



BUSINESSatOECD

# ***How to Drive Social Inclusion in Latin America and the Caribbean (LAC): The Role of Business***

---

*Business at OECD (BIAC) Vision Paper on LAC Region  
Priorities for the 2024 OECD 3<sup>rd</sup> LAC Ministerial Summit  
on Social Inclusion*



**Established in 1962, *Business at OECD* (BIAC) is the officially recognized institutional business stakeholder at the OECD. We stand for policies that enable businesses of all sizes to contribute to economic growth, sustainable development, and societal prosperity.**

**Through *Business at OECD*, national business and employers' federations representing over 10 million companies provide perspectives to cutting-edge OECD policy debates that shape market-based economies and impact global governance. Our expertise is enriched by the contributions of a wide range of international sector organizations.**

# Contents

<b>Introduction</b>	<b>1</b>
<b>Five Business Recommendations and Use Cases</b>	<b>3</b>
1. <b>Promote a Favorable Investment Climate in LAC</b>	<b>3</b>
2. <b>Acknowledge the Positive Contribution of Businesses to Social Inclusion</b>	<b>4</b>
3. <b>Foster Digital and Financial Inclusion</b>	<b>6</b>
4. <b>Promote the Economic Empowerment of Women in LAC</b>	<b>8</b>
5. <b>Drive Social Inclusion Through Education and Skills</b>	<b>10</b>
<b>Conclusion</b>	<b>12</b>



# Introduction

Social inclusion has emerged as a crucial factor in fostering sustainable economic growth and stability, including in Latin America and the Caribbean (LAC). For the private sector, investing in social inclusion is not merely a societal obligation but also a strategic imperative that enhances business performance and resilience.

The region faces profound socioeconomic disparities, with significant portions of the population excluded from full participation in the economy due to barriers, such as poverty, limited access to education and financial systems, and systemic inequality. According to the OECD, while in the aftermath of the Covid-19 pandemic, the relatively strong economic recovery in LAC came with an increase in employment and household income, challenging social conditions remain. In 2022, 29% of the population in the region was in poverty and 11.2% in extreme poverty.

In this context, the role of businesses in promoting social inclusion by offering employment opportunities is crucial. As a catalyzer for economic growth and the main driver of employment, business can significantly contribute to the development of skills, access to financial and digital technologies, the economic empowerment of women, inclusion of youth, elderly and minorities, and thus making a major contribution to fostering inclusive societies. Moreover, there is an evident correlation between business investment and addressing social inequalities since an increase of living standards subsequently reduces risks associated with social unrest and political instability.

# Five Business Recommendations and Use Cases

Established in 1962, *Business at OECD* (BIAC) is the officially recognized institutional business stakeholder at the OECD. We represent the leading national business and employers' organizations representing over 10 million companies provide business expertise in a wide range of OECD policy discussions.

In 2024, we created the *Business at OECD* Latin America Contact Group which contributes to the OECD's work in the region and provides practical business input to OECD discussions. For the 2024 OECD Ministerial Summit on Social Inclusion, we would like to highlight the following recommendations, which are underpinned by use cases from member companies who are present in the Latin American and Caribbean Region (LAC).

## 1. Promote a Favorable Investment Climate in LAC

The history of the OECD leaves no doubt that economic integration is an essential pillar of our societal progress, prosperity and security. The OECD business community is deeply concerned about the state of multilateralism, ongoing geopolitical tensions and challenges to good governance that are also severely present in the LAC region.

Businesses face significant uncertainty globally, as the rules impacting global trade and investment need to adapt to multiple challenges, both at the national and international levels. In this context, we urge the OECD to provide deeper insights into the structural barriers that the private sector faces in the region, with a focus on investment hurdles, regulatory burdens, and obstacles to job formalization. The OECD accession process and increased engagement with the LAC region presents a major opportunity to improve the business environment by triggering reforms to bring the countries closer to OECD standards and best practices.

The OECD must carefully monitor developments in LAC Member States to ensure that commitments made during the accession process are preserved and alignment with new OECD standards remains a priority. We are convinced that, within the context of OECD accession process and increased engagement with the region, the Organization has the potential to drive structural reforms that can promote a favorable investment climate and improve the ease of doing business in the region.

## ***Use Case: Bayer's contribution to social inclusion through its investments in the region***

Bayer is a global company specializing in Life Sciences, particularly in Pharmaceuticals, Consumer Health, and Agriculture. It has operated in Mexico for over 100 years, establishing its own presence in 1921. The company has operations in eight Mexican states, five R&D sites, and seven production facilities. In the Andean region, Central America, and the Caribbean, Bayer operates in 12 countries, including Colombia, Costa Rica, and Venezuela, with offices, warehouses, and production plants.

In Latin America and the Caribbean, Bayer is dedicated to its vision and mission of “Health for all, hunger for none,” striving to foster social inclusion through strategic investments in health and nutrition.

Bayer's global sustainability strategy aligns with the United Nations Sustainable Development Goals (SDGs), particularly focusing on Zero Hunger, Health and Well-Being, Gender Equality, Quality Education, Clean Water, and Climate Action. The company's initiatives contribute to these objectives, promoting social inclusion in the region through targeted investments. In agriculture and food security, Bayer has established several key programs:

First, the Better Life Farming initiative in Mexico and Central America is designed to create sustainable ecosystems for small farmers. By investing in advanced agronomic solutions, training in good agricultural practices, financial inclusion, and market access, Bayer helps transform small farms into viable agricultural businesses. This initiative not only enhances productivity but also fosters social inclusion by offering farmers resources and education on health self-care and nutrition.

Second, Bayer actively invests in social entrepreneurs within the agricultural sector, supporting innovative projects that empower smallholder farmers. Through funding, training programs, and strategic support, these investments facilitate the growth of sustainable agricultural practices, thereby enhancing the economic viability of marginalized communities.

The company has set ambitious objectives for 2030 to further its commitment to social inclusion through investment:

- Support 100 million small farmers in developing countries and emerging economies, enhancing local food production and reducing rural poverty.
- Expand access to essential health services for 100 million people in marginalized communities, with a focus on women's health and increasing access to micronutrients for pregnant women and children.

## **2. Acknowledge the Positive Contribution of Businesses to Social Inclusion**

In the LAC region, where social and economic inequalities persist, businesses play a critical role in advancing social inclusion. In addition to driving economic growth, the private sector is a key partner in addressing some of the region's most pressing social challenges. By creating employment, businesses help reduce unemployment and alleviate poverty, including in underserved areas where formal job opportunities are limited.

Additionally, many companies are increasingly involved in Corporate Social Responsibility (CSR) initiatives that support social inclusion. These efforts include offering education and vocational training programs to enhance workers' skills and investing in projects that improve access to essential services like healthcare, education, and transportation. In regions where public resources are constrained, private sector contributions can fill critical gaps and help lift vulnerable communities out of poverty.

To fully harness this potential, it is essential to offer an enabling policy framework that is supportive of responsible business practices, social innovation, and workforce development. Doing so will strengthen the private sector's contribution to building a more inclusive and equitable society in the region.

## ***Use Case: Iberdrola's engagement in social projects in Mexico and Brazil***

Iberdrola is the world's leading wind power producer and one of the largest electricity companies by market capitalization, employing 38,000 people. It supplies energy to nearly 100 million people and operates in Europe, the United States, Brazil, Mexico, and Australia, with growth platforms in new European and Asian markets. Committed to renewable energy, Iberdrola has invested over €120 billion in the past two decades, establishing itself as a benchmark in the fight against climate change while adhering to strong environmental, social, and governance (ESG) principles.

In the company's strategy, the social dividend is as important as the economic dividend. It has therefore created a methodology that establishes criteria for social and environmental performance, with the aim of strengthening ties with the communities in which it operates and establishing a solid and mutually beneficial relationship. The methodology defines the strategic areas of action, aligns all the company's programs with the SDGs and allows it to prioritize the implementation of social projects according to the listening of the communities, as well as their socio-economic conditions. In Brazil and Mexico, some of the company's strategic social programs include:

- *Luces de Esperanza*: This project is carried out with a technical partner and aims to improve the quality of life in rural and isolated communities through access to solar energy. A service as basic as electricity not only facilitates daily activities, but also opens up the economy, education, health and security. The implementation of this project in San Luis Potosi, Oaxaca and Puebla lays the foundation for a brighter and more sustainable future in these regions.
- *Destella*: The aim of this program is to promote the empowerment of women through sports and to contribute to a society where equal opportunities are a reality. Women's participation is promoted through the following lines of action: fostering the growth of women's sports in Mexico, strengthening the current community of sportswomen and supporting high-performance players.
- *Corporate Volunteering Programme*: This program makes a positive contribution to the communities in which Iberdrola Mexico has a presence through social and environmental actions, in which employees and their families participate. Iberdrola collaborates with various institutions that provide support to persons with disabilities, nursing homes, and rest homes, with which we promote social inclusion through the activities they carry out.



### 3. Foster Digital and Financial Inclusion

According to the OECD, despite the advances in connectivity in the region, significant gaps persist in access and use of digital technologies within and between LAC countries, especially when compared to most advanced economies. In 2021, penetration of household fixed broadband in LAC was 62%, well below North America (close to 100%) and Europe (90%). Gaps in LAC also reflect income inequalities: 66% of rural households and 43% of households in the two lowest income quintiles still need to be connected to the internet, while only 25% of urban households are not yet connected.

In this context, it is crucial for the public and private sectors to collaborate effectively to address the digital divide, as this issue underlines and intensifies many existing socio-economic inequalities. It also significantly affects financial inclusion, limiting access to banking services through payment platforms and card providers for small and medium enterprises. The OECD should advocate for governments to prioritize infrastructure investment that enhances internet access and connectivity in underserved areas.

Emphasizing the economic benefits of bridging the digital gap is essential, as improving digital accessibility and literacy drives economic growth. This not only enhances social mobility for traditionally excluded groups but also benefits businesses by providing a more skilled workforce, which in turn boosts the overall competitiveness of the business environment.

Additionally, collaboration between the public and private sectors is vital for advancing digital literacy and skills training. The OECD should encourage governments to incorporate basic digital skills into education curricula to ensure that students acquire the necessary skills for the digital age and promote on-the-job training programs with companies.

## ***Use Case: Telefónica and Internet para Todos (“Internet for All”)’s contribution to Digital Inclusion, digital literacy and skills training***

Telefónica is one of the largest telecommunications service providers in the world. The company offers fixed and mobile connectivity as well as a wide range of digital services for residential and business customers. With more than 383 million customers, Telefónica operates in Europe and Latin America, where it operates in Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Peru, Uruguay and Venezuela.

“Internet for All” is a company established as a Rural Mobile Infrastructure Operator (RMIO) and is 55% owned by Telefónica, 25% by Meta, 10% by BID investment and 10% by CAF. It is a collaborative initiative that was born in May 2019, based on the guiding principle that internet access is an enabler for the development and transformation of people’s lives, providing benefits such as access to education and health, among others.

- “Internet for All” installs telecommunications infrastructure in locations where internet access has been limited. This infrastructure is made available for mobile operators to “lease” so that they can pass their signal through it and offer their 4G services to those living in these rural locations. According to the latest figures, 3.6 million people have access to 4G internet and 18,074 rural communities are connected. More than 2,370 base stations with 3G and 4G technology have also been created.

In Latin America, Telefónica has also implemented several other initiatives aimed at promoting digital and social inclusion.

- One notable program is Conecta Empleo, created by Fundación Telefónica Latin America, which offers free guidance and training in digital skills to vulnerable communities and unemployed individuals. By leveraging Big Data and Artificial Intelligence, it helps participants make informed training decisions. Between 2020 and April 2024, over 921,000 unique users have benefited from Conecta Empleo in Latin America, with women representing 53% of participants. Additionally, more than 850,000 individuals utilized its guidance tools during this period.
- Through the ProFuturo Programme, Fundación Telefónica and Fundación “la Caixa” aim to bridge the educational gap by developing digital competencies for teachers, students and school principals, working alongside organizations like OAS, OEI, and UNESCO-OREALC. In 2023, ProFuturo benefited approximately 563,000 children and trained around 188,000 teachers in Latin America. Since its launch in 2016, it has directly impacted about 2.7 million children and trained nearly 1 million teachers in Africa, Asia and Latin America.

## 4. Promote the Economic Empowerment of Women in LAC

Despite significant socioeconomic advancements since the 2000s, gender inequalities persist and are a pressing issue in the LAC region. For instance, the OECD found that 56% of women in Mexico are employed in the informal sector (excluding agriculture), compared to 49% of men.

The repercussions of gender inequality also negatively impact the broader economy. According to OECD data, lower levels of education and labor force participation among women contribute to a global income reduction of 7.5%, and in the LAC region specifically, this induced a loss of USD 400 billion, or USD 1,135 per capita before the Covid-19 pandemic. For businesses, the underrepresentation of women in the formal labor market means drawing from a significantly smaller talent pool—one that is crucial for fostering innovation and maintaining a competitive edge.

Many organizations are actively promoting women's inclusion through initiatives like mentorship programs, flexible work arrangements, and targeted recruitment strategies aimed at attracting female talent. By fostering an environment that champions gender equality and inclusiveness, businesses enhance workforce diversity, which in turn drives innovation and boosts overall performance in the market.

## **Use Case: PepsiCo's Contribution to Women's Inclusion in Latin America and the Caribbean (LAC)**

PepsiCo Latin America is an agribusiness company that encompasses snacks, food, and beverages. With a strong presence in the region, it operates in 34 countries, serving 150 million households and maintaining 3 million points of sale. Daily, consumers enjoy 36 million PepsiCo products, with 80% of its brands found in Latin American homes. The food and snack business creates over 80,000 jobs, supported by 34 production plants and more than 24,000 sales routes. The beverage segment operates through 13 bottlers and over 100 production facilities. In 2023, PepsiCo Latin America generated \$11.6 billion in net revenue.

In Latin America, PepsiCo is committed to enabling and ensuring the full inclusion of women across its value chain, recognizing that their economic participation drives growth for families and communities. To achieve this, PepsiCo implements various projects that promote women's empowerment, both within the company and in external communities. These initiatives, such as Inspira (LatAm), Ella Alimenta al Mundo (Peru/Colombia), Next Generation Agriculture Fund (Guatemala/Ecuador/DR), Mujeres con Propósito (LatAm), Mujeres, Agua y Reconciliación (Colombia), and STEM Career Accelerator (Mexico), focus on developing women's technical skills, enhancing their productivity, improving income levels, and helping them build networks of support.

PepsiCo's commitment to fostering gender equality within its workforce is evident in its leadership composition. As of June 2024, nearly 40% of executive roles and 50% of managerial positions in PepsiCo Latin America are held by women. This emphasis on inclusion at the leadership level reflects the company's broader efforts to ensure women's advancement throughout the organization.

Beyond its internal efforts, PepsiCo invests in empowering women in the agricultural sector, particularly small-scale female farmers. Between 2021 and 2023, the company invested more than \$7.5 million, benefiting over 42,000 women farmers across the region. Through programs like Ella Alimenta al Mundo and the Next Generation Agriculture Fund, PepsiCo provides these women with technical training, financial support, and sustainable farming practices. These initiatives help female farmers increase crop yields, improve their income, and adopt more resilient agricultural techniques.

PepsiCo also promotes women's economic independence through programs like Mujeres con Propósito, which equips women with entrepreneurial skills and employability training. In Colombia, the Mujeres, Agua y Reconciliación program offers women in conflict-affected areas access to vital water resources while promoting peacebuilding and reconciliation skills. The STEM Career Accelerator in Mexico seeks to bridge the gender gap in science and technology by encouraging young women to pursue careers in STEM fields.



## 5. Drive Social Inclusion Through Education and Skills

Another critical challenge in the LAC region is access to education, which according to OECD data is alarmingly low. In this context, access to quality early childhood education serves as a vital foundation for lifelong learning, equipping children with essential skills and fostering a positive attitude toward education.

To promote educational equity, addressing infrastructure gaps is another imperative. Many students from socio-economically disadvantaged backgrounds lack access to essential digital tools; around 18% of 15-year-olds in the LAC region do not have an internet connection at home or school, compared to less than 2% in OECD countries. In this context, businesses play a critical role in providing connectivity and high-quality devices that can help both educators and learners to bridge this digital divide. Moreover, fostering digital literacy is equally important, ensuring that all individuals can utilize technological resources effectively for learning and skills development.

Moreover, businesses can contribute by partnering with educational institutions to develop programs that enhance digital literacy. This collaboration can involve providing training for teachers and students on how to effectively use technology for learning and skills development. By engaging with the community and supporting educational initiatives, businesses not only enhance their social responsibility but also cultivate a more skilled workforce that can drive economic growth and social inclusion in the region.

Close dialogue between business and government is crucial to ensure that education programs reflect current and future needs of the business community. Business also plays a major role in promoting lifelong learning by offering targeted training opportunities, thus addressing skills mismatches and fostering skills development, thereby improving employability and advancing career prospects and social inclusion.

## **Use Case: Claro Colombia's Contribution to social inclusion through education and skills**

Claro Colombia is a telecommunications company providing mobile and fixed-line phone services, television, and internet. Formed from the merger of Comunicación Celular S.A. and Telmex Colombia S.A., Claro has over 46 million mobile subscribers and more than 8 million home service customers as of the end of 2023. The company also offers Claro Video, Claro Cloud, and is a subsidiary of América Móvil.

In the education sector, Claro has implemented initiatives such as Escuelas Conectadas and Salas de Tecnología, which have reached over 356,000 students across more than 3,327 educational institutions with free internet access. This initiative enables students to reinforce their knowledge using freely available virtual tools.

Through Claro por Colombia, the company has developed a pathway for labor and social inclusion aimed at providing opportunities for vulnerable populations, including migrants, returnees, binational individuals, single mothers, conflict victims, and youth, to access formal employment. This initiative has been recognized with the Sello de Empresa Incluyente by the ANDI (National Business Association of Colombia) for its successful partnerships with strategic entities such as the Canadian Embassy, Cuso International, USAID, and various employment agencies.

The inclusion pathway consists of several stages: identification, pre-selection, training, selection, and hiring. Additionally, it provides subsidies for transportation, connectivity, food, vaccinations, optical glasses, and biosecurity supplies. To ensure the effective social and labor inclusion of vulnerable populations, it is essential to make reasonable adjustments to job profiles and roles while removing access barriers, including training, psychosocial support, and financial assistance.

Over the past five years, this pathway has successfully integrated more than 1,500 vulnerable individuals into the workforce, demonstrating Claro's commitment to driving social inclusion through education and skills development.








## BUSINESSatOECD

*Business at OECD (BIAC)*

13-15, Chaussée De La Muette - 75016 Paris

Tel: + 33 (0) 1 42 30 09 60

[www.businessatoecd.org](http://www.businessatoecd.org)

✕  @BusinessatOECD