

RESILIENCE IN ACTION: SOCIAL POLICIES TO NAVIGATE UNCERTAINTY IN LATIN AMERICA AND THE CARIBBEAN

XVI Ministerial Development Forum for Latin America and the Caribbean

Thematic Table 3: Navigating Uncertainty through Inclusive Digitalization and Social Innovation

Concept Note

The region's persistent structural challenges, such as inequalities, high vulnerability to poverty, and low productivity, have contributed to Latin America and the Caribbean (LAC) being disproportionately affected by the impact of multiple crises. The digital transition presents a valuable opportunity to address these challenges and promote inclusive and sustainable development. Moreover, it is foundational to a fair, green, and resilient development trajectory for the region.

As countries act to recover from overlapping crises, the need to respond to immediate needs and threats has taken priority, leaving limited political space or willingness to act on the future. This is problematic, not only because the region remains vulnerable to new shocks, and underlying issues remain intact, but also because if opportunities from the digital transition are not seized today, they may become barriers to development that could end up exacerbating pre-existing structural issues and generating new challenges for the region.

Digitalization provides governments the opportunity to improve the efficiency of their response to citizens' needs and demands. More specifically, it can increase the effectiveness of public service delivery; improve targeting of social benefits; streamline transactions between government and citizens; increase the transparency of government operations; and make services more accessible to previously underserved populations.¹ Many countries in the region are already leveraging digital technologies to improve the coverage of social protection programs and minimize inefficiencies in the disbursement of financial support. Furthermore, digital technologies stand as a linchpin for countries to build resilience mechanisms amid many kinds of shocks, be it an environmental disaster or even pandemic.

To fully harness these opportunities, countries need to have concrete strategies to make their digital transformation be inclusive by design. This begins with having the necessary infrastructure to allow everyone to access the opportunities brought by digital technologies. Unfortunately, this is not the case for countries in the LAC region, where distribution of internet users is unequal in socioeconomic, cultural, and geographical terms. Elevated concerns regarding data privacy and cybersecurity, as well as low technological skills add up to the barriers countries face as part of their transition.

Innovative institutional frameworks, regulations, finance and governance mechanisms are required for boosting the pace at which this transformation is undertaken, as well as the reach of its impact. Moreover, an inclusive digital transformation calls for a paradigm shift that moves beyond being led by technology, and instead focus on where it can have the greatest value for all. This is a complex process that needs to involve governments, businesses, non-governmental organizations, and society as a whole.

¹ Inter-American Development Bank (2022). "Digitalizing Public Services: Opportunities for Latin America and the Caribbean".

This thematic table aims to explore how innovative policies and digital technologies can be leveraged to enhance the way governments build resilience. The discussions will shed light on how countries have bolstered the effectiveness of their responses by implementing innovative mechanisms and digital technologies to address a wide array of social, environmental and economic challenges that harness progress towards human development. This session seeks to generate actionable recommendations that emerge from country experiences that can be replicated or implemented at both national and regional levels, fostering collaboration across countries.

The session will also focus on creating supportive environments that maximize benefits and minimize risks from frontier technologies. This includes examining policies to encourage investment in the building blocks required to capitalize on the potential of innovative mechanisms/tools/services to address development issues. The discussion will also delve into regulatory frameworks encompassing legislation, oversight, guidelines, and policies to ensure fundamental protections, such as data security and privacy, while supporting and catalyzing competition and innovation.

A key area of discussion will be around the importance of having robust digital identification systems at the foundation of national efforts to conduct inclusive digital transitions. Participants will explore how to implement a whole-of-society approach that ensures benefits from the digital transition are accessible to all.

The expected outcomes of this roundtable include a set of recommendations for leveraging technology to enhance social policies, promoting digital inclusion, and fostering innovation for resilience in the LAC region.

Guiding questions:

- What strategies can be implemented to keep up the pace of digitalization within countries while ensuring this doesn't broaden inequalities by leaving out the population who still doesn't have access to the most basic infrastructure that is needed to see the benefits of this transformation?
- How do we shape innovative policies and institutional frameworks that leverage digitalization to facilitate social protection systems that are universal, effectively inclusive, and fiscally sustainable?
- What innovative financial incentives can be employed to encourage private investment in digital infrastructure and skills development that allows the most vulnerable groups to benefit from digital technologies?
- How can digital identification systems be effectively implemented in the region?
- What measures can be taken to address data privacy and cybersecurity concerns while promoting digital innovation in the region?
- How can governments, businesses, NGOs, and other stakeholders collaborate to maximize the benefits and minimize the risks associated with digital technologies?