

CROSSROADS IN THE HUMAN, SOCIAL AND ENVIRONMENTAL DEVELOPMENT OF LATIN AMERICAN AND CARIBBEAN SOCIETIES (2022-2023)

RESEARCH PAPER



NETWORK OF SOCIAL DEBT OBSERVATORIES OF
LATIN AMERICAN AND THE CARIBBEAN (RED ODSAL)

Organization of Catholic Universities of Latin America and the Caribbean (ODUCAL)



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Preface

The analysis of the state of Latin America and the Caribbean presented in this report renews the concern and the impulse to continue demanding structural changes in the face of the inequalities and exclusions that historically cross our region, which in turn persist and deepen despite the end of the COVID-19 pandemic. Data from international organizations and study centers collected in this study show us that the central governments of the countries in the region have not had the capacity to overcome the serious effects of COVID. If we maintain the current structures, it is clear that inequity, the discarding of human beings and the damage to our Common Home will continue to worsen.

Discerning the signs of the times is key to solidly founding the pastoral action of our Church. Expert knowledge accompanying the sentiments of the People of God amid the roots of our societies, such as that expressed in the Listening Time of the Ecclesial Assembly of Latin America and the Caribbean, is really useful for this task. Both complement each other and help to understand social reality and act accordingly. In this regard, the new report provided by the Socio-Anthropological and Pastoral Observatory (OSAP) of the Knowledge Management Center of CELAM is not just another technical contribution. It has academic support, analyzes the social, economic, political and environmental reality of Latin America and the Caribbean from a believing point of view, and incorporates a theological-pastoral reflection. This paper presents data on the consequences of the health crisis that began in 2020, as well as the actions implemented by the States to prevent the disaster from worsening. However, these actions did not manage to improve the quantity and quality of jobs, but rather increased the rates of labor informality and inflation, aggravating the access to different services and/or basic human rights.

We are concerned about the recovery of quality jobs being slower than expected and, reportedly, slower than the recovery of the economy. Three years have already passed since the beginning of the pandemic, and formal employment rates have not recovered to pre-pandemic levels despite the efforts of the States in implementing economic reactivation policies; on the contrary, these policies have led to a reduction in unemployment levels and an increase in informal employment rates. There is no greater poverty than not having a job, Pope Francis has rightly told us. Women and young people are the most affected by this process.

We are also concerned about housing and health deficits that are far from being reduced, with half of the people in the first quintile of per capita income living in overcrowded homes. The situation of democracy in our countries and the level of satisfaction that the population expresses with this political system are also worrying.

All this leads us to search for improved pathways. We can never forget that God always continues to create; for this purpose, He asks us to put our intelligence and hands in motion. Commitment to justice and solidarity is rooted in the love of God and neighbor. When taken to heart, this teaching has a clear consequence in the social dimension of evangelization.

In this context, we present this report with the hope placed in God and each one of our brothers and sisters, under the protection of Our Lady of Guadalupe.

Lizardo Estrada Herrera
Auxiliary Bishop of Cusco
Secretary General of CELAM

Introduction

The human being is still capable of intervening positively (LS58); not everything is lost, because human beings, capable of degrading themselves to the extreme, can also overcome themselves, choose the good again and regenerate themselves (LS 205).

Francis I, Encyclical Letter *Laudato Si'*, 58, 66, 205 (2015).

Latin American societies have been experiencing structural problems for decades: landless peasants, homeless families, workers without rights, and people whose dignity has been undermined. A change of structures is necessary today because the social system is no longer sustainable. Francis speaks of the need to globalize hope in contrast to the globalization of exclusion, putting an end to inequality and the throwaway model.

However, a transformation of this type begins with a change of mentality: abandoning the logic of accumulation and moving towards a correct administration of the Common House is necessary. The States and their rulers must succeed in guaranteeing a “good life” for all their inhabitants, under the principle of the “common good”. This involves «the three Ts» (work, land, housing) as well as access to education, health, innovation, artistic and cultural events, communication, sports and recreation,¹ combined with development in balance with the natural world.

Transforming social reality with the power of the Gospel, witnessed by women and men faithful to Jesus Christ, has always been a challenge and continues to be so at the beginning of the third millennium of the Christian era. The proclamation of Jesus Christ, the «good news» of salvation, love, justice and peace, is not always easily accepted in the world today, even in our continent, devastated by disease, war, misery and injustice. In this context, we are convinced that systematic social studies will help the Latin American Church to understand the signs of the times and to respond to the problems and demands of our time.

¹ Francis (2015). Speech of the Holy Father at the II World Meeting of Popular Movements, Santa Cruz de la Sierra, 2015.

The need for a profound recognition of the economic, political and cultural reality to determine from there the political and strategic options that the transforming path demands makes indispensable the approach of our Church to the social and human sciences, taking into account that the scientific-technical knowledge –including that of the social sciences– has a clear mission of service following our Social Doctrine:

New technical and scientific knowledge must be placed at the service of man's primary needs, so that the common patrimony of humanity can be gradually increased. The full implementation of the principle of the universal destination of goods requires, therefore, action at the international level and programmed initiatives on the part of all countries: "We must break down the barriers and monopolies that leave so many peoples on the margins of development and ensure for all –individuals and nations– the basic conditions that will enable them to participate in this development." John Paul II, Encyclical Letter *Centesimus annus*, 35: AAS 83 (1991) 837.

Pope Francis has told us in this way: "The scientific field is part of society and should not be considered separately and independently, but rather called to serve the human family and its integral development." On this basis, he expressed his wish that the production of knowledge would benefit everyone, so that "the peoples of the Earth may be nourished, their thirst quenched, healed and educated; that the politics and economy of peoples may draw the directions for proceeding with greater certainty towards the common good, especially for the benefit of the poor and deprived, and towards respect for the planet."²

As pilgrims of this mission, as well as active members of our societies, we are called to serve our people and their integral development through research into the social reality of our region. Such research aims to recognize and elucidate the sufferings, injustices, strengths and hopes of our people. The fruits of this mission of service are innumerable, both for our Church and the whole of our Latin American peoples. Our work is nourished by the dreams of the people of God and assumes a special commitment to the fundamental values and goods that are the basis of relations between peoples, society and science.

In this way, as experts in the humanistic scientific field committed to accounting for the social debts that cross the continent, without the pretension of making an exhaustive analysis of the present socio-economic, political-institutional and socio-cultural processes, we provide in the present paper a characterization of significant trends and situations that affect our societies, compromise the work of the Latin American Church and lead us to assess the path that the new work of CELAM is trying to follow:

2 Francis (2018). Pope Francis' speech to the scientists of the Pontifical Academy of Sciences, Vatican City, November 12, 2018. <https://www.vaticannews.va/es/papa/news/2018-11/papa-francisco-discurso-academia-pontificia-ciencias-plenaria.html>

- Undoubtedly, with the end of the health crisis caused by the COVID-19 pandemic in 2023 decreed by the World Health Organization (WHO) (United Nations, 2023), one of the most important historical events of recent times comes to an end. However, Latin America and the Caribbean continue to face the consequences of this crisis in addition to pre-existing structural problems. In this context, in 2023 the region completed a decade of slowing GDP growth that began in 2014, caused by instability in financial markets, international territorial and political disputes, a poor performance in commodity prices and upward inflation pressures, which generated a vicious circle of low growth and high levels of inequality.
- Although there were improvements in terms of poverty reduction following the post-pandemic economic recovery in 2021-2022, the rates in 2023 did not continue to show further reductions due to low economic growth. Likewise, when comparing poverty levels in Latin American and Caribbean countries, the scenarios presented are very heterogeneous. However, the incidence of poverty is higher in some population groups in the region: more than 42.5% of the child and adolescent population lives in poverty, and the poverty rate of 20- to 59-year-old women is higher than that of men in all countries. Similarly, poverty is considerably higher among the indigenous or Afro-descendant population.
- In the labor dimension, as with the growth rate, the growth rate of employed people in 2014-2023 was only 1.26%, approximately half of the 3.2% recorded in the 1980s (ECLAC, 2024). The COVID-19 pandemic deepened this trend and triggered the greatest crisis in the labor markets in the region since 1950 (ECLAC, 2024). As a result, the lower the level of job creation in the region, the higher the levels of labor informality. As regards employment, it increased to almost recover pre-pandemic levels, but the proportion of formal employment has fallen by almost five percentage points, to the detriment of the strong growth of precarious and informal jobs.
- Even though there were positive points in health and education after the pandemic –70% of the Latin American population with a complete vaccination schedule against COVID-19 by the end of 2023 and an increase in the gross rate of access to higher education–, the long-term costs of the crisis in the health care and education systems must be urgently addressed to reactivate growth and mitigate the increase in inequalities. At the same time, however, both public spending and public social spending were significantly reduced in 2023.
- The region is suffering from the increasingly severe effects of climate change. Hurricanes, floods and droughts are becoming more frequent, as well as greater exposure to excessive heat and flooding. Climate change has led to the occurrence of extreme events that

generate natural disasters. These are becoming more frequent and more intense. High levels of poverty, long-standing challenges in infrastructure, education, health and efficiency of spending must be addressed with policy reforms with a sustainable and environmentally friendly perspective.

- On the other hand, in the political arena, the main challenge facing the region is the threat to the democratic system. The disconnection of governments with citizens' demands is becoming increasingly evident, which is manifested in the populations' growing dissatisfaction with their rulers and institutions and in the punishment vote for the ruling parties, particularly considering that 2023 is an election year in several countries. This crisis of representation opens the door to the emergence of new populist and authoritarian figures that capitalize on citizens' discontent to gain followers.

In this framework, we are motivated by the discernment of the signs of the times in Latin America and the Caribbean, but with a practical commitment in terms of their economic, social, political and cultural implications: seeing, listening and understanding from a critical attitude the realities experienced by our societies to act towards a structural transformation at the service of integral human development and the care of the common home. This is how we feel part of the process of decisively missionary conversion that the Latin American Church is undergoing, inspired by the documents from Medellín to Aparecida, and –especially in recent times– by the contributions of Pope Francis' magisterium, particularly his documents 'Dear Amazonia', 'Laudato si' and 'Fratelli Tutti'.

In this sense, the present paper examines the reality of Latin America and the Caribbean, gathering and extending for our entire region three out of Pope Francis' four dreams towards our Amazonia: i) The "ecological dream", from which the Pope highlights the importance of rescuing, guarding and developing the overwhelming natural beauty of our common home; ii) The "social dream", from which he challenges us to fight for the rights of the poorest, of the excluded, where their voice is heard and their dignity is promoted; iii) The "cultural dream", from which the Pope dreams of a society that preserves cultural wealth, where the diversity of beautiful human forms shine and progress.

Executive summary

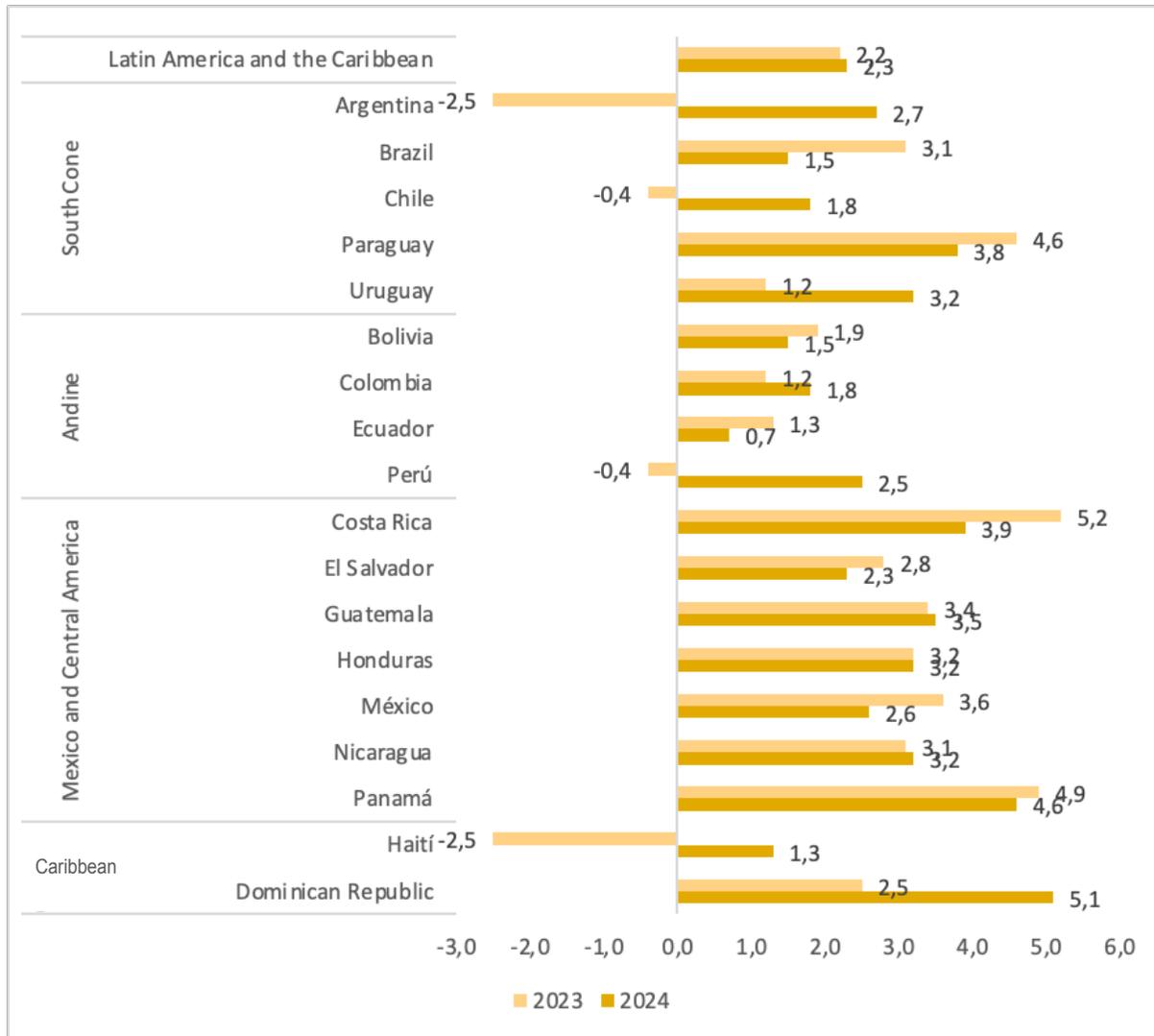
A. ECONOMIC-OCCUPATIONAL SITUATION

- Latin America and the Caribbean exhibit low economic growth in 2023 and a trend towards an accentuated deceleration in GDP growth by 2024 (Figure EOS.1). Among the factors that explain this slowdown and poor performance of economic growth, different organizations point to instability in financial markets, international territorial and political disputes, poor performance in commodity prices, possible upward pressures on inflation and adverse weather conditions, among others.
- Foreign direct investment is also another aspect to consider when assessing growth opportunities in the region. The level of investment has recovered following the pandemic, but there are still no updated figures available for the two semesters of 2023. However, according to the data available for the first half of 2023, Brazil, Chile, Colombia and Mexico are the countries with the highest levels of investment in the region.
- Another component that receives special attention is the evolution of the price index in the countries of the region. Inflation is one of the most worrying phenomena in economic matters, since it affects the purchasing power of income and, at the same time, leads to lower economic growth. Except for Argentina and Haiti, where inflationary processes have been sustained, the inflation rate in the region has been decreasing but it is still significant, which makes it a phenomenon whose evolution must be closely monitored.
- In terms of spending and indebtedness, spending decreased compared to the peak of the pandemic, when government expenditures increased to cope with the economic effects of the health crisis. This was mainly due to the contraction of primary spending; estimates for 2023 show levels close to those of 2022, but slightly above the values recorded in 2019 before the pandemic. On the other hand, the average gross public debt levels for Latin America and the Caribbean fell significantly with respect to the pandemic period but continue to be high, with values similar to those recorded in the first years of the new century (Figure EOS.2).
- In this context, it should be noted that access to financing is a key component in the adoption of technology. Technological change is currently a reality that permeates the

contemporary world, accentuated in the pandemic with digitalization phenomena in employment. Its impact on production processes is dissimilar, depending on the capacity of countries to adopt these technologies in such processes. In the case of the countries in the region, there is a predominance of technological backwardness and unequal incorporation of technologies, which often results in inequitable growth processes.

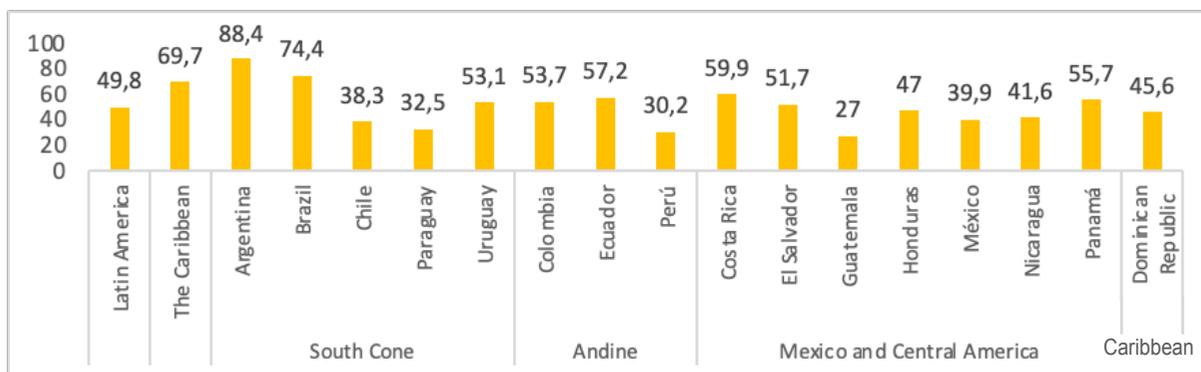
- In terms of employment, the recovery of Latin American and Caribbean labor markets slowed in the first semester of 2023. Difficulties in advancing along a path of sustainable economic growth generate limitations in job creation and the improvement of working conditions. The most recent data for 2023 indicate that the labor participation rate in Latin America and the Caribbean has not recovered sufficiently to reach pre-pandemic levels, even though the unemployment rate has been steadily declining after reaching its highest peak during the health crisis. Regarding labor gaps by gender and age, the evidence shows the vulnerability of women and young people, with low labor participation rates and higher unemployment rates.
- In addition to lower job creation in the region, the levels of labor informality are high (Figure SEO.3). The difficulties faced by the productive matrices of most of the countries in the region in generating jobs in the formal sector increase the risk of the labor force to fall into the informal labor market and be employed in precarious jobs, without access to social security and protection and with low incomes. Thus, labor precariousness continues to operate as a worrying factor in labor markets, which has a clear correlation with the increase in poverty and inequality in the countries in the region. In other words, long-standing structural inequalities have a negative impact on efforts to eliminate poverty and ensure a sustained process of development. After witnessing a reduction in poverty levels in the region following the pandemic, projections indicate that this trend is not expected to consolidate in 2023. In a context in which informality rates continue to be significant, the efforts of households –including those of sectors such as the social economy– to ensure their livelihood sources are also noteworthy. Indeed, in the context of a reality marked by deprivation and inequalities, the social and solidarity economy has been growing as it offers a space for providing concrete responses to the population’s increasingly urgent needs, based on the logic of cooperation and mutual assistance.
- Finally, Latin America and the Caribbean face important challenges in the context of global processes aimed at a green transition. It is becoming increasingly imperative to rethink economic production matrices to mitigate the impact of human action on the environment. In this context, the region occupies a privileged position in terms of the presence of renewable energy resources, which offers a unique opportunity to generate inclusive, equitable and sustainable development models, especially in the context of global efforts to find possible alternatives to fossil fuels.

Figure EOS.I. Latin America and the Caribbean (19 countries): Annual GDP growth, estimates for 2023 and projections for 2024, by country and subregion in Latin America and the Caribbean. As percentages.



Source: Own elaboration based on the report "Global Economic Prospects" (World Bank, 2024).

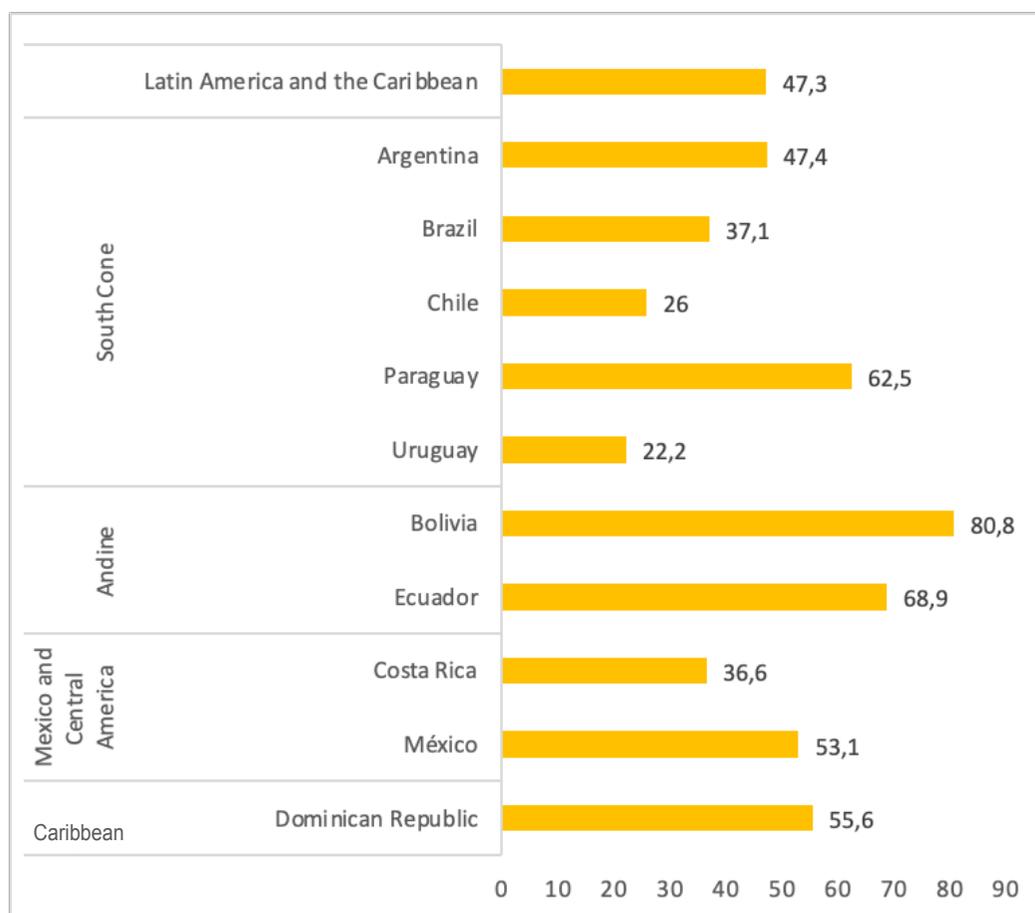
Figure EOS.2. Latin America (16 countries) and the Caribbean (13 countries): Central government gross public debt by country and subregion in Latin America and the Caribbean. Year: 2023. As percentages of GDP.



Note: Data correspond to September 2023. Latin America includes the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay. The Caribbean includes the following countries: Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, St. Vincent and the Grenadines, St. Kitts and Nevis, St. Lucia, Suriname, and Trinidad and Tobago (ECLAC, 2023a).

Source: Own elaboration based on the report "Preliminary Overview of the Economies of Latin America and the Caribbean 2023" (ECLAC, 2023).

Figure EOS.3. Latin America and the Caribbean (11 countries): Labor informality rate, by country and subregion in Latin America and the Caribbean. Year 2023. As percentages.



Note: Data correspond to the second quarter of 2023. Bolivia's rate corresponds to the first quarter of 2023, and the rate for Latin America and the Caribbean corresponds to the first semester of 2023. Latin America and the Caribbean include the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Mexico, Paraguay, Peru and Uruguay.

Source: Own elaboration based on the report "Labor Panorama 2023. Latin America and the Caribbean" (ILO, 2023a) and the report "Preliminary Overview of the Economies of Latin America and the Caribbean 2023" (ECLAC, 2023).

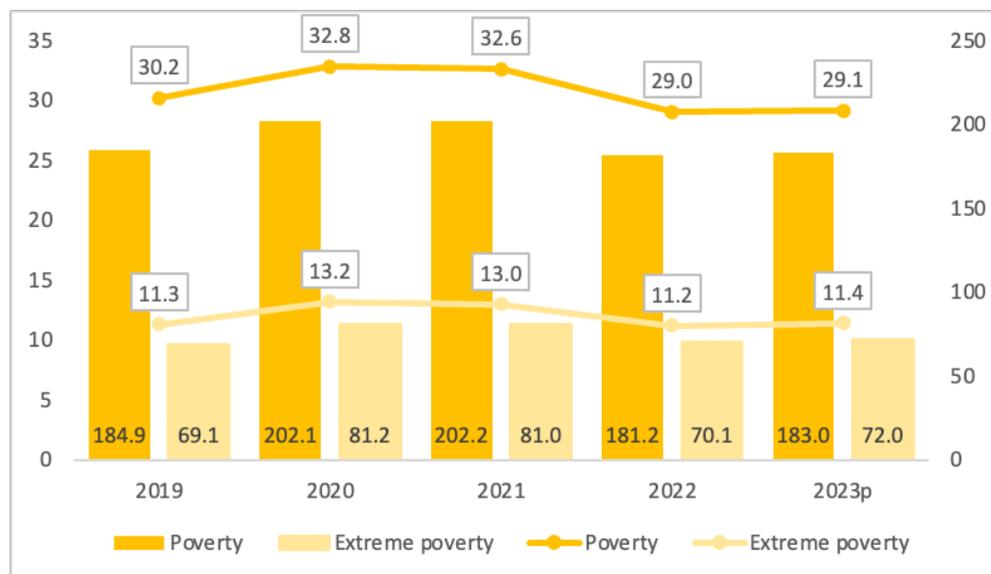
B. SOCIAL SITUATION

- Following the post-pandemic economic recovery, changes in the Latin American labor market caused labor and non-labor incomes to grow in 2022, reducing poverty from 32.6% in 2021 to 29% in 2022, and extreme poverty from 13% to 11.2% for the same period. However, rate projections for 2023 do not predict further reductions due to the expected low economic growth.
- The regional average poverty was reduced to somewhat lower levels prior to the pandemic, but this did not happen in more than half of the countries analyzed in the region. In turn, it mainly affects Latin American women (who are year after year poorer), children and adolescents, Afro-descendants and indigenous people, and those living in rural areas. More than 180 million people did not have enough income to cover their basic needs. Among them, 70 million people did not have enough income to buy a basic food basket.
- Regarding income concentration, in Latin America and the Caribbean, the regional average for the calculation of the Gini index stood at 0.464 in 2022, nearly 3% lower than in 2021, which shows a clear regional trend since the beginning of the decade in income distribution. Nevertheless, the income gaps between the poorest and richest groups continue to perpetuate and deepen. In 2022, decile X in Latin America captures between 29% and 45% of total income in each country, whereas the lowest income decile captures between 0.4% and 2.5%.
- Although the availability of adequate food is one of the fundamental conditions for the effective exercise of other rights and hunger is not increasing at the global level, measurements have not recovered pre-pandemic levels, as is the case of the Latin American population. The population of the Caribbean subregion is the most affected by the prevalence of undernourishment, with a significant increase from 14.7% in 2021 to 16.3% in 2022, 2 p.p. higher than in 2019.
- In terms of food insecurity prevalence, Latin America is one of the few regions in the world that recorded improvements in its incidence rates. The proportion of the population affected by moderate or severe food insecurity decreased from 40.3% in 2021 to 37.5% in 2022, equivalent to 16.5 million fewer people in one year.
- In 2021 and 2022, household overcrowding in Latin America reached one third of the population. This is aggravated depending on the quintile where the person is located. Half of the people in the first quintile of per capita income experienced overcrowding. In turn,

the population residing in households in El Salvador, Mexico and Bolivia experienced the highest levels of overcrowding from 2019 to 2022.

- The accelerated growth of educational demand in Latin America and the Caribbean exposes the great economic and social value associated with higher educational credentials. In the last twenty years, Latin America and the Caribbean have witnessed a significant increase in access to higher education. The gross rate increased from 19% to 38% globally between 2000 and 2023, becoming the second region in the world in terms of growth.
- Faced with the COVID-19 pandemic emergency, the governments of Latin American and Caribbean countries have made great efforts to accelerate the vaccination of their populations, achieving coverage of almost 70% of the total population with a complete schedule against COVID-19 by the end of March 2022. However, this is marked by strong intra-regional heterogeneity, since between March 2021 and March 2022 Latin America managed to vaccinate 66% of its total population, whereas the Caribbean only vaccinated 36% of its total population.
- In 2022, Latin America recorded the second year of decline in social spending by central governments –measured as a percentage of GDP– as a result of the end of emergency policies in response to COVID-19 and the context of the economic crisis. In the Caribbean region, the central governments' public social spending fell to 11.5% of GDP in 2022 compared to 2021; in 2020, the subregion reached its highest level with 13.7%, thus breaking the trend of increasing social spending.
- In Latin America, 64.3% of the population was covered by at least one social protection benefit in 2020 or the last year with available data; this is even higher for people from the Southern Cone region.

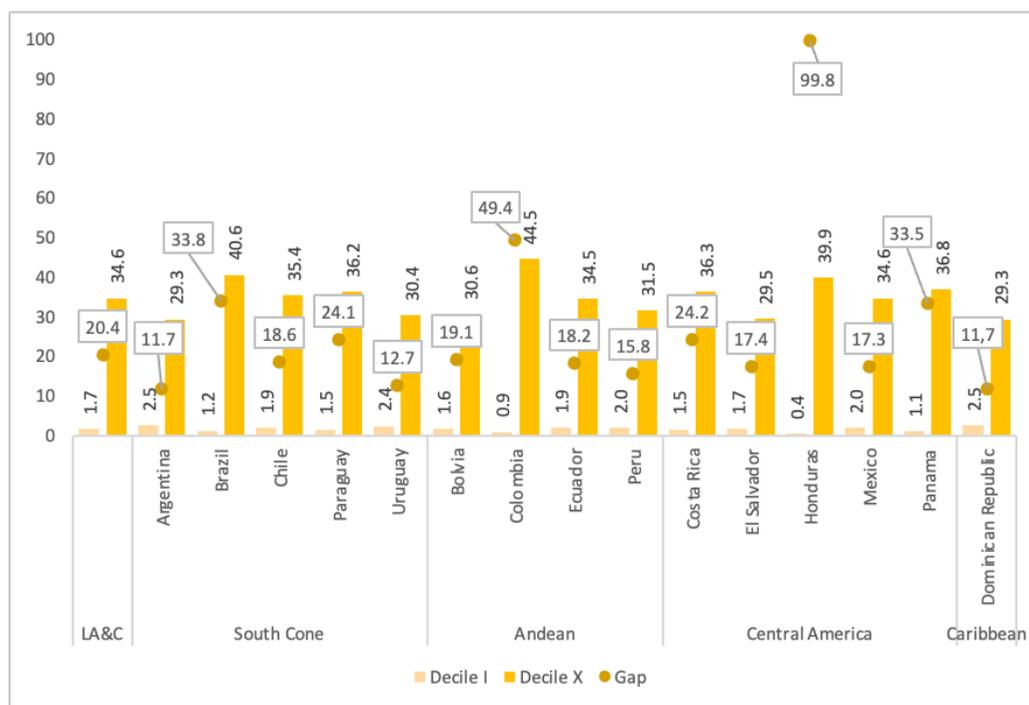
Figure SOS.I. Latin America and the Caribbean (18 countries): Poverty and extreme poverty rates in Latin America. Years: 2019-2023. As percentage and number of people (right axis).



Note: p: projection.

Source: Own elaboration based on the report “Social Panorama of Latin America and the Caribbean 2023”. ECLAC, 2023.

Figure SOS.2. Latin America and the Caribbean (15 countries): Income received by deciles I and X. Year: 2022. As percentages and gaps.



Source: Own elaboration based on the report “Social Balance of Latin America and the Caribbean 2023”. ECLAC, 2023.

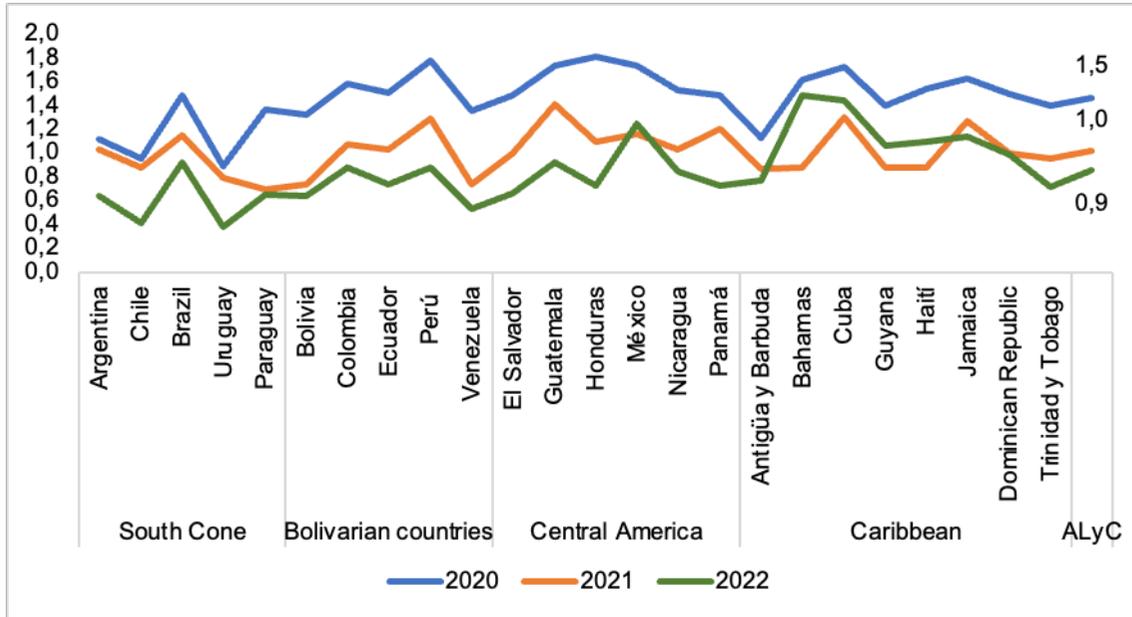
C. SOCIO-ENVIRONMENTAL SITUATION

- The increase in mean annual temperature in recent years indicates that 2016-2025 will be the warmest decade on record. The global average temperature until October 2023 was about 1.40 ± 0.12 °C above the average for 1850-1900, which would indicate that 2023 will be the warmest year in the 174-year record, surpassing the ones for 2016 and 2020.
- In Latin America and the Caribbean, the average temperature in 2022 varied by 0.9 °C with respect to 1951-1980 (SES.1). The transition from La Niña (2020-2023) to El Niño occurred in September 2023, and new climate anomalies are expected for 2024 (SES.2).
- Between 2020 and 2022, average temperatures varied most in central South America and the islands of the northeastern Caribbean. Likewise, these variations were clearly greater in El Salvador, Guatemala and Honduras. It is no coincidence that these three Central American countries have suffered the greatest damage from the effects of droughts and hurricanes in the last five years.
- In 2016-2020, the number of days of exposure to heat waves increased in 19 countries in Latin America and the Caribbean. Similarly, in 2021, approximately 70% of the Latin American population was exposed to at least two weeks of nights with minimum temperatures higher than 20 °C.
- Climate change has led to the appearance of extreme phenomena that generate natural disasters. These occur more frequently and are increasingly more intense. A fact that exemplifies this dynamic of intensity is that between 2019 and 2022, the number of people affected by hurricanes or tropical storms in the region increased by 38%.
- An estimated 190 million people in the region have been affected by 1,534 natural disasters between 2000 and 2022, placing Latin America as one of the regions most exposed to disaster risks. The most recurrent have been floods and storms, although earthquakes and droughts have also had a significant occurrence in the region.
- Data from the last four years would indicate that 2023 was the period with the greatest damage caused by natural disasters linked to climate change. It is estimated that more than eight million people were affected and that the economic costs of this damage exceeded US\$20.3 million (SES.2)
- Forests cover 46% of the surface area of Latin America and the Caribbean. This area contains 23% of the world's forests, with a major role played by the Amazon, the largest

tropical rainforest worldwide (6.7 million km²). However, in 1990, the area of the region covered by forests was 53%, which means a loss of 138 million hectares of forest in 30 years. The highest rates of forest loss have been recorded in South America (SES.3).

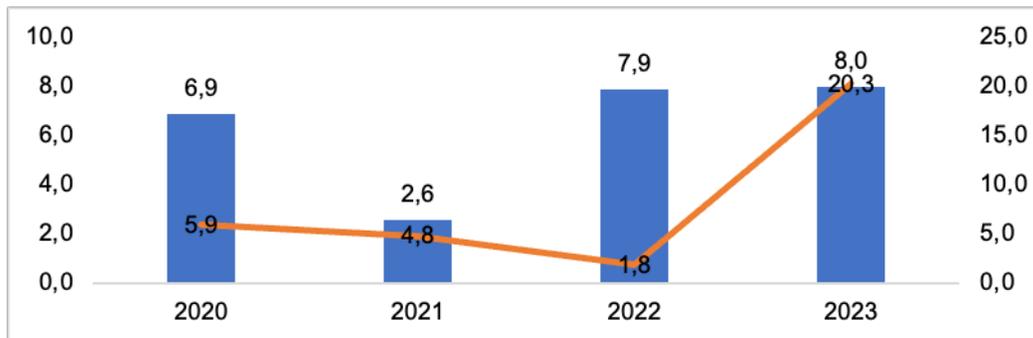
- Currently, a major socio-environmental inequality is linked to the higher occurrence of climate change-related disasters in regions that are not the main emitters of greenhouse gases and therefore are not the regions that contribute significantly to the increase in global average temperature and its associated effects.
- It should be noted that the Latin American region has a low share of total global greenhouse gas emissions, accounting for only 6.7% of total global emissions in 2019, which is relatively consistent with respect to the region's GDP and population weight.
- In intraregional terms, an inequality between the subregions emerges, since South America produces 71% of regional greenhouse gas emissions. This reflects the intensity of forestry and agricultural land use in South American countries.
- Although the region has approximately one third of the world's water resources, in some countries there is increasing water stress and a persistent deficit in access to water: 166 million people did not have access to safely managed water supply services and 24 million people did not have access to basic services.
- Finally, it is worth mentioning the high level of socio-environmental conflict in the region. Between 2000 and 2022, 742 environmental conflicts were recorded, out of which 661 remained unsolved at the end of 2022. One third of the conflicts that remain open were related to mining or mineral extraction.

Figure SES.1. Latin America and the Caribbean (24 countries): Average change in surface temperature in relation to the period 1951-1980. 2020-2022. In degrees Celsius.



Source: Own elaboration based on CEPALSTAT (2023).

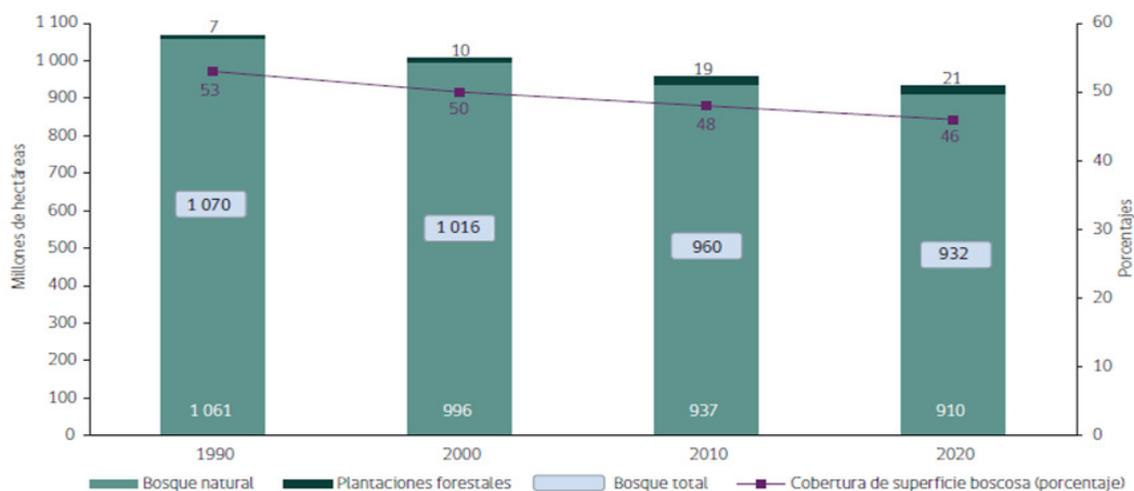
Figure SES.2. Latin America and the Caribbean (18 countries): Affected people (left axis, in millions of people) and economic cost (right axis, in millions of USD) of natural disasters linked to climate change*. 2020-2023.



source: Own elaboration based on CEPALSTAT, 2023.

* Storms, floods, wet mass displacements, extreme temperatures, droughts and fires.

Figure SES.3. Latin American and the Caribbean: Net annual change in forest area, by decade and region, 1990-2020.



Source: ECLAC, 2021.

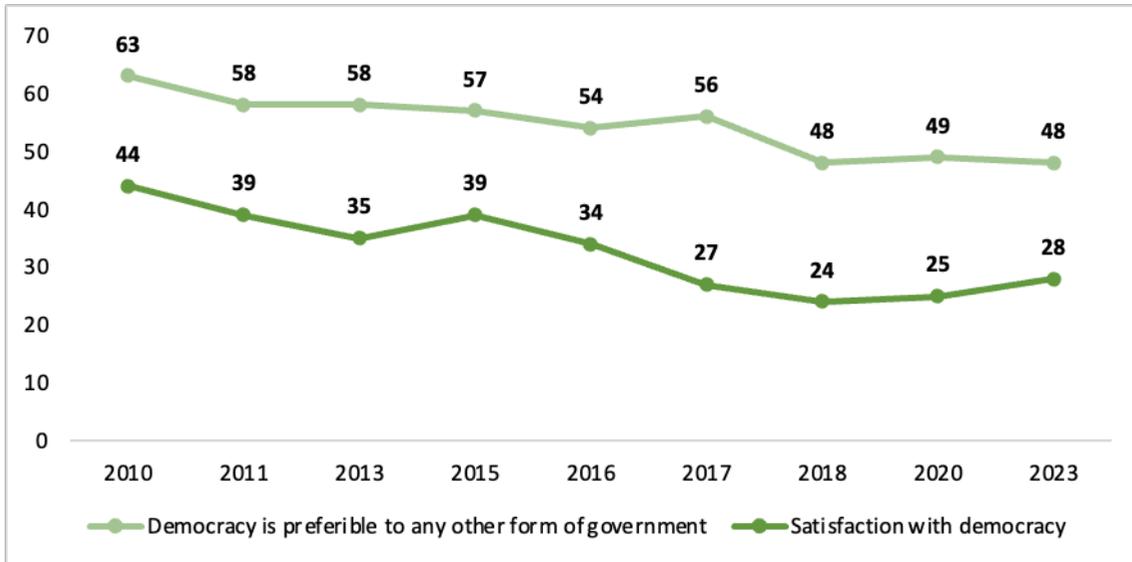
D. SOCIO-POLITICAL SITUATION

- Only 28% of people in Latin America and the Caribbean were satisfied with democracy in 2023, which represents a low level of satisfaction with respect to 2010-2016, but the highest level since 2017 onwards. Likewise, 48% of people stated that democracy is preferable to any other form of government (SPS.1).
- The Democracy Index, which is measured periodically every year, indicates that since 2020 the region has experienced a sustained deterioration in the social dimensions that make up the democratic culture of a country, such as pluralism, civil liberties or political participation. In this sense, in 2023, only Uruguay and Costa Rica recorded performances that positioned them as full democracies. At the other extreme, Haiti, Cuba and Nicaragua were classified as authoritarian regimes.
- In 2023, approximately one out of three people said that they trusted the institutions of representative democracy, whereas only 15.6% trusted political parties (SPS.2).
- In contrast, other institutions such as the police, trade unions, the Church and national companies registered significantly higher levels of trust (SPS.3). In 2023, 38.9% of people reported some level of trust in the police and 30.7% in unions. On the other hand, 5 out of 10 people reported trusting national companies and 6 out of 10 people reported

trusting the Church, which places this social institution as the most trusted by Latin American citizens.

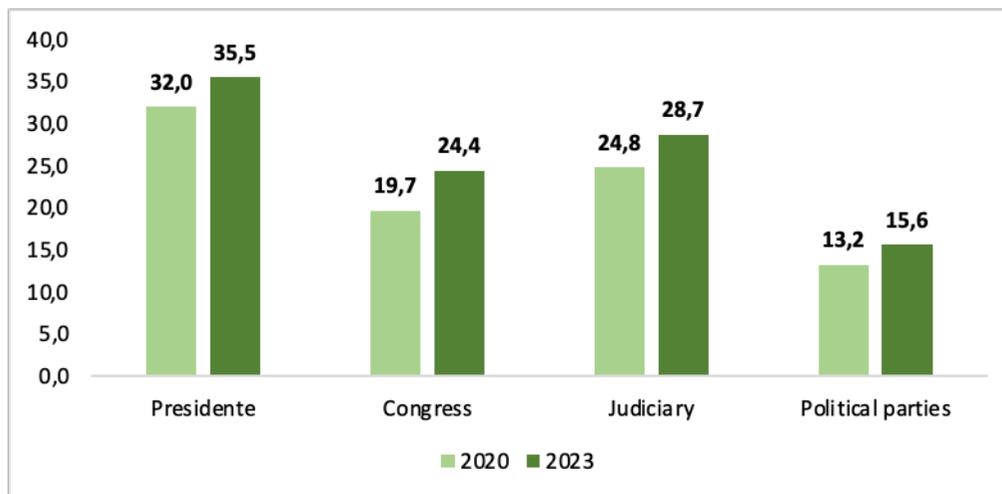
- In the last three years, the women's participation in the composition of national legislatures increased in the region. Likewise, almost a third of the ministries or State secretariats were headed by women in 2023 (SPS.4).
- In the case of executive branches or government cabinets, in 2023, 28.7% of ministerial portfolios were held by women in the region, that is, approximately one out of three ministries or State secretariats were headed by women. This represents an increase of five percentage points over the previous period, in which the regional average was 23.9%.
- Only one out of three people in the region was satisfied with democracy in 2023, which led to citizens' indifference regarding the type of government, even to the point of valuing an authoritarian government in some circumstances. Accordingly, in 2023, 17.1% of people indicated that, in some circumstances, an authoritarian government may be preferable to a democratic one. Likewise, 27.9% indicated that a democratic regime is the same as a non-democratic one. In the most extreme case, 34.7% of people supported an eventual military government.
- The trends of dissatisfaction with democracy intensified among the youngest segments of Latin American society. In 2023, there were higher levels of dissatisfaction with democracy as a form of government among 16- to 25-year-olds, as well as greater support for authoritarian or military governments.
- In electoral terms, the 2024 election calendar will be relevant to analyze whether the trend of the "punishment vote" for the ruling parties in the region continues or reverses. All presidential elections held from 2021 to date resulted in party alternation, with two exceptions: Paraguay in 2023 and El Salvador in 2024.
- El Salvador's election in February 2024, where the ruling party received overwhelming support for reelection, could be the beginning of the change in the trend of the punishment vote. However, specific domestic processes strongly influenced the result.

Figure SPS.1. Latin America and the Caribbean (18 countries): Satisfaction with democracy and level of agreement with “Democracy is preferable to any other form of government”. 2010-2023. As percentage of population.



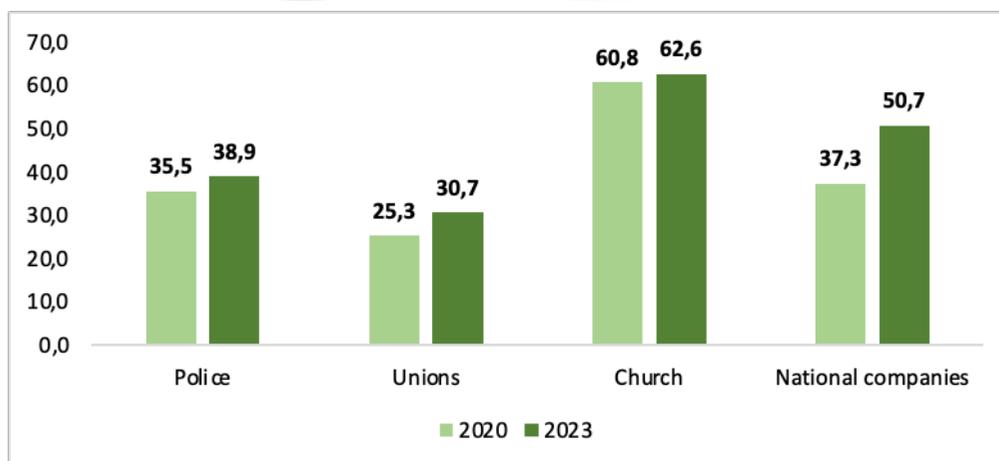
Source: Own elaboration based on Latinobarómetro. 2023.

Figure SPS.2. Latin America and the Caribbean (18 countries): Confidence in the institutions of representative democracy. 2020 and 2023. As percentage of population.



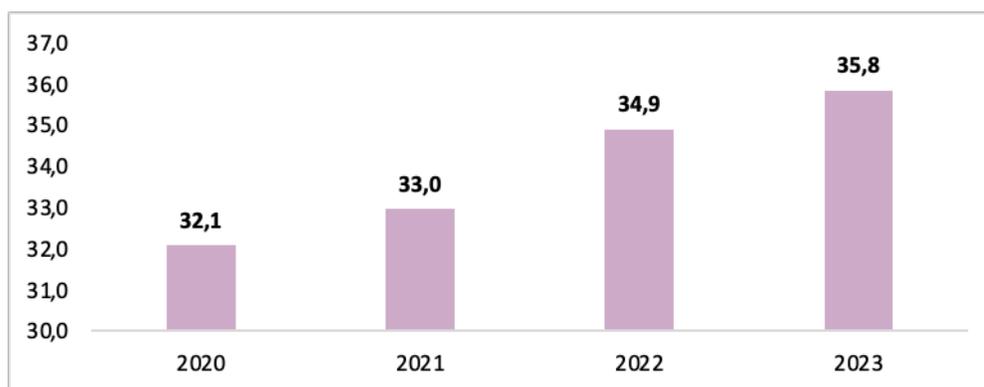
Source: Own elaboration based on Latinobarómetro. 2020 and 2023.

Figure SPS.3. Latin America and the Caribbean (18 countries): Trust in security forces and social institutions. 2020 and 2023. As percentage of population.



Source: Own elaboration based on Latinobarómetro. 2020 and 2023.

Figure SPS.4. Latin America and the Caribbean (25 countries). Percentage of seats held by women in the national legislative branches. 2020-2023.



Source: Own elaboration based on CEPALSTAT 2023 / United Nations SDG database.

Theological-Pastoral Reflection

Listening to one another in the Spirit

From the beginning, the report issued by the Observatory insists that the Latin American social system is not sustainable without structural changes. Pope Francis's perspective speaks of the need to globalize hope as the Church's response to the globalization of exclusion and inequality and the throwaway model. Major obstacles and challenges remain the search for alternatives for economic development whose central axis must overcome the logic of the accumulation of money. He rightly underlines the importance of the contribution of the social sciences to the Church's mission to discern the Signs of the Times, proclaim the Good News and respond to current major problems. It is worth noting that the introduction to the report points out the significance of the study with comparative data on the economic, political and cultural reality from the pre-COVID-19 period up to 2023. The contribution of the report is an explicit service to put into practice the evangelical mandate of Matthew 25 to feed, quench thirst, heal and educate the poor and the neediest on the Earth as the fundamental basis of the common good, the defense of the Common Home and to affirm the path of CELAM's reform.

The report examines with precise graphical data the changes that occurred during the years of the pandemic until 2023 by examining five specific items: poverty, employment situation, costs and access to health and education, the damage caused in the region by the climate crisis, and the deterioration of democracy in the political field.

In terms of poverty, the GDP of the region in 2023, after the deep decline due to the pandemic and the economic recovery, remains at the same levels, with no major reductions. However, poverty has alarmingly increased by 42.5% in important groups such as children and adolescents, and the poverty rate is higher among adult women than men in all countries. The figures presented are very heterogeneous and do not represent the gap that separates the Caribbean and some Central American countries from the rest of the continent. Similarly, poverty is considerably higher among indigenous populations and Afro-descendants.

The unemployment situation is dramatic. It has only grown by 1.28% in the last decade, half of the 3.2% recorded in the 1980s. "The COVID-19 pandemic deepened this trend and triggered the greatest crisis in the labor markets in the region since 1950" (ECLAC, 2024).

Formal employment gives place to the growth of informality, which is precarious and lacks stability and rights. It reaches levels between 70% and 80% in Bolivia, Ecuador and Peru, a significant difference when compared to 26% and 22% in Chile and Uruguay. It is striking that the study does not mention the major issue of mass migration growth. The case of Venezuela continues to be dramatic and sad, as well as those of the Andean countries and Central America. Currently, 44% of the population in Peru wants to emigrate; it foresees no future in the country.

Public health and education services become less accessible due to their costs and the lack of priority given to social spending in these essential sectors in state budgets. In this regard, social inequalities are a determining factor. The rich have access to private clinics whereas the poor suffer from scarce and deficient services to meet basic needs. Scandalously, private clinics in Peru during the pandemic did not share a minimum of their beds for COVID-19 patients.

The effects of the climate crisis, hurricanes, floods such as the recent ones in Porto Alegre, and droughts are hitting the region with greater frequency and force. Natural disasters are on the rise. Forest fires in the Amazonia threaten the survival of the rainforest, which is under pressure from increasing deforestation. As a result, 2023 was the warmest year in 174 years, and 2016-2023 was the warmest decade in history. Unfortunately, the situation of poverty in our region does not allow the development of adequate defenses for vulnerable areas in the face of natural ecological disasters. States seem paralyzed in taking the necessary initiatives to protect the most endangered populations. A few weeks ago, the latest report from the top scientists on ecology from the UN's International Panel for Climate Change (IPCC) revealed that the scientifically proven temperature rise will be 3 °C instead of 1.5 °C, the target set in the 2015 Paris Agreement. This is extremely alarming for the planet and the region. The melting of Antarctica and the Amazonia will be accelerated. The Paris Agreement aiming towards being below 1.5C by 2050 is sadly a missed opportunity. It also proves that Pope Francis' voice expressed responsibly in *Laudato Si* and *Laudato Deum* has failed to find the reception and political will of governments at the COPs. The Church is now preparing to participate with its own voice in the COP 30 to be held in Bethlehem in 2025.

Finally, in the political field, the situation of democracy in the continent is in sharp decline. Currently, only 28% of the population feels satisfied with it, compared to 44% of the population in 2020. This decline is strong and worrisome, although 48% of the population claims that it is better than other political systems. It seems the report fails to recognize the absence and decline of representative political parties, which is why those who occupy important positions dedicate themselves to promoting their own interests instead of those of the people who elected them.

The levels of corruption in the political class, which takes advantage of its position to hoard and enrich itself with the public treasury of the state, should also be pointed out and denounced. This deterioration is also registered in public institutions, concerning the lack of respect for the separation of powers, the rule of law and the defense of human rights. It is worth asking about the danger of the decline of the current image of politics, especially among young people who do not see it as relevant or appealing. Pope Francis touches this nerve on the importance of politics and the health of democracy in *Fratelli Tutti*, insisting that it is a matter of putting into practice and strengthening social friendship in the political space. The report is the voice of the social sciences, a quality instrument at the service of the Church, and deserves a serious reception as well as our gratitude to the authors. It motivates us textually to discern the signs of the times in Latin America and the Caribbean with a practical commitment to their economic, social, political and cultural implications. It also demands from us a decidedly missionary conversion that the Church in Latin America is living from Medellín to Aparecida and above all Pope Francis' contributions in *Querida Amazonia*, *Laudato Si* and *Fratelli Tutti* (cf. p. 6).

Towards the Spiritual Conversation

Now we ask ourselves what we have to do with this report. It indeed provides important information about the concrete reality in Latin America's current historical context. For many, knowing that the Church is the institution that deserves the highest rating in the continent, higher than 60%, is a reason to feel good or at least better amid so much insecurity. For others, there remains a certain pastoral challenge, like an emptiness, of having to leap into the social sciences and the evangelizing task.

People are crying out in pain because they are hungry, and hunger kills. The levels of extreme poverty are not decreasing, but rather rising in many places after the pandemic. Child anemia reaches almost 80% of the children in Puno in the Peruvian highlands, the same area where innocent people were shot by the forces of law and order in January 2023 for having participated in public protests with constitutional rights. As a result, more than 50 deaths have been verified by national and international human rights investigations, while the government stubbornly refuses to investigate the facts it is responsible for.

Poverty is not news; it is customary among us. The Church has recognized it for more than half a century, promoting an incredible work of relief through soup kitchens, among other initiatives. In this time of synodal Church, walking together, the social pastoral deserves a new look. Jesus's words to his disciples "Give them something to eat" before multiplying the bread (Mk 6:17; Mt 14:16; Lk 9:13) are still echoing. Undoubtedly, the Church is not just

another political actor. We are called to proclaim a Kingdom of life, love, justice and solidarity with the poorest, “the suffering faces of the poor are suffering faces of Christ” AD 393.

We know that there is not and will not be an easy remedy or answer to the structural evils of our reality, but we remain firm in accompanying our smaller brothers and sisters in their pain. We participate in their struggle to transform the structural causes of society with so many inequalities that hinder the construction of fraternity. This is the theological place par excellence where “the Word not only becomes flesh; it is also history and culture” (Benedict XVI’s inaugural speech in Aparecida). The path of being a samaritan and prophetic Church will never be easy. Aparecida tells us of those poor excluded from the peripheries who are not “exploited” but “surplus and disposable” AD 65. Pope Francis, with good reason, from the heart of the Gospel, denounces the throwaway culture, a mark of globalization that reduces human beings to being useless and worthless. He also invites us not to lose hope and to continue walking with our people.

The Spirit Speaks to Us

The Holy Spirit is the great subject of the synodal process experienced by the people of God. From John Chapter 13 onwards, Jesus says goodbye to his disciples with a long prayerful discourse in which He tells them that His absence does not mean abandonment. The gift of the Spirit of God will come. The time and history to come will be the time of the Spirit, of the Risen One, the Emmanuel, the God who fulfills His promise to be always present with His people. The Church will be marked by the time of the Spirit of truth, wisdom, consolation and light amid darkness. “When He comes, the Spirit of truth will guide them into the fullness of truth. For He will not speak on His own authority, but will speak of what He hears and will communicate to them what is to come” Jn 16:13. The Spirit will be present, participating in the real, daily life of the people, with all the drama that this implies, listening attentively to what is happening. The Spirit hears us and speaks to us. Profound mystery, inexhaustible identity of the Church, the People of God.

Francis shares his reflection on how to listen to the Spirit in his letter *Episcopalis Communio* during the consultation conducted by the Amazonia Church with its people in the synodal process of the Amazonia in 2018. “The Synod of Bishops is a privileged instrument to listen to the People of God. Let us first of all ask the Holy Spirit for the synod fathers the gift of listening: listening to God, until we hear with Him people’s cry; listening to the people until we breathe in them the will to which God calls us synodality is a constitutive dimension of the Church” E.C. 6. He repeats five times the verb “to listen” to the people of God in order to be sure, to breathe with the Spirit and to discover where God is calling us. In fact, this process of listening, which took place during a year in which the voices of almost 80,000

people were recorded in the territorial and thematic meetings, was the decisive experience of the Amazonia Synod. It is remembered as The Listening, the reference for the new consultation processes in the Latin American Church Ecclesial Encounter and the current Synod of Synodality.

The importance of the “See, Judge, Act” methodology used in the Church since Vatican II has given great results in the pastoral field and the styles employed by the Magisterium. It is impossible to exaggerate its richness, which allows us to penetrate the same merciful mystery of God incarnated in history. Seeing is enriched by Listening, thus opening up the possibilities of a more complete encounter with the signs of the times, enabling us to feel and listen to them in a more vivid and present way. Aparecida invited to a believing reading of the same signs; now the Church goes a step further by listening to them. It is all about the presence of the Holy Spirit listening to us and speaking with us, a true spiritual conversation: “The Spirit of truth will guide you to the fullness of truth”.



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