

Social Protection Systems in Latin America and the Caribbean: **Paraguay**

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Since its transition to democracy at the beginning of the 1990s, Paraguay has made considerable progress in confronting poverty and social inequality. The fact that poverty has become a major issue on the public agenda since then has furthered the development of social protection and promotion programmes. The implementation of social policies has focused not only on education, health and pensions, but also on youth, employment protection and housing, showing a new approach to poverty and vulnerability.

Paraguay does not have a truly integrated pension system but, rather, a group of different public or private entities that grant coverage to different groups of workers, financed through an individual capitalisation regime. Paraguay has the lowest rate of coverage of social security and pensions in Latin America. In 2008, the pension system covered about 13 per cent of the Paraguayan working population. In the public sector, almost all workers are covered by a pension fund, but in the private sector, coverage is only about 30 per cent of workers (40 per cent in urban areas and less than 15 per cent in rural areas).

The Paraguayan public health system is supposed to have universal coverage, but the reality is quite different: the lack of public funds (Paraguay's spending on the health sector is one of the lowest in Latin America), the superposition of functions and the lack of coordination between the different organisations have created an unequal distribution of services between different geographical areas in the country. Still, coverage by the public sector has increased over time, and has passed from benefiting mainly the population from the second to the fourth quintile of the income distribution in 2003, to benefiting mainly the lower-income population in 2004 (from the first to the third quintile). However, there are still great coverage gaps and inequalities in public health access: according to the national census, in 2010 only 23.4 per cent of the Paraguayan population had medical insurance—the lowest proportion in Latin America excluding Haiti. Coverage is higher for the urban population than the rural population: in 2010, 34 per cent of the urban population had medical insurance, compared to only 8.1 per cent of the rural population.

Beginning in 2012, the implementation of the *Sáso Pyahu* system, as part of the Public Policy for Social Development 2010–2020: 'Paraguay for all' (*Política pública para el desarrollo social 2010–2020: 'Paraguay para todos y todas'*), will aim to improve the efficiency of social protection policies and to spread their coverage to deal better with the multidimensional aspects of poverty and indigence. It takes into consideration the multiple aspects of poverty (such as the context and the family dynamics within households: identification, education, nutrition, health and housing) to combat it efficiently. It comprises three main axes of action: (i) improving social protection and promotion programmes that already exist, in particular conditional cash transfers

(*Tekoporá, Ñopytyvô, Abrazo*); (ii) implementing family monitoring and care programmes; and (iii) facilitating access to social promotion programmes.

Moreover, The *Ñamba'apo Paraguay* programme, part of the *Sáso Pyahu* system, has been implemented to promote decent labour and improve labour skills for people living in poverty and extreme poverty. The programme, which started in 2010, focuses on the population in situations of socio-economic vulnerability and unemployment or under-employment.

Malnutrition and food security are important issues for Paraguay, closely linked to poverty and social development. Child malnutrition indicators are particularly worrying: according to UNICEF, in 2005, 14.2 per cent of children suffered from chronic malnutrition. This problem is particularly acute among indigenous children, 41.8 per cent of whom suffered from chronic malnutrition. To address this issue, in 2005 the Government of Paraguay created the Nutrition and Food Assistance Programme (*Programa de Asistencia Alimentaria y Nutricional—PROAN*) with the objective of reducing malnutrition among children under five and pregnant women through the delivery of a basket of food and vitamins.

The main challenges for the education system in Paraguay are inequality of access, low attendance in secondary education, the cultural and linguistic variations of the different groups that constitute Paraguayan society, and the quality of education. The inequalities in attendance mirror socio-economic inequalities between different population groups, as well as the gap between indigenous and non-indigenous and afro-descendent communities. Education is the social sector with the highest level of public spending, which was about 42.3 per cent of total social spending in 2010. Even if Paraguay has made significant progress in enrolment rates since the end of dictatorship, the education system in the country does not reach the whole school-age population. Moreover, there was a marked tendency towards a decrease in net enrolment in primary education between 2005 (94.4 per cent) and 2009 (85.1 per cent), which is quite worrying.

Hence, the universal fulfilment of social rights is still quite far from being reached and constitutes a great debt for Paraguay. This is due in part to the lack of economic resources available to implement social protection measures, but also to the lack of coordination and cooperation between different public institutions devoted to social policy. As a result, it is unlikely that Paraguay will achieve the Millennium Development Goals (MDGs) by 2015, in particular MDG1 on poverty and hunger and MDG5 on maternal health.

Reference:

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