency cash transfer programs (Atuesta and Van Hemelryck 2023; Blofield et al. 2020, 2023; Filgueira et al. 2020; Robles and Rossel 2022) but also a temporal social policy expansion across the region in CCTs, although not in labor programs.

Furthermore, our results provide social and political implications for understanding post-pandemic policy development in Latin America. First, the temporal nature of CCT expansion coupled with the insignificant changes in labor programs suggests a persistent gap in sustainable social protection for informal workers. In a region where on average about half the labor market is informal, the preference for using cash transfer mechanisms for informal workers and their households overshadows the implementation of labor policies that could provide informal workers with opportunities, rights, and the possibility to transition to formality. This point reinforces the argument that informal workers are, in practice, outsiders to labor policies.

Second, the significance of policy legacies for CCT and labor coverage highlights a potential path dependency in the evolution of social policy in the region. In this scenario, countries with preexisting programs were better positioned to expand coverage during the pandemic. It is a relevant concern if we are to reduce inequalities between countries. Third, strengthening civil society organizations also appears to be relevant to advance labor policies that benefit workers in the informal sector.

Finally, this study emphasizes that post-Covid social protection systems must overcome the divide generated by employment-based designs and noncontributory social assistance, which has been a significant feature of the dual welfare system in Latin America (Barrientos 2019, 2020). Moreover, the main challenge is to advance toward universal, comprehensive, sustainable, and resilient social protection systems to address structural issues and protect a large share of the population vulnerable to shocks, as the Covid-19 pandemic demonstrated during the crisis.

We acknowledge some methodological limitations. First, the absence of a true control group challenges the claim of a causal inference as all Latin American countries were affected by the pandemic. Second, potential confounding factors unrelated to Covid-19 could have influenced social policy transformations during this period. Third, while the pandemic is a clear exogenous shock, attributing all observed changes solely to

Covid-19 would oversimplify the complex nature of social policy evolution. To address these limitations, we employed a multifaceted methodological approach—conducting *t*-tests to detect significant changes in policy measures before and after the pandemic, utilizing pooled time-series cross-section regression analysis with panel-corrected standard errors to control for various influencing factors, and examining multiple outcome variables (total amount transferred and effective coverage) to provide a more comprehensive understanding of policy changes. While these methodological strategies strengthen our analysis, we maintain a cautious approach in interpreting causality, presenting our findings as strong correlational evidence rather than definitive causal relationships.

Future research should examine the temporality of social policy and labor expansion in the current post-pandemic era. Additionally, further time-series cross-section regression analysis could be included once more data becomes available, allowing us to test the potential medium- to long-term social policy expansion experienced during the pandemic.

### Conflicts of Interest

The authors declare no conflicts of interest.

### Data Availability Statement

The data that support the findings of this study are available in the ECLAC Non-contributory Social Protection Programs Database at <https://dds.cepal.org/bpsnc/cct>.

### Endnotes

<sup>1</sup>The analyzed CCT programs include *Asignación Universal por Hijo para Protección Social* (Argentina); *Bono Juancito Pinto* and *Bono Madre Niño-Niña “Juana Azurduy”* (Bolivia); *Bolsa Familia* (Brazil); *Chile Seguridades y Oportunidades and Subsidio Único Familiar* (Chile); *Familias en Acción* (Colombia); *Avancemos* (Costa Rica); *Progresando con Solidaridad* (República Dominicana); *Bono de Desarrollo Humano* (Ecuador); *Programa Bolsa Social and Bono Social* (Guatemala); *Bono Vida Mejor* (Honduras); *PATH* (Jamaica); *Benito Juárez* (Mexico); *Bonos familiares para la compra de alimentos and Red de Oportunidades* (Panama); *Abrazo and Tekopora* (Paraguay); *Juntos* (Peru); *Food Support Program* (Trinidad & Tobago); and *Asignaciones Familiares and Tarjeta Uruguay Social* (Uruguay).

<sup>2</sup>The analyzed labor and training programs include *Programa de Formación Continua, Jóvenes con Más y Mejor Trabajo, Progresar, Seguro de Capacitación y Empleo, and Programa de Inserción Laboral (PIL) para Programas Sociales* (Argentina); *Programa de Inclusión Económica para Familias y Comunidades Rurales and Programa de Apoyo al Empleo* (Bolivia); *Programa de Fomento às Atividades Produtivas Rurais* (Brazil); *Yo Trabajo-Apoyo a tu Plan Laboral, YO Trabajo, Fórmate para el Trabajo, Programa Tránsito a la Vida Independiente, Mujeres Jefas de Hogar, Bono al Trabajo de la Mujer, Yo Emprendo Semilla, Subsidio al Empleo Joven, Desarrollo de Competencias Laborales, Programa Generación de Micro-Emprendimiento Indígena Urbano, and Yo Trabajo Jóvenes* (Chile); *Jóvenes en Acción* (Colombia); *Empléate and Programa Nacional de Empleo* (Costa Rica); *Crédito de Desarrollo Humano* (Ecuador); *Programa Beca Social* (Guatemala); *Formación profesional para jóvenes en riesgo de exclusión social* (Honduras); *Programa de Fomento a la Economía Social, Programa Sembrando Vida, Jóvenes construyendo el futuro, and Programa de Apoyo al Empleo* (Mexico); *Programa Padrino Emprendario, Programa de Apoyo a la Inserción Laboral, Programa de Mejoramiento a la Empleabilidad de las Personas con Discapacidad, and*

*Aprender Haciendo* (Panama); *Tenonderá* (Paraguay); *Acceso de Hogares Rurales con Economías de Subsistencia a Mercados Locales, Programa Nacional para la Empleabilidad, Programa Nacional para la Promoción de Oportunidades Laborales “Impulsa Perú”, and Programa para la Generación de Empleo Social Inclusivo “Trabaja Perú”* (Peru); *Unemployment Relief Program* (Trinidad and Tobago); and *Uruguay Trabaja* (Uruguay).

<sup>3</sup>Blofield et al. (2023) refer to the variable as “divided government,” but we believe “Legislative Support” captures more accurately the essence of what the variable intends to measure—the level of support a government enjoys within the legislative branch.

<sup>4</sup>Blofield et al. (2023) refer to the variable as “fiscal space,” acknowledging they integrated additional indicators in their qualitative analysis. We argue that this label does not adequately represent a government’s capability to augment spending without compromising fiscal sustainability. As a result, we have renamed this variable “Fiscal Health” to reflect a broad view of the economy’s overall health, encompassing government revenue capacity and debt obligations.

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## Appendix A

Country	Program	Type of program	Target population	Coverage (2022)	Budget USD (2022)
Argentina	Asignación Universal por Hijo para Protección Social	CCT	Families with children under the age of 18 or sons and daughters with disabilities (no age limit) and/or pregnant women who are unemployed or work in the informal economy. Domestic employees and mono-taxpayers.	4,289,433	3,055,053,591
	Programa de Formación Continua	LIP	Employed and unemployed people	82,000	50,421,343
	Jóvenes con Más y Mejor Trabajo	LIP	Young people from 18 to 24 years of age, with permanent residence in the country, who have not completed their primary or secondary education and are unemployed.	141,558	40,438,650
	Progresar	LIP	Adolescents and young people between ages 16 and 24 that are enrolled in compulsory education (primary and secondary school) or continuing to higher education, tertiary education, or professional training courses, and whose household incomes are lower than three times the Minimum, Vital and Mobile Wage (Salario Mínimo, Vital y Móvil or SMVM).  Persons up to 35 years old who are in charge of a single-parent household with children under 18 years of age.  Persons up to 40 years of age who do not have formal registered work.  Members of indigenous communities and/or native peoples, trans people, persons with disabilities, refugees and Afro-descendant and/or Afro-Argentine, without age limit.  Income lower than three times the SMVM.	1,369,825	889,451,845
	Seguro de Capacitación y Empleo	LIP	Unemployed workers who have no access to the contributory unemployment insurance. In the first phase of the program execution, it was also covering the participants of the Jefes y Jefas de Hogar Desocupados Programme.	3668	879,651
	Programa de Inserción Laboral (PIL) para Programas Sociales	LIP	1. Programs of the Ministry of Labor – Self-managed Work – Build employment – Training for Private Work – Training for Social Organizations – Transition to Complementary Social Salaries – Youth with More and Better Work 2. Programs of the Ministry of Social Development – We make Future – Community Productive Projects	25,527,196	8541
Bolivia	Bono Juancito Pinto	CCT	Children and adolescents under 21 years old studying the level of vocational community primary education or the level of productive community secondary education, in the fiscal education units of the regular education subsystem agreement. Additionally, students in special education and fiscal centers of the subsystem of alternative and special education	2,284,610	68,724,199

(Continues)

Country	Program	Type of program	Target population	Coverage (2022)	Budget USD (2022)
			agreements without age restriction or degree of education.		
	Bono Madre Niño-Niña "Juana Azurduy"	CCT	Pregnant women and infants, uninsured.	222,292	27,119,874
	Programa de Inclusión Económica para Familias y Comunidades Rurales	LIP	Rural households in food insecure or poverty status	32,196 a	186,839 b
	Programa de Apoyo al Empleo	LIP	Unemployed or not work experienced people over 18 years old	7667	5,403,968
Brazil	Bolsa Familia	CCT	Families in poverty and extreme poverty	59,304,936 b	14,529,279,163 b
	Programa de Fomento às Atividades Produtivas Rurais	LIP	Families living in extreme poverty or poverty, registered in the Cadastro Único, and working as family farmers, silviculture, aquaculture, extractivist and fishermen, and/or who belong to traditional communities and indigenous peoples	298,944	13,209
Chile	Seguridades y Oportunidades	CCT	Households living in extreme poverty. In the case of the achievement pillar, it is extended to households belonging to the 30% most vulnerable part of the population.	494,885	95,995,999
	Yo Trabajo Jóvenes	LIP	Young people, preferably between 18 and 29 years of age, unemployed (unemployed and looking for work for the first time), inactive or in precarious work and with a Social Protection Card score of 8500 points or less. They fall in the first 2 income quintiles and are in poverty or extreme poverty.	5273 c	2,156,386 c
	Yo Trabajo - Apoyo tu Plan Laboral	LIP	People over 18 years of age in a situation of poverty and/or vulnerability with low skills to enter the labor market, belonging to the Security and Opportunities Subsystem, with Social and Labor Accompaniment.	1041	1,386,040
	Yo Trabajo	LIP	People over 18 years of age, who are among the 40% most vulnerable, who are inactive or unemployed and are in a situation of poverty and extreme poverty, reside in a commune where the program is being developed.	952 c	385,870 c
	Bono al Trabajo de la Mujer	LIP	Working women, dependent or self-employed, between 25 and 59 years of age, belonging to the most vulnerable 40% of the population.	400,884	77,968,851
	Subsidio al Empleo Joven	LIP	Young workers, dependent and self-employed, between 18 and 25 years of age, belonging to the most vulnerable 40%, accredit an annual gross income of less than US\$6,000, and not a public employee. Employers whose workers qualify.	306,634	64,072,131
	Programa Tránsito a la Vida Independiente	LIP	People with a disability or dependency between 18 and 59 who belong to the most vulnerable 70% of the population.	1334	2,481,329
	Yo Emprendo Semilla	LIP	People over 18 years of age, in a situation of poverty and/or vulnerability who are unemployed or inactive	40,424	29,843,855
	Mujeres Jefas de Hogar	LIP	Women aged 18–65 years old who belong to the first three income quintiles	49,604	7,194,588
	Programa Generación de Micro-Emprendimiento Indígena Urbano	LIP	Persons belonging to indigenous peoples recognized by Law N° 19.253, over 18 years of age, who are active users of the Subsystem of Security and Opportunities, who are unemployed or precariously employed, and who	711	644,849

(Continues)

Country	Program	Type of program	Target population	Coverage (2022)	Budget USD (2022)
			reside in the regions where the program is implemented.		
	Fórmate para el Trabajo	LIP	Persons 16 years of age or older, who are among the 60% most vulnerable of the population, according to the Social Registry of Households and do not have completed higher education.	23,869	38,341,555
	Desarrollo de Competencias Laborales	LIP	Women over 18 years of age, who have low levels of employability and belong to families participating in Chile Solidario and Subsistema de Seguridad y Oportunidades, where at least one member of the family has a regular income and stable remuneration.	550	125,530
	Subsidio Único Familiar	CCT	Children younger than 18 years old, pregnant women, mothers with SUF causers and people with disabilities.	3,435,366	383,891,907
Colombia	Familias en Acción	CCT	Households in poverty and vulnerability situation (SISBEN level I), in condition of displacement or indigenous with children under 18 years old.	3,116,430	583,028,578
	Jóvenes en Acción	LIP	The Program begins its operation with the process of territorial and population targeting of high school graduates in a situation of poverty and vulnerability between 14 and 28 years of age, who meet the criteria established by the program. Young people who want to join the Jóvenes en Acción Program must meet the following requirements before the pre-registration process: <ul style="list-style-type: none"> <li>- Be between 14 and 28 years old.</li> <li>- Be a vocational high school graduate (11th grade).</li> <li>- Not have a professional university degree</li> <li>- Be included in at least one of the databases used for the Program's population targeting that certify their poverty or vulnerability situation: ICBF census lists, indigenous census lists or current SISBEN.</li> </ul>	525,252	169,787,074
Costa Rica	Avancemos	CCT	Families with young people between 12 and 25 years old who are struggling to keep their children in the educational system due to economic reasons.	387,739	175,547,699
	Programa Nacional de Empleo (PRONAE)	LIP	People over 15 years of age living in poverty, extreme poverty, vulnerability, unemployment and underemployment. Indigenous populations are also considered.	25,952 b	37,304,447 b
	Empléate	LIP	Young people aged 17–24 years and young people with disabilities aged 17–35 years living in vulnerable communities who are unemployed or inactive	19,188 b	30,227,520 b
Dominican Republic	Progresando con Solidaridad	CCT	Families in extreme (ICV-1) and moderate poverty (ICV-2).	3,713,488 c	273,582,798 c
Ecuador	Bono de Desarrollo Humano	CCT	Households in extreme poverty with children under 16 years old, adults over 65 years old and people with disabilities.	1,381,786	631,852,285
	Credito Desarrollo Humano	LIP	Households under poverty situations who benefit from the Bono de Desarrollo Humano program.	23,810	17,051,905

(Continues)

Country	Program	Type of program	Target population	Coverage (2022)	Budget USD (2022)
Guatemala	Programa Bolsa Social	CCT	Households in extreme poverty with children under 16 years old, adults over 65 years old and people with disabilities.	123,159	7,358,507
	Programa Beca Social	LIP	The Social Scholarship program is aimed at the population living in poverty or extreme poverty in urban and rural areas in the following age groups: Social Scholarship for Secondary Education for adolescents and young people between 11 and 24 years of age; Social Scholarship for Higher Education for young people between 16 and 28 years of age; Social Scholarship for First Employment for young people between 18 and 25 years of age; and Social Artisan Scholarship for older people, preferably women.	11,989	3,466,481
	Bono Social	CCT	Families with children in a situation of poverty and extreme poverty between 0 and 15 years of age, pregnant and lactating women, girls and adolescent victims of sexual violence, and pregnant women or mothers 14 years old or younger whose cases have been prosecuted.	510,015	46,244,039
Honduras	Bono Vida Mejor	CCT	Families in poverty or extreme poverty	15,395 b	28,182,958 b
	Formación profesional para jóvenes en riesgo de exclusión social	LIP	Young people between 16 and 30 years old.	16,680	82,427 b
Jamaica	PATH	CCT	Poor families with children under 17 years, adults older than 60 years, people with disabilities, pregnant and/or lactating women, and/or unemployed adults between 18 and 64 years.	269,460 b	57,006,512 b
Mexico	Benito Juarez	CCT	Families in a situation of extreme poverty with children, adolescents and young people who attend school and can access the scholarships of the program. Additionally, the program considers ex-recipient households of the PROSPERA program that meet the eligibility requirements in 2019, whose estimated per capita income is below the Income Poverty Line.	50,053,424	3,882,327,478
	Programa de Apoyo al Empleo	LIP	Job seekers over 16 years of age	1,447,819	13,466,330
	Programa de Fomento a la Economía Social	LIP	Social Sector Organizations of the Economy (OSSE) and persons with incomes below the welfare line, organized in social groups (at least three people)	576 c	3,725,472 c
	Jóvenes construyendo el futuro	LIP	Young people aged 18 to 29 years who do not currently study or work and declare that they are able to participate in the program	893,084	1,077,823,775
	Sembrando Vida	LIP	Agrarian subjects of legal age who live in rural localities, whose municipalities are at levels of social backwardness and who are owners or possessors of 2.5 hectares available to be worked in an agroforestry project.	470,727	1,474,673,103
Panama	Bonos familiares para la compra de alimentos	CCT	Families in extreme poverty. Priority is given to families with minors, disabled and/or elderly members.	36,167	5,160,080
	Red de Oportunidades	CCT	Households in extreme poverty	264,882	27,638,599
	Programa Padrino Empresario	LIP	Adolescents between 15 and 17 years of age exposed to social risk.	686 d	787,029 d
	Programa de Mejoramiento a la	LIP	Persons of legal age who are disabled	188	87,547

(Continues)

Country	Program	Type of program	Target population	Coverage (2022)	Budget USD (2022)
	Empleabilidad de las Personas con Discapacidad				
	Aprender Haciendo	LIP	Young people between 17 and 23 years old, graduates of selected vocational and technical schools, who have not had a formal employment relationship.	73	682,892
	Programa de Apoyo a la Inserción Laboral	LIP	Unemployed (men and women) over 18 years.	103 b	522,740 b
Paraguay	Abrazo	CCT	Families in extreme poverty with children under 14 years of age and adolescents aged 14–17 years in child labor	11,087	3,677,639
	Tekopora	CCT	Households in extreme poverty with pregnant women, widowed parents, older adults and/or children up to 18 years of age, as well as people with disabilities and indigenous families	1,015,064	61,666,689
	Tenonderã	LIP	Families in situations of poverty and/or low quality of life, who are participating or have graduated from the Tekopora program.	45,000 b	5,120,457 b
Peru	Juntos	CCT	Households in extreme poverty with pregnant women, widowed parents, elderly and/or children up to age 19. Before 2014 the age limit of adolescents was 14. Indigenous families inhabitants of the Amazon.	3,491,680	314,760,122
	Programa para la Generación de Empleo Social Inclusivo “Trabaja Perú”	LIP	Unemployed and underemployed population living in poverty and extreme poverty, with priority to heads of households, young people between 18 and 29 years of age, people with disabilities and senior citizens.	332,007 b	173,902,695 b
	Programa Nacional para la Empleabilidad	LIP	Young persons between 15 and 29 years unemployed, in poverty and extreme poverty	3053 b	3,848,960 b
	Programa Nacional para la Promoción de Oportunidades Laborales “Impulsa Perú”	LIP	Citizens over 18 years of age who are unemployed, underemployed, at risk of unemployment or workers who have experienced a decrease in income.	2096 c	1,877,207 c
	Acceso de Hogares Rurales con Economías de Subsistencia a Mercados Locales – Haku Wiñay	LIP	Rural households with subsistence economy.	317,000 e	65,453,007
Trinidad and Tobago	Food Support Programme	CCT	Poor families	65,024	26,244,444
	Unemployment Relief Programme	LIP	Unemployed persons over 18 years of age	—	41,481,481
Uruguay	Asignaciones familiares	CCT	Poor families	398,634	215,630,756
	Tarjeta Uruguay Social	CCT	Families living in extreme poverty and trans people (transsexuals, transvestites and transgender).	483,054	65,484,576
	Uruguay Trabaja	LIP	Adults between 18 and 65 years of age, in a situation of socioeconomic vulnerability, with incomplete basic education, and who have been unemployed for more than 2 years at the start date of registration.	3045 b	14,018,694 f

Note: a 2017; b 2021; c 2020; d 2019; e households; f 2018.

Abbreviations: CCT, conditional cash transfers programs; LIP, labor inclusion programs; SISBEN, Sistema de Identificación de Potenciales Beneficiarios de Programas Sociales; SUF, Subsidio Único Familiar.

Source: ECLAC (2025).