

latin american society

The vulnerability of the “missing middle layer” in  
Latin America under the COVID-19 epidemic —an analysis  
based on the structural contradictions of social security

Zhang Yinghua

**Abstract:** There is a large-scale “missing middle” in social security in Latin America. They have neither social insurance nor are they eligible for social assistance. More than half of the employed people have not participated in social insurance, and more than one-third of the elderly have no pension income. Security, nearly 1/3 of families with children face a lack of social security. During the COVID-19 epidemic, Latin America adopted more than 260 emergency welfare measures, but they failed to effectively cover the “missing middle layer” and the adequacy of security was low. After the outbreak, Latin America The “non-poor and low-income” population in the region has expanded, accounting for more than 1/4 of the total population in the region. They are the main group of the “missing middle layer”. Some social insurance participants have also fallen into the “missing middle” group due to “discontinuation of insurance”. The risk of “missing the middle layer”. The “missing middle layer” is the result of the “dual-track parallel” and “structural skew” of social security in Latin America. It is also influenced by many factors such as economic growth, the labor movement, the promotion of left-wing parties, and the “insiders” of the labor market. —outsider” structure. Faced with the current new situation of expanding employment in the informal sector and de-laboring employment, the problem of the “missing middle layer” of social security in Latin America is worth reflecting on. Policy makers should focus on narrowing the “missing middle layer”. The scale of “middle layer”, expand the effective coverage of the system, and improve the degree of protection.

**Keywords:** missing middle layer, social security, dual-track parallel architecture, skew  
Insider-outsider vulnerability

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The size of this group in Latin America is not small. During the epidemic, although countries adopted emergency welfare measures to expand

Large social assistance coverage, but the "missing middle layer" is not effectively covered, and some social insurance coverage

There is also the risk of falling into the "missing middle".

(1) Estimation of the scale of the "missing middle" before the epidemic

1 More than half of the employed people do not participate in social insurance

There is a considerable number of "vulnerable classes" in Latin America. Studies have shown that

During the period of economic improvement from 2000 to 2013, the proportion of people living in extreme poverty in Latin America dropped from 28.8% to

17.4%, and the proportion of moderately poor people dropped from 17.4% to 13.7%. Middle class (middle class)

The proportion of the population increased from 19.6% to 30.5%, while the proportion of the vulnerable class population increased from 32.4% to 37.6%.

The vulnerable class population accounts for nearly 40% of the total population in the entire region. The upward mobility of people who have been lifted out of poverty is weak, and a large number of

"Congestion" Among vulnerable groups, the risk of returning to poverty still exists.

Before the epidemic, only 56% of residents in Latin America received some form of social security. 2005-

In 2019, the participation rate of contributory social insurance increased from 36.6% to 46.6%, but never more than

50%. More than half of the employed do not have social insurance. Insurance participation rates are unevenly distributed among different income groups.

According to the statistics of ECLAC in 2015, the social insurance participation of groups from high-income to low-income groups

The insurance rate is 69%, and the insurance rate for the low-income group is 38%, and 12% for the high-income group.

About 1/3 of the total. For the "non-poor low-income" group near the poverty line, social insurance participation

The rate is even lower

2 More than 1/3 of the elderly have no pension security income

In terms of income security for the elderly aged 65 and above, the elderly with contributory pensions in the high-income group

55.3% of the elderly in the high-income group have contributory pensions

57.5%. The low-income group is 57.5% of this indicator value. If the coverage of the two types of social security is simply

Adding up, it can be seen that 77.1% of the elderly in the high-income group have pension income security and are covered by social insurance.

Mainly, 63.7% of the elderly in the low-income group have pension income security, and social assistance is the main source. More than

One-third of low-income seniors do not have any pension security income.

Nearly 1/3 of families with children face a lack of social security

According to a 2018 ECLAC survey, among families with children, the head of the household or his spouse has

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increased by 14 percentage points, indicating that middle-income earners who lost their jobs or had their incomes shrink during the epidemic did not directly fall into poverty, but a large part of them stay in this class. Since their income is higher than the poverty line, this class This class was not included in the previous social assistance list. After the outbreak, the administrative department was unable to verify in time. Their income status prevents many people from receiving social assistance in time. In fact, only a few countries Emergency welfare measures have substantially expanded coverage, such as Brazil's Bolsa Familia The Familia) project includes people on the waiting list. Belize distributes cash according to the food aid list. Financial transfer payments, the number of people on this list is larger than the number of poor people. Emergency welfare measures in other countries It is still mainly targeted at the already poor, and fails to effectively reach the "non-poor and low-income" groups.

The "non-poor and low-income" group mainly comes from the informal sector. Before the epidemic, the vast majority of people did not join the labor force. After the outbreak, they were not covered by emergency welfare measures in time, thus becoming trapped in society. The "missing middle" between insurance and social assistance.

Table 2 Population distribution and changes by income class in Latin America in 2019 and 2020

class	2019 (%)	2020(%)	Change (percentage points)
High income	1.5	1.5	0.0
Upper middle income	1.5	1.5	0.0
middle income	15.5	15.5	0.0
low to middle income	15.5	15.5	0.0
non-poor low income	15.5	15.5	0.0
Poverty (excluding extreme poverty)	15.5	15.5	0.0
abject poverty	15.5	15.5	0.0

Source: CEPAL Social Panorama of Latin America 2020 Santiago de Chile y 2021 p 27

2 Some social insurance participants are at risk of falling into the "missing middle"

According to statistics from the International Labor Organization, affected by the COVID-19 epidemic, the number of employed people in Latin America in 2020 The number of workers decreased by 7.3% compared with 2019, while the number of people paying social security contributions decreased by 79% compared with 2019, which is greater than the decrease in employment. Even if some people are not unemployed, they are unable or unwilling to continue to pay social contributions. insurance premium

The epidemic has different impacts on employment and social insurance contributions of different genders. In 2020, men in Latin America Sex employment decreased by 6.7% compared with 2019, while the number of people paying social insurance contributions decreased by 76% compared with 2019, and the number of women employed decreased by 94% compared with 2019, and the number of social insurance contributors decreased by 6.8% compared with 2019. This reflects the fact that women need to take care of the home

Figure 2.1: Employment and social insurance contributions by gender in Latin America, 2019 and 2020

They are more likely to leave the labor market than men, and take care of children who are at home due to school suspensions. The employment reduction rate is greater than that of men. Men have to shoulder more responsibilities as the breadwinner of the family and cannot easily withdraw from the labor market. The employment reduction rate is smaller than that of women. However, Affected by the epidemic, unemployment, work stoppages, and production reductions have caused

interruptions in social insurance payments. For young people, this problem is more prominent. In 2020, middle-aged people aged 45 to 59 in Latin America will join the social security system, while young people aged 29 and under will have sensitive to their social security payments reduced. It is clear that the job stability of these young people is poor, and their employment and income are external shocks. 14.4% The epidemic has further exposed the vulnerability of these workers. Unemployment, income reduction, "security interruption" and other factors are superimposed, increasing their vulnerability. risk of falling into the "missing middle layer" of social security.

## 2. What causes the vulnerability of "missing middle layer"

The "missing middle layer" of social security is not unique to Latin America. Employees in the informal sector in various countries face the problem of insufficient social security to varying degrees. However, the vulnerability of the "missing middle layer" in Latin America is more prominent. This is different from Latin America. This is related to the characteristics of "dual-track parallelism" and "skewed structure" of regional social security, and has been strengthened under the influence of multiple factors such as economic growth, the labor movement, the promotion of left-wing parties, and the "insider-outsider" structure of the labor market.

(1) "Dual-track parallelism" and "structural skew" of social security in Latin America  
Characteristic 1 The formation of "dual-track parallelism"

At the beginning of the 20th century, influenced by Bismarck's welfare thought, countries such as Argentina, Brazil, Chile, and Uruguay began to provide social insurance to public sector employees, military personnel, etc. At the end of World War II, social insurance began to expand to the private sector. At the same time, Colombia, Costa Rica, Mexico, Paraguay, Peru, Venezuela and other countries successively established social insurance systems. Subsequently, some Central American countries also introduced similar systems. By the 1960s, except for a few poor countries, Latin America had basically established a social insurance system. However, it was different from the European welfare system. Countries vary from country to country. Latin American countries have a high proportion of informal employment. Social insurance can only cover the formal sector, leaving a large number of employees exposed to the risk of no social insurance protection. Before the 1980s and 1990s, half of the countries in the region had low incomes. Income groups can only rely on family mutual aid, emergency relief and charity relief to cope with the risk of poverty. There is a lack of systematic social security. Starting from the second half of the 1980s, Chile, Argentina, Brazil, Bolivia, Costa Rica, Mexico, Uruguay and other countries have successively Introducing non-contributory social pensions, Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominica, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Panama, Peru and other countries have successively implemented conditional cash transfer policies.



Only through policies, vulnerable groups in society have formal institutional arrangements to deal with the

risk of poverty. Due to the solidification of the "insider-outsider" structure of the Latin American labor market and the promotion of the labor movement, the level of social insurance protection has been continuously improved, limiting the transfer of social insurance to the informal sector.

Since the end of the 20th century, left-wing regimes have been in power in many Latin American countries, and redistribution policies have been implemented on a large scale in Latin America. Since it is not easy to promote the expansion of social insurance, the governments of these countries have continued to expand the coverage of social assistance to obtain the bottom class. The public's broad support. Social assistance has a wide coverage in Latin America. It has formed a "one region, two systems" social security pattern with social insurance, and has been "dual-track" for a long time. 2. The

characteristics of "architectural skew" are

closely related to the global. Compared with other regions, the coverage of social security in Latin America is not large, but the adequacy of social security is relatively high. This is related to the bias of social security towards formal sector employees. The World Bank has conducted a study on the coverage and adequacy of social security in different regions around the world. Comparison, among them, security coverage is measured by the proportion of the number of people participating in various social insurances or enjoying social security benefits to the total population, and security adequacy is measured by the proportion of social security benefits received by households enjoying benefits to household expenditures.

According to the World Bank's "Social Protection and Employment" data, half of the population in Latin America does not have any social protection. This proportion exceeds that of most other regions in the world and is only lower than that of sub-Saharan countries. Latin America

In the United States, the population covered by two or more social insurances accounts for only 22.3% of the total population in the region.

(60% of them are covered by two or more protections, Those with only social insurance accounted for 16.3%), far lower 47.9% in Eastern Europe and Central Asia (26.4% of them have two or more insurance coverage and 21.5% have insurance). Only society

However, the adequacy of social security in Latin America and Eastern Europe and Central Asia is relatively lower than that in Latin America. Social

Close to each other, 32.8% and 36.7% respectively. The security provides benefits to the few who enjoy social insurance or

groups covered by two or more guarantees are concentrated. These groups are mainly those employed in the formal sector.

Table 4 compares the pension insurance participation status of formal sector employees and informal sector employees in Latin American countries. In countries with statistics, the pension insurance coverage rate of formal sector employees is around 80% (except Mexico). In contrast, In sharp contrast, the pension insurance participation rate of informal sector workers is very low (except for Nicaragua), among which Mexico, Argentina, Bolivia, El Salvador, and Paraguay are insufficient.

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ÿ The "structural skew" here means that the coverage and degree of social security are tilted towards those employed in the formal sector. The

ÿ World Bank database divides "social protection and employment" into three categories, including social insurance, employment support and social assistance, with a total of 12

indicators. Make statistics



## (2) Insufficient coverage of social insurance. The

proportion of informal sector employment in Latin America is high. It is difficult to achieve full coverage of social insurance. According to statistics from the Bank, the proportion of global informal sector employment in 2019 was 43.6% , 43.9% of women in the world , for men. According to statistics from ECLAC on 17 Latin American countries, the proportion of informal sector employment for women in 2019 was 46.0%. Among them, 43.9% are male , was 46.0%. Informal sector employment in Latin America The proportion is higher than the global average. The high proportion of employment in the informal sector limits the effective coverage of social insurance. Among various

social security projects in Latin America, the most popular and effective coverage rate is welfare security for the elderly, with effective coverage rate of more than 70%. Medical security is relatively high but not universal. The effective coverage of these two projects has reached more than 70%. The effective coverage of child welfare and severe disability security in this region exceeds the world average and also exceeds the average of middle-income countries. This is related to the popularity and wide coverage of cash transfer programs in Latin America. Social assistance and work-related injury security programs are relatively popular in Latin American countries. The effective coverage rate is around 40%, which is close to the world average and the average level of middle- and middle-income countries. However, For unemployment security and contributory pension insurance for employed people, the effective coverage rates in Latin America are very low, only about 10% and 30% respectively, and the least number of countries have launched unemployment security.

For those employed in the informal sector, unemployment is a greater risk than old age, illness, disability, etc. However, in Latin America, the coverage of unemployment insurance is very small. The income security for the unemployed in Latin America mainly includes severance pay and unemployment. There are two types of insurance systems. The severance pay system is the most common form of unemployment protection in Latin America. The protection conditions are loose. For example, countries such as Ecuador, Colombia, Panama, Peru and Venezuela require employers to provide severance pay to those who voluntarily leave their jobs. Chile provides severance pay. The maximum is 11 months' salary, and Peru stipulates 12 months' salary. However, due to the high cost of dismissal, employers are less willing to adopt formal employment methods, exacerbating the informalization of employment in the entire region. Unemployment insurance system in Latin America Savings accounts are the main method. This method caters to the region's characteristics of a high proportion of informal employment and strong labor mobility. Social security rights and interests are highly portable, but unemployment insurance in the entire region

World Bank Vulnerable Employment <https://data.worldbank.org/indicator/SL.EMP.VULN.FE.ZS?locations=NA&start=1991&view=chart> [2021-12-23] The 17 countries are Argentina, Bolivia, Brazil, Chile, Colombia, and Costa Rica, Ecuador, El Salvador,

Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, Dominica, Uruguay, Venezuela. <https://org/portal/cepalstat/dashboard.html?lang=en> [2021-12-24]

"Effective coverage rate" refers to the proportion of the number of insured persons to the number of persons who should be insured. For example, the effective coverage rate of work-related injury insurance refers to the proportion of the number of people covered by work-related injury insurance to the number of employed people. The effective coverage rate of welfare insurance for the elderly refers to the number of people receiving welfare benefits. The proportion of elderly people with pensions in the number of people who have reached retirement age. The effective coverage rate of unemployment insurance refers to the proportion of the number of people receiving unemployment insurance benefits to the number of unemployed people. The effective coverage rate of social assistance refers to the number of people receiving social assistance benefits to the proportion of the poor population. Proportion, the effective coverage rate of child welfare refers to the proportion of families receiving child welfare subsidies to families with children, etc.

The effective insurance coverage rate is only about 10%, and those employed in the informal sector are excluded from the unemployment insurance system.

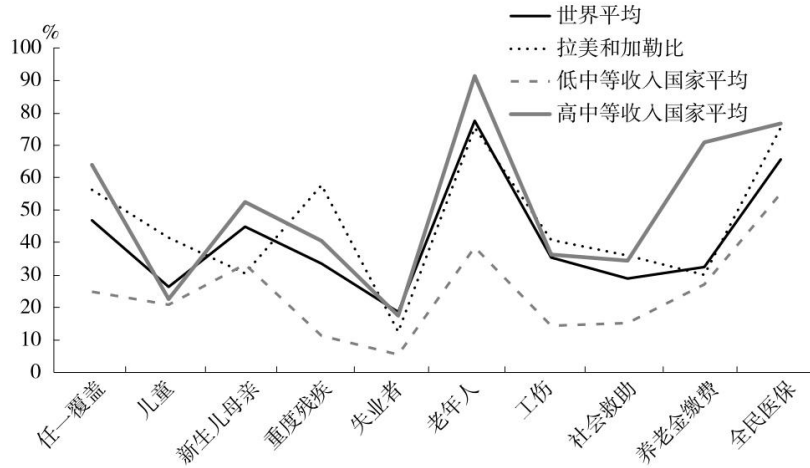


Figure 1 Effective coverage of social security in Latin America

Note: The data statistics time is 2020 or the latest year. The effective coverage rate is the proportion of the number of people insured to the number of people who should be protected.

Source: International Labor Office Protection Report 2020-22: Social Protection

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(3) Social assistance security is low

Social assistance projects in Latin America are mainly non-contributory social pensions and conditional cash transfers

Payment. According to estimates from the International Labor Organization, non-contributory social security covers 36% of the population in Latin America.

Vulnerable populations, but public expenditures on non-contributory social security are not high. In 2017, Latin American social security

(excluding public health) Public expenditure accounts for approximately 10% of the region's gross domestic product (GDP)

Among them, the proportion of social pension expenditures in GDP is only 0.65%. Among them, Argentina, Belize,

Bolivia, Cuba, El Salvador, Guatemala and other countries have not reached this indicator of 0.1%.

Asia, Costa Rica, Mexico, Peru and other countries have not reached 0.2%. Conditional cash transfers in various countries

The total expenditure of the plan only accounts for 0.37% of the regional GDP. yy Two non-contributory social insurance (social

Public spending on pensions and conditional cash transfers totals only 1% of regional GDP

1 Social pension

From 1995 to 2017, the proportion of people aged 60 and above receiving social pensions in Latin America increased from

10 1% increased to 25 1%. The main function of social pensions is to deal with elderly poverty, and the security level has not been improved.

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Not high. For example, Bolivia's "Solidarity Fund" and Cuba's "Social Assistance" monthly benefits are less than

20 US dollars. Lower social pensions cannot effectively combat old-age poverty. Only a few countries have

Social pensions have solved the problem of poverty in the elderly. For example, Chilean social pensions have improved the poverty gap (Poverty

The supplement of Gap) is above 110%, Brazil is above 180%, and the highest is 237.4% in Uruguay. Other countries are much lower. For example, the social pension in

El Salvador supplements less than 50% of the poverty gap. Mexico and Colombia do not even to 30% glass

Livia less than 40%

#### 2 Conditional cash transfers (CCTs)

Since the 1990s, CCTs have developed rapidly in Latin America, and their coverage has become larger and larger.

In 2000, the number of people covered accounted for 36% of the total population in Latin America. In 2005, this indicator rose to 14.6%

Reached 226% in 2010 By 2017, 30.2 million households and a total of 133.5 billion people in the region will enjoy

Treatment of CCTs. The vast majority of beneficiaries of CCTs live below the poverty line. CCTs have become a major issue in Latin America.

It is the most important policy tool to deal with the risk of poverty. Statistics show that in 2002, Latin America accepted CCTs treatment.

The poor population accounted for 26.9% of the poor population, and this proportion rose to 71.3% in 2017. However,

The security level of CCTs is generally low. For example, Bolivia's CCTs benefits only supplement the poverty gap.

29% In fact, the The highest in Uruguay is only 38 6% The level of security cannot completely lift the poor out of poverty.

greatest effectiveness of this system is to reduce the dropout rate, increase the vaccination rate, and promote prevention

Sexual physical examination cannot provide reliable income security to poor families.

#### (4) Strengthening of structural differences in social security

After a century of development, social security in Latin America has formed a "dual-track parallel" and "framework" system.

"Structural skew" characteristics. Social security for formal sector employees belongs to "income replacement". For example, pension insurance

Insurance, medical insurance, unemployment insurance, etc., provide income compensation when risks occur, and social security for the poor

These barriers belong to "poverty alleviation", such as cash transfers, food relief, etc., which are designed to prevent them from sliding into extreme poverty.

or the risk of survival being threatened. The "missing middle" accounts for about 1/4 to 1/3 of the total regional population. Mainly

They must come from the informal sector, have meager income but do not reach the poverty line, and have neither "income replacement" nor "income replacement" society.

There is no insurance, and there is no social assistance for "poverty alleviation and relief". This "three-part" structure is unique to Latin America.

It is a historical product of the development of social security and has been continuously strengthened in the development of social security in Latin America.

It is used to measure the gap between the income of the poor and the poverty line.

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#### 1 The influence of multiple factors

Since the end of the 20th century, left-wing regimes in Latin America have implemented redistribution policies on a large scale to expand social security coverage and reduce the incidence of poverty. They have won widespread support from civilians. However, on the other hand, due to economic slowdown, high foreign debt, and opposition from right-wing forces, society has The welfare level of security, especially social assistance projects, is low, making it impossible for Latin America to develop a welfare state system like Europe.

Some studies have examined the reasons for the welfare development gap between Latin American countries from four dimensions: social investment scale, welfare system coverage, coverage quality, and system performance. Found factors such as economic earning capacity, welfare system development history, labor movement strength, and democratic power It has a strong positive impact on the welfare development level of Latin American countries, the impact of economic openness is slightly weaker, the proportion of outsiders has a weaker negative impact, the left-wing government has a very weak positive impact, and the external debt pressure has a very small impact. Negative impact. Uruguay has the highest level of welfare state development, followed by Chile, Brazil, Argentina, Costa Rica, Panama and other countries with relatively high welfare levels. This is due to high income capacity and high democratic power during the period from 1990 to 2015. Venezuela, Mexico, Bolivia, Colombia, Dominica and Ecuador have very low welfare state development levels, while Paraguay, Peru, Guatemala, Honduras, Nicaragua and El Salvador have the lowest welfare state development levels. This is due to their democratic strength, economic earning capacity and welfare system. It is related to the relative lack of historical experience and the strength of the labor movement.

It can be seen that the governance of left-wing parties is not the decisive factor in the rise in welfare levels in Latin American countries. Government debt pressure cannot effectively prevent the pace of rising welfare levels. The welfare level in this region is mainly driven by economic growth and elevated by the labor movement. Research by domestic scholars also It is found that social security in Latin America is pro-cyclical, the rigid welfare of vested interests, the segmentation of the labor market and the welfare system "protect the rich but not the poor, and help the poor to help the rich", jointly promote the welfare catch-up and overtaking in Latin America. "Missing middle layer" None Spokespersons of social security cannot share in the social welfare promoted by economic growth and the labor movement. 2

#### "Insider-outsider" differentiation in the labor market

In the process of import substitution industrialization in the 20th century, the bargaining rights of industrial workers in Latin American countries have been continuously strengthened, and their labor security and social insurance rights have been continuously improved. By excluding informal sector workers and informal workers,

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Gibrán Cruz-Martínez "Mapping Welfare State Development in (post) Neoliberal Latin America" in *Social Indicators Research* No 157 (2021) pp 17-5-201 consists of five indicators: electoral democracy, liberal democracy,

deliberative democracy, participatory democracy and equal democracy. Calculated, those that are higher than the sample mean are "high democratic power" and those that are lower than the sample mean are "low democratic power". Liu

Jixin: "Analysis of Social Policy Adjustment in Latin American Countries", published in "Latin American Studies", No. 6, 2005 Issue, pp. 9-16, p. 79. Zhang

Yinghua: "Latin America's 'welfare catch-up' and structural contradictions in social expenditures", published in "Comparison of Economic and Social Systems", 2018 Issue 4, pages 1-9.

Industrial workers have become "insiders" in the labor market. As labor costs for "insiders" continue to increase, business owners seek to reduce cost pressures through informal employment, which promotes the expansion of informal sector employment and the "insider-outsider" structure gradually solidifies.

Although the turning point from industrialization to deindustrialization occurred earlier in Latin American countries, the peaks of the proportion of industrial workers were in Chile in 1954, Argentina in 1958, Colombia in 1970, Peru in 1971, Mexico in 1980, and Brazil in 1986. The stagnation of social insurance Along with this, path dependence has formed on the social security system for formal sector employees. For example, Brazil's annual financial subsidies for civil servants' social insurance account for as high as 20% to 25% of GDP.

After

After the left-wing parties in Latin America came to power, they continued to increase social welfare expenditures, but these expenditures were not effectively targeted. Some scholars studied the social security systems of eight Latin American and Caribbean countries and found that 58% of the general income subsidies to the social insurance system The flow went to the top 1/5 of the population in the income distribution, and only 2% went to the bottom 1/5 of the population in the income distribution.

#### Three conclusions and reflections

To sum up, Latin America has a large-scale social security "missing middle". They have neither social insurance nor are they eligible for social assistance. During the COVID-19 epidemic, Latin American countries adopted a total of more than 260 emergency welfare measures, of which nearly 60% were The project is a non-contributory cash transfer. However, most countries have not expanded the coverage of cash transfers. No country's cash transfer standards exceed the poverty line. This has resulted in emergency welfare measures being unable to effectively reach the "missing middle". The epidemic The outbreak has led to the "missing middle layer", which has resulted in reduced employment, increased unemployment, shrinking income, lack of social insurance, and increased vulnerability. The "missing middle layer" is the result of the "dual-track parallelism" and "skewed architecture" of social security in Latin America. It is also reflected in economic growth., the labor movement, the promotion of left-wing parties and other factors, and it has been strengthened under the "insider-outsider" structure of the labor market.

The structural issues of social security in Latin America are worthy of reflection. In traditional social insurance, employer contribution is an indispensable condition and is also the main obstacle for informal sector employees to participate in insurance. The result of the labor movement in Latin America is to push up social insurance benefits, and Without expanding the effective coverage of social insurance, the informal sector

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“The missing middle” is the result of the “dual-track parallelism” and “skewed architecture” of social security in Latin America. It is also reflected in economic growth, the labor movement, the promotion of left-wing parties and other factors, and it has been strengthened under the “insider-outsider” structure of the labor market.

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The phenomenon of lack of social insurance is very common among the unemployed. Although the coverage of non-contributory social assistance in Latin America is very wide, it cannot cover the "non-poor and low-income" group, and the level of benefits cannot meet the basic living needs of this group. It can be seen that Even though social security has been developed in Latin America for more than a century, there is still a large number of people in the region who belong to the "missing middle" without social security.

In the labor market of developing countries, there are a large number of informal sector employees. If the social security system structure is not perfect, they will fall into the social security "vacuum". Currently, digital and network technologies are changing human production and lifestyle. De-employment and de-labor relations have become a new trend in the labor market. The scale of employment in the informal sector continues to expand and change the past characteristics of being dominated by unskilled workers. More and more highly educated professionals and skilled workers will Engaging in flexible employment brings new challenges to global social security, and may even trigger the "subversion" of traditional social security. How to deal with this new situation has become a new topic for social security reform in countries around the world, including Latin American countries.

The COVID-19 epidemic has exposed the vulnerability of the "missing middle layer" in Latin America and warned that social security decision-making departments should make contingency plans and strengthen information construction and emergency management capabilities. Social security system builders should improve the system and strengthen effective coverage and protection. Adequacy, reduce the size of the "missing middle". For the "missing middle" of social security, the "missing middle" should be divided according to their employment and income characteristics. For the "missing middle" with stable employment income, social insurance participation should be relaxed According to the conditions, account system management, bill-based payment and other methods can be adopted to include them in social insurance. For the "missing middle layer" with unstable or no income, the information database and tracking and update system should be improved. In the event of emergencies such as epidemics, At this time, information can be verified in a timely manner and accurate protection can

be provided. At present, strengthening the social security of the informal sector employment groups has become a topic of great concern to researchers and policymakers. The social security problem of the "missing middle layer" in Latin America has been around for a long time. This can serve as a reference for the reform of social security systems in developing countries.

(Editor Huang Nian)