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Employment Situation in Latin America and the Caribbean

Work in times of pandemic:
the challenges of the
coronavirus disease (COVID-19)



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Employment Situation in Latin America and the Caribbean is a twice-yearly report prepared jointly by the Economic Development Division of the Economic Commission for Latin America and the Caribbean (ECLAC) and the Office for the Southern Cone of Latin America of the International Labour Organization (ILO).

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Foreword

The coronavirus disease 2019 (COVID-19) pandemic hit Latin America and the Caribbean in a period of economic weakness and macroeconomic vulnerability. In the decade following the global financial crisis (2010–2019), regional GDP growth fell from 6% to 0.2%. Moreover, growth in the 2014–2019 period was the lowest recorded since the 1950s (0.4%).

Against this backdrop, the COVID-19 pandemic, which brings with it a combination of external and domestic shocks, will result in the region's worst economic and social crisis in decades, with damaging effects on employment, the fight against poverty and the reduction of inequality.

The Economic Commission for Latin America and the Caribbean (ECLAC) projects that the region's economy will contract by 5.3% in 2020. As the pandemic continues to spread and physical distancing measures remain necessary, this downturn could well be sharper than projected.

The significant decline in gross domestic product (GDP) will have an adverse impact on labour markets, which ECLAC projects could push up unemployment rates by at least 3.4 percentage points to 11.5% in 2020, equivalent to more than 11.5 million new unemployed. As the downturn intensifies, the unemployment rate will continue to rise.

According to International Labour Organization (ILO) estimates, the health crisis resulting from COVID-19 is causing a loss of around 10.3% in working hours in the second quarter of this year, equivalent to 31 million full-time workers (assuming a 40-hour working week).

A sharp deterioration in employment quality is also expected. Informal employment is the source of income for many households in Latin America and the Caribbean, where the average informality rate is around 54%, according to ILO estimates.

Many of these workers lack access to quality health services and the nature of their work puts them at greater risk of infection. In addition, with generally low incomes, they have limited capacity for saving that would tide them over prolonged periods of inactivity. They also lack income support mechanisms such as unemployment insurance, which is generally associated with formal employment.

This will have deleterious effects on poverty, inequality and the achievement of the commitments set forth in the 2030 Agenda for Sustainable Development. For 2020, ECLAC projects increases of up to 4.4 percentage points in poverty rates and 2.6 percentage points in extreme poverty year on year. This would bring the proportion of the region's population living in poverty to 34.7% (214.7 million people), with extreme poverty affecting 13% of the population (83.4 million). Inequality is also expected to rise in all countries of the region, with projected rises in the Gini coefficient of between 0.5% and 6.0%

Along with labour market dynamics, this report examines some of the policies implemented by countries to protect formal and informal employment, income and the production sector. It also analyses the labour challenges related to the reactivation of production in a post-pandemic world. A policy framework prioritizing workplace health and safety is therefore of the essence.

Policies for a return to work under adequate sanitary conditions must be underpinned by a participatory approach to managing health and safety, bearing in mind that physical distancing is a proven measure for reducing transmission. Policymakers must consider not only workplace conditions but also the commute to work for workers in companies and in the supply chain alike.

In some countries of the region, a large percentage of work is performed in public spaces, making it harder to meet hygiene and protection requirements. In this respect, extensive training and education in workplace safety and health will be required for all actors in the labour sphere, particularly in preparation for a possible second and third wave of infection.

The pandemic has laid bare the structural challenges that must be resolved in the world of work. Social dialogue involving governments, employers and workers will be essential for achieving consensus and adopting policies that can be implemented with success.

No small effort will be required to re-establish a measure of normality, and that normality will have to be better, espousing the values of solidarity, environmental sustainability and equality. Workers, companies and governments will have to prepare themselves for an uncertain future, in the knowledge that individual protection is a matter of collective well-being.

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I. Labour market trends in Latin America and the Caribbean

A. A global pandemic marks the beginning of 2020

In the first months of 2020, an outbreak of the coronavirus disease (COVID-19) spread around the world. COVID-19 was declared a pandemic, causing a health emergency that necessitated the implementation of social distancing measures that have led to a disruption of economic activity on an unprecedented scale.

Estimates point to a decline in global gross domestic product (GDP) in 2020 that will be the largest in decades (by 2%) and to significant contractions in the volume of global trade (by between 13% and 32%). The drop in economic activity, particularly in China, the United States and Europe, is hurting trade volumes and prices in Latin America and the Caribbean, especially for commodities. Some key production sectors in countries of the region form part of global value chains in which the United States and China are fundamental. In addition, many countries will be severely affected by reduced remittances from migrants and the decline in tourism. The deterioration in global financial conditions has increased volatility in the region to record levels, and there have been massive capital outflows from emerging markets, most currencies have depreciated against the dollar and sovereign risk has risen sharply (ECLAC, 2020c).

This major external shock is compounded by the fact that the pandemic has hit Latin America and the Caribbean in a period of macroeconomic weakness and vulnerability. The region now has to deal with this crisis at a time when its fiscal space has been reduced by limited public revenue owing to the slowdown in economic activity, tax evasion, the decline in international commodity prices, tariff reductions amid trade liberalization, and increasing levels of tax revenue foregone through concessions for free zones and the maquila sector. Monetary authorities' efforts to stimulate aggregate demand have resulted in historically low monetary policy rates, but with little effect thus far (ECLAC, 2020c).

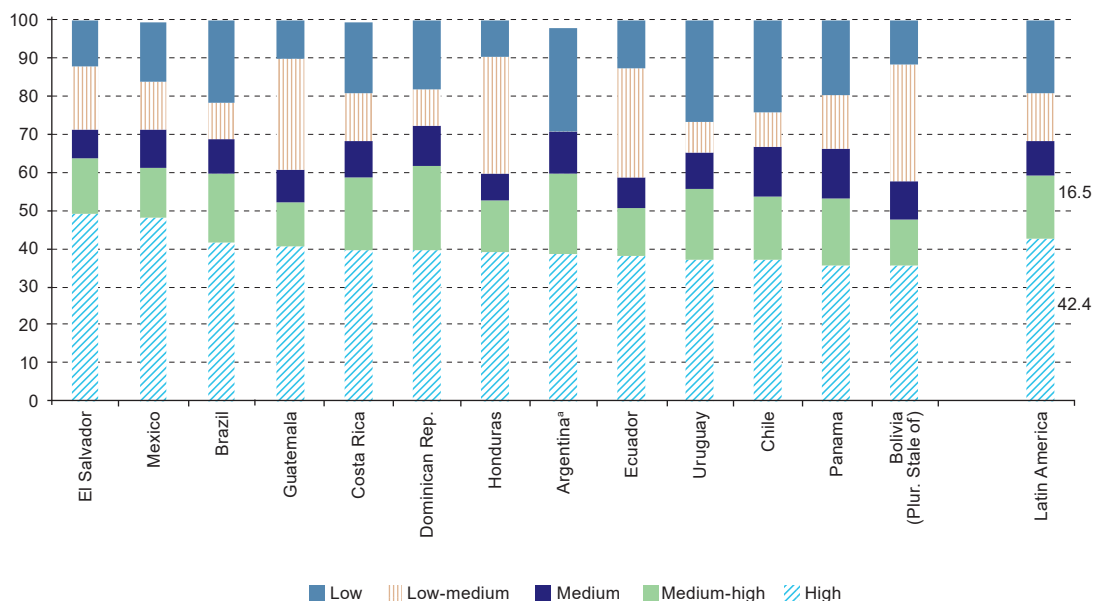
This will cause region's worst economic and social crisis in decades, with damaging effects on employment, the fight against poverty and the reduction of inequality —commitments assumed in the 2030 Agenda for Sustainable Development. Projections by the Economic Commission for Latin America and the Caribbean (ECLAC) indicate that the economy will shrink by about 5.3%, which could push up unemployment rates by at least 3.4 percentage points to 11.5% at the end of 2020.¹ As the pandemic continues to spread and physical distancing measures remain necessary, this downturn could well be sharper than projected and cause unemployment to rise further. According to the latest International Labour Organization (ILO) estimates, the crisis is causing a loss of around 10.3% in working hours in the second quarter of this year, equivalent to 31 million full-time workers (assuming a 40-hour working week) (ILO, 2020d). A marked deterioration in employment quality is also expected, owing to the increase in informality and the decline in working hours and wages (ILO, 2020 a and b). This will have deleterious effects on social indicators. ECLAC projects increases of up to 4.4 percentage points in poverty rates and 2.6 percentage points in extreme poverty compared to 2019. This would bring the proportion of the region's population living in poverty to 34.7% (214.7 million people), with extreme poverty affecting 13% of the population (83.4 million) (ECLAC, 2020d).

¹ In the first few months, the effect on employment will likely be greater than on the number of unemployed, owing to lower pressure on the labour supply. Some workers will decide to leave the market, either as a preventive measure or because of a lack of employment alternatives. However, after a few months and as the risk of infection decreases, the labour supply will pick up again and the effect on the unemployment rate will be apparent.

The effect of the pandemic on labour markets in the countries of the region will depend on the production structure and the composition of employment in each sector, among other things. The worst affected sectors will include tourism (airlines, accommodation, restaurants and hotels), trade and manufacturing, real estate and administrative activities.² These sectors are labour-intensive and some, like trade, have a high concentration of informal employment. Other sectors such as transport and storage, and entertainment and cultural activities will also suffer a medium-high impact. Workers in these sectors will be at significant economic risk.

In Latin America, it is estimated that 42.4% of employment is in sectors at high risk and 16.5% in sectors at medium-high risk (see figure I.1). These workers have a high chance of facing a reduction in working hours, wage cuts and layoffs. Countries where employment is concentrated in sectors such as agriculture and livestock, for example, Guatemala, Honduras, Ecuador and the Plurinational State of Bolivia, are likely to have a lower proportion of workers in high-risk sectors. However, if the virus were to spread to rural areas, activity in this sector could also collapse.³

Figure I.1
Latin America (13 countries): workers in sectors at risk, 2018
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official figures.

Note: High risk: wholesale and retail trade; repair of motor vehicles and motorcycles; manufacturing; accommodation and food services; real estate, business and administrative activities.

Medium-high risk: transport and storage; information and communication; arts, entertainment and recreation; and other services.

Medium risk: mining and quarrying; financial and insurance activities; and construction.

Low-medium risk: agriculture, forestry and fishing.

Low risk: health and social services; public administration and defence; compulsory social security; human health and social work activities; and education.

^a Figures for Argentina refer to urban areas.

² The classification of the impact of the crisis on economic output in ILO, 2020b is used here.

³ This is likely to have a major impact on food production and prices.

The distribution of female and male employment in each sector will determine the gender impact of the pandemic on the labour market. On the whole, sectors considered to have a high risk of job loss are found to have a higher concentration of male workers. On average, women make up an estimated 44% of employees in high-risk sectors. However, there is a high concentration of women employees in some of the sectors considered to be at low-medium risk of unemployment, such as education and health. It should nevertheless be borne in mind that the lower risk of job loss does not preclude a deterioration in working conditions. For example, heightened demand on health systems has resulted in extreme working conditions, such as long working hours, increasing the risk of health workers becoming infected with the virus. At the same time, women working in this sector must continue to care for their dependants or household members, which can increase their workload and stress. The health crisis highlights the social organization of care in the region in which, as a rule, it is women who, whether paid or unpaid, bear the greatest caregiving burden. The closures of schools —and, in many cases, the introduction of distance-learning measures— places an additional strain on families, particularly women, who spend three times as long as men on unpaid domestic and care work each day in the region. Furthermore, gender inequalities are sharper in lower-income households, where demands for care are greater, as there tend to be more dependants per household (ECLAC, 2020a).

Another factor causing the effects of the crisis to vary from country to country is the share of informal employment in each country and the economic support mechanisms that exist or are created for workers in this sector. Informal employment is the source of income for many households in Latin America and the Caribbean, where the average informality rate is approximately 54%, according to recent ILO estimates. Many of these workers do not have access to quality health services and the nature of their work puts them at greater risk of infection. In addition, with generally low incomes, they have limited capacity for saving that would tide them over prolonged periods of inactivity. They also lack income replacement mechanisms such as unemployment insurance, which is generally associated with formal employment, and coverage of these workers by financial support programmes is a complex challenge amid budgetary restrictions. As a result, in countries with a high share of informal workers, there is likely greater pressure to return to work quickly, which could increase the spread of the virus. In this regard, in addition to policies intended to provide support through income substitution, it will be necessary to raise awareness and implement the necessary mechanisms to ensure safety in the workplace and on the commute to work.

Lastly, the impact on regional labour markets will also depend on countries' ability to adapt to new forms of work. While working remotely, or teleworking, is an option for many workers, not all countries have the appropriate technology infrastructure. Although 67% of the region's population are using the Internet, there are significant disparities both between and within countries depending on factors such as socioeconomic status and geographical location. It must be borne in mind that the greater use of digital technologies can exacerbate inequalities in access among countries and among income groups. While more than 80% of the population had a mobile Internet connection in Chile, Brazil, Costa Rica and Uruguay by 2017, the figure dropped to 30% in Guatemala, Haiti, Honduras and Nicaragua (ECLAC, 2020c). Another area that will require adapting to a new normal is in the health and safety conditions that must be met for people to return to work. In addition to the potential costs that such policies may represent for companies, there is the fact that, in some countries, a significant share of work is performed in public spaces, making it harder to meet hygiene and protection requirements. Appropriate legal frameworks will have to be designed both for the implementation of teleworking and for the guarantee of health and safety conditions in the workplace.

In short, the challenge is daunting. The pandemic is exerting significant pressure on institutional frameworks and the capacity to coordinate economic and socio-labour policies in all countries, which are working to mitigate the health, social and economic impacts. Governments, business and workers will have to adapt in order to find safe alternatives to protect employment. The United Nations system has developed a framework for an immediate socioeconomic response to the COVID-19 pandemic and a road map towards a “new normal” based on five priority streams of work: (i) ensuring that essential health services are still available and protecting health systems; (ii) helping people cope with adversity, through social protection and basic services; (iii) protecting jobs, supporting small and medium-sized enterprises, and informal sector workers through economic response and recovery programmes; (iv) guiding the necessary surge in fiscal and financial stimulus to make macroeconomic policies work for the most vulnerable and strengthening multilateral and regional responses, and (v) promoting social cohesion and investing in community-led resilience and response systems. These five streams are connected by a strong environmental sustainability and gender equality imperative to build back better (United Nations, 2020).

Like previous editions of this report, the first part of this twenty-second edition of the *Employment Situation in Latin America and the Caribbean*, prepared jointly by ECLAC and ILO, presents an overview of the labour markets, where decent employment creation was weak in 2019. However, the crisis stemming from the COVID-19 pandemic is an additional cause for concern for 2020.⁴ The policies and measures adopted will play a crucial role in mitigating the effects of the crisis and enabling a gradual recovery of national economies. The second part of this report presents a review of the main policies to support workers and enterprises that have been adopted in the region in response to the crisis caused by COVID-19.

B. Labour markets in in 2019

The region’s economy and labour market were already performing poorly in 2019, before the onset of the COVID-19 crisis, as economic growth remained low in Latin America (0.2%), down from 1% in 2018. The result was that the generation of quality employment in the region was limited. Although the employment rate rose slightly, it was not enough to satisfy the increase in the labour supply, causing the unemployment rate to edge up to an average of 8.1% for the region. This means that some 26.3 million job-seekers were unable to secure employment. Among the employed, the composition of employment deteriorated, as evidenced by a larger increase in the number of own-account workers than in the number of wage earners. At the same time, employment quality indicators remained unchanged or worsened: labour informality increased even among wage earners in some countries, as did the share of workers willing to work longer hours but unable to do so. The commerce and restaurant and hotel sectors, where informality rates tend to be higher, generated most of the jobs, and existing gender gaps remained. Workers’ purchasing power, measured by average wages, saw very modest increases in 2019 and, for the second year running, gains in minimum wages were even smaller.

⁴ Some difficulties may have been encountered in the collection of labour market data. While in some countries data from employment surveys can be collected remotely, this involves more significant challenges. See ECLAC (2020b) for recommendations to national statistical offices on how to continue gathering information through surveys.

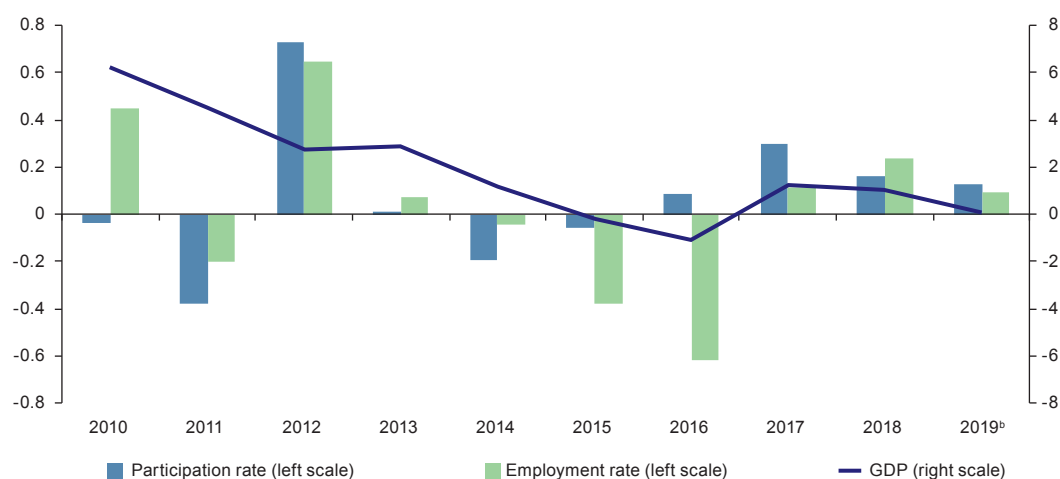
C. Weak economic growth and low job creation dragged down the labour market in 2019

In 2017 and 2018, the slight recovery in growth led to an increase in the employment rate, which even outstripped the increase in the participation rate in 2018 (see figure I.2). However, 2019 was marked by weak economic growth and low employment creation. The regional employment rate rose by just over 0.2 percentage points on average (see figure I.3). As job creation was too weak to keep pace with the increase in the labour supply (participation rate), the region's average unemployment rate rose slightly during 2019 (see figure I.3).

The increase in the regional unemployment rate in 2019 reflected the rise in the number of unemployed in most of the region's countries (see figure I.4). The highest year-on-year increases in the unemployment rate were registered in Costa Rica (11.8%), Colombia, Panama and Argentina. The increase in the regional unemployment rate was offset by Brazil: regional averages are largely affected by the behaviour of the Brazilian labour market, which accounts for approximately 36% of the region's economically active population. The country's unemployment rate fell from 12.3% in 2018 to 11.9% in 2019, reflecting 12.5 million people actively seeking work.⁵ Unemployment rates also fell in Jamaica, Belize and Chile.

Figure I.2

Latin America and the Caribbean (selected countries):^a variation in urban participation, employment and economic growth rates, 2010–2019
(Percentage points and percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official figures.

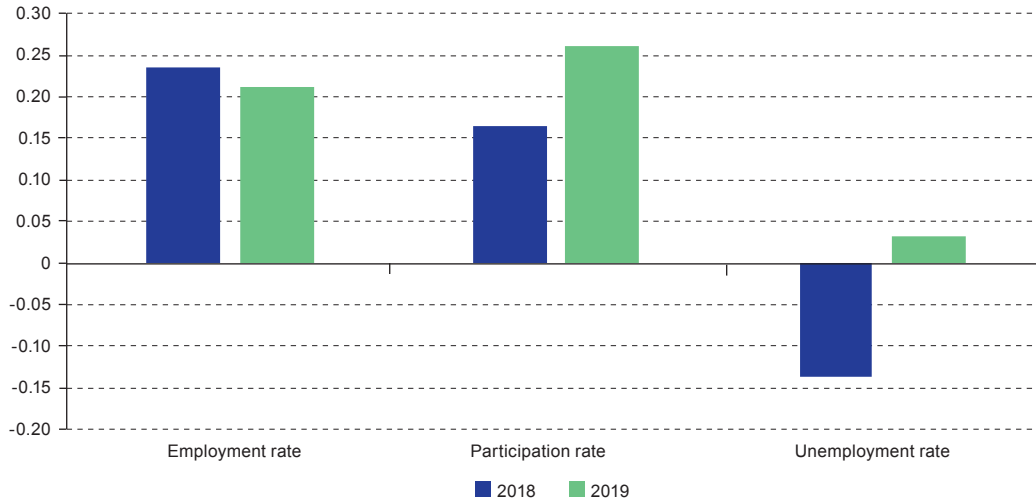
^a Does not include the Bolivarian Republic of Venezuela, Cuba, El Salvador or Nicaragua.

^b Data for 2019 are preliminary.

⁵ Between 2015 and 2017, the sharp downturn in the Brazilian labour market has heavily influenced unemployment rates at the regional level.

Figure I.3

Latin America and the Caribbean (selected countries): year-on-year changes in national participation, employment and unemployment rates, 2018 and 2019
(Percentage points)

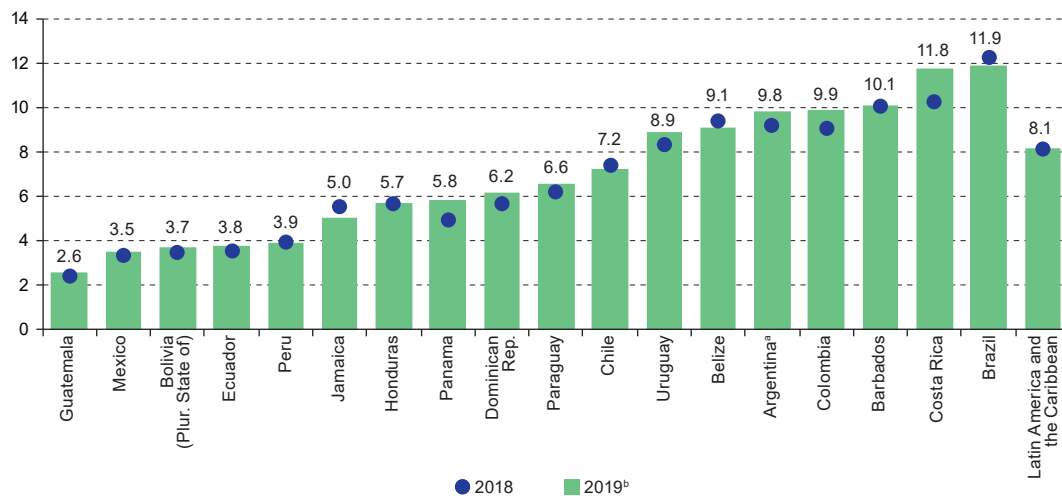


Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official figures.

Note: The 2018 average comprises data for Argentina, Bolivarian Republic of Venezuela, Bahamas, Barbados, Belize, Bolivia (Plurinational State of), Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Trinidad and Tobago, and Uruguay. Data for 2019 are preliminary and do not include the Bahamas, the Bolivarian Republic of Venezuela, Cuba, El Salvador, Nicaragua, or Trinidad and Tobago.

Figure I.4

Latin America and the Caribbean (18 countries): national unemployment rates, 2018 and 2019
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official figures.

^a Figures for Argentina refer to urban areas.

^b Data for 2019 are preliminary.

D. Gender gaps persist in the labour market

In 2019, the main sex-disaggregated labour indicators maintained the trend of previous years. Among women, growth was weaker in employment than in labour participation, causing the unemployment rate to climb to an average of 9.6%. Among men, there was a decline in both the employment rate and the labour supply, and the unemployment rate held steady at an average of 7.1% during the year (see figure I.5).

This shows two opposing trends behind the increase in the regional participation rate: the rise in the rate among women, and the fall in the rate among men. Over the past 30 years, the average participation rate in Latin America for women aged 15 and over has increased by 11 percentage points, a higher rate than in other regions of the world. The lower participation rate among men is largely attributable to the higher retention of young men in education systems and to population ageing (ECLAC/ILO, 2019b).

The effect of the performance of a few countries with large populations on the regional average can be isolated by analysing the medians of the variation rates of the main labour indicators. In the median, the employment rate among men falls more sharply and the unemployment rate rises, rather than holding steady as it does in the weighted average (see figure I.5). This indicator largely reflects the 0.7 percentage point drop in the male unemployment rate in Brazil. Since unemployment rates rose in most countries in 2019, regional unemployment rates rise more in the median than in the average.

Figure I.5

Latin America and the Caribbean (18 countries):^a year-on-year changes in national participation, employment and unemployment rates, by sex, 2019
(Percentage points)

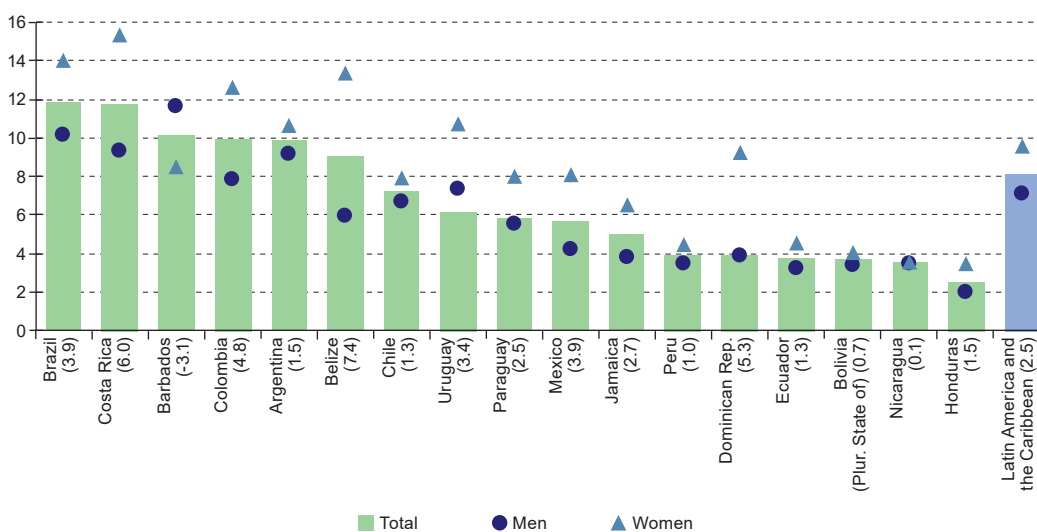


Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official figures.

^a Argentina, Barbados, Belize, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru and Uruguay.

In 2019, female unemployment exceeded 10% in Argentina, Belize, Brazil, Colombia and Costa Rica (see figure I.6). The largest gender gaps in unemployment were observed in Belize, Costa Rica and the Dominican Republic, where there were differences of more than five percentage points. There were also significant disparities between female and male unemployment rates in Colombia, Brazil, Mexico and Uruguay. At the regional level, the average unemployment rate for women was 2.5 percentage points higher than for men.

Figure I.6
Latin America and the Caribbean (17 countries): national unemployment rates, by sex, 2019
(Percentage points)



Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official figures.

Note: The values in parentheses correspond to the gap between the unemployment rates for women and for men.

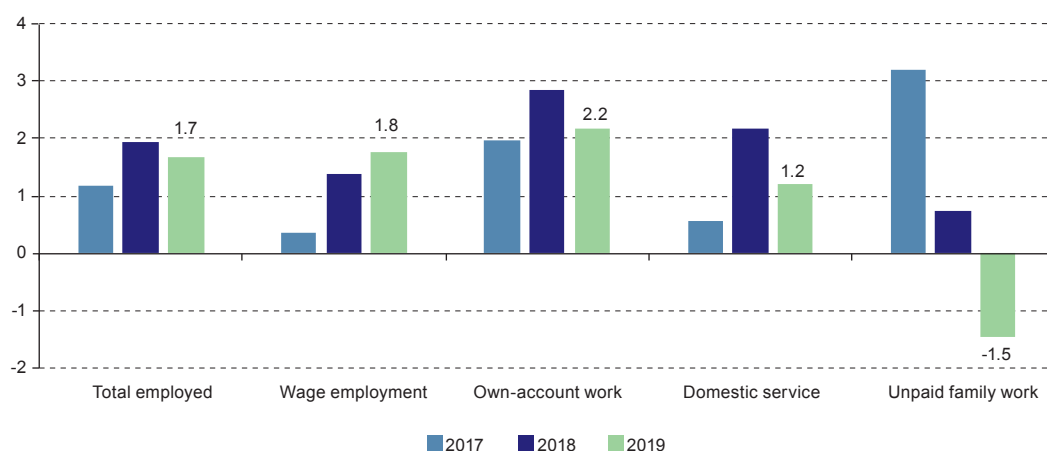
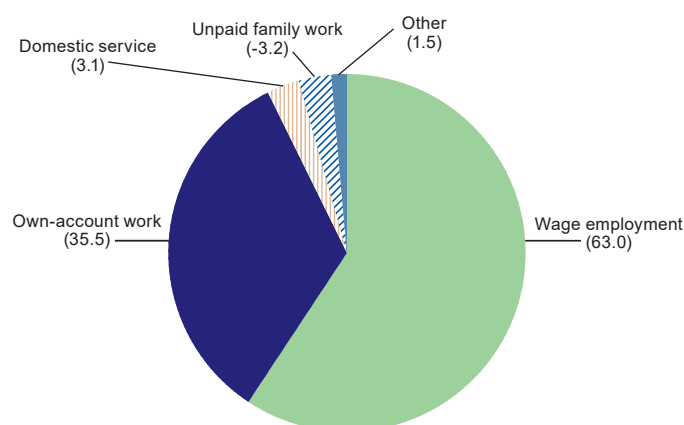
E. Own-account work grew at a faster pace than wage employment

Turning to occupational categories, in 2019 total employment grew by about 1.7%, a similar increase to the previous year (see figure I.7A). Wage employment rose by 1.8% (the largest increase since 2013), own-account work by 2.2% and domestic service by 1.2%. Of the 13 countries for which information is available, wage employment grew at a slower rate than own-account work in 9.

Despite the modest growth in wage employment, it accounted for 63% of the of 3.7 million new jobs created in the region; own-account work represented approximately 35.5% of the total and other occupational categories contributed only marginally (see figure I.7B).

Figure I.7

 Latin America and the Caribbean (13 countries):^a employment creation by work category, 2017, 2018 and 2019^b (Percentages)

 A. Year-on-year variation, 2017, 2018 and 2019^b

 B. Share of each category in employment growth, 2019^b


Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official figures.

^a Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Honduras, Mexico, Panama, Paraguay and Peru.

^b Data for 2019 are preliminary.

F. Employment quality has deteriorated across the board

The labour markets in most countries of the region are characterized by high levels of informality. Significant progress was made up to the mid-2010s, thanks mainly to a series of policies geared towards specific groups of workers (domestic workers and independent workers), institutional factors such as the simplification of procedures, improved data management and greater oversight. Incentives for small and medium-sized enterprises also appear to have been successful (ILO, 2014). However, progress has slowed considerably in recent years.⁶ Many countries in the region have no systems in

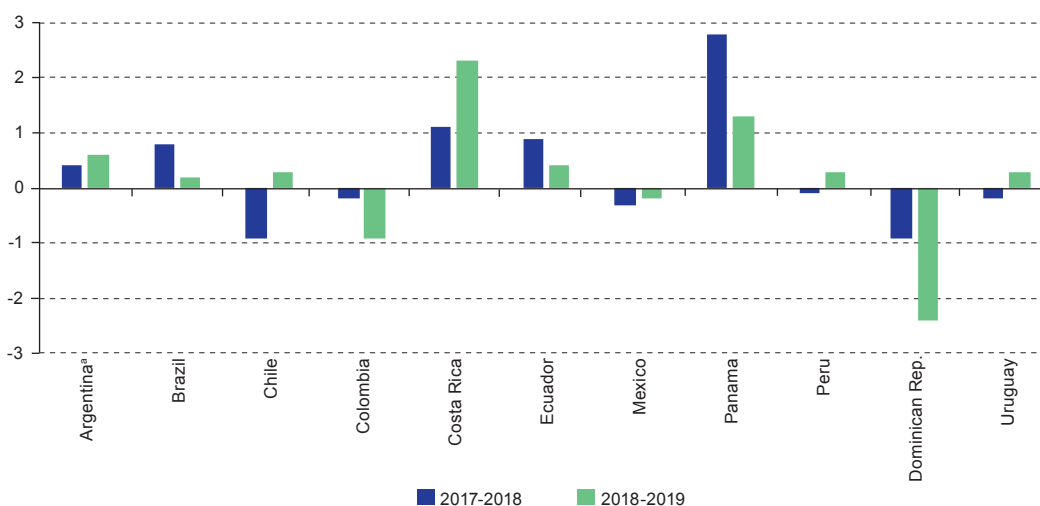
⁶ This trend has been documented in previous editions of the *Employment Situation in Latin America and the Caribbean*.

place for the formalization of independent workers; if they do exist, they are not compulsory or have been recently established, so coverage remains low (Gontero and Weller, 2017). In addition, even in wage employment, many workers do not pay into pension systems.

Informal employment trended upwards year-on-year in 2019 (see figure I.8), and more sharply than in 2018 in 5 of the 11 countries for which information is available (Argentina, Chile, Costa Rica, Peru and Uruguay). It also increased in Brazil, Ecuador and Panama, albeit less than the previous year. Only Colombia, the Dominican Republic and Mexico registered a drop in the share of informal employment.

Figure I.8

Latin America (11 countries): year-on-year changes in informal employment rates, 2018 and 2019
(Percentage points)



Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official figures.

Note: The information on informal employment varies depending on the definitions applied in the different countries and is not comparable between them.

^a Data for Argentina for 2019 refer to the first three quarters only.

In some countries, informality increased even among wage earners. For example, in Argentina the proportion of wage earners making pension contributions fell from 65.6% on average in 2018 to 65.2% in 2019. In Brazil, the number of private sector workers (excluding domestic workers) without a formal contract climbed to a record high of 11.6 million for the historical series beginning in 2012. This represents an increase of 4% over 2018 (IBGE, 2020).

Mexico saw a slight improvement, with the proportion of wage earners with employment benefits rising from 62.3% in 2018 to 63.0% in 2019. However, this improvement in the conditions of wage employment has occurred alongside an expansion of the share of the informal sector in employment. The results of the National Survey of Occupation and Employment (ENOE) show that, in the last quarter of 2019, there were 31.3 million people working in all modalities of informal employment, which is 2% more than in the same period in 2018 and corresponds to 56.2% of the employed population (INEGI, 2020).⁷

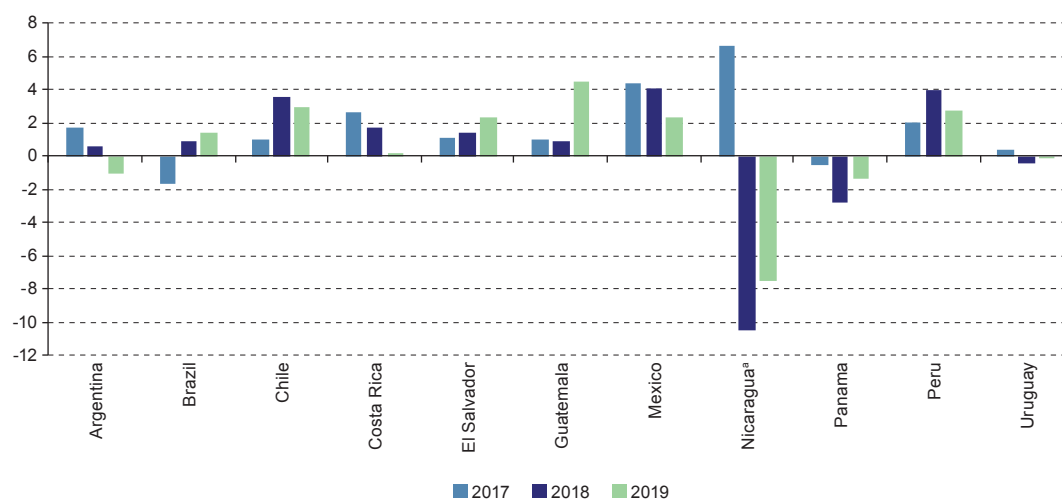
⁷ The modalities of informal employment comprise the informal sector, paid domestic work in households, unprotected agricultural work and outsourced workers in formal employment but not covered by social security (INEGI, 2020).

Similarly, in Chile, the percentage of formal wage earners in the private sector increased slightly in 2019 to around 83%. However, there was an 8% rise in informal employment in 2019 (INE, 2020). The improvement in wage employment reflected developments mainly in the first half of the year, as the share of informal wage earners in employment began to rise substantially from September onward.⁸

Another indicator for which information is available is registered employment, i.e. the changes in the share of employment resulting from the formalization of existing jobs or the creation of new ones. Here too, figures for 2019 show a general deterioration compared with previous years, in the private and public sectors alike (see figure I.9). Only in Guatemala, El Salvador and, to a lesser extent, Brazil did registered employment growth gather pace. Growth in registered employment was also positive in Chile, Mexico and Peru, albeit less than in 2018, while in Costa Rica and Uruguay it stagnated. Lastly, it fell in the annual averages in Argentina and Panama, while in Nicaragua, it fell sharply for the second consecutive year amid the country's ongoing internal conflict.

Figure I.9

Latin America (11 countries): year-on-year growth in registered employment, 2017, 2018 and 2019 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official figures.

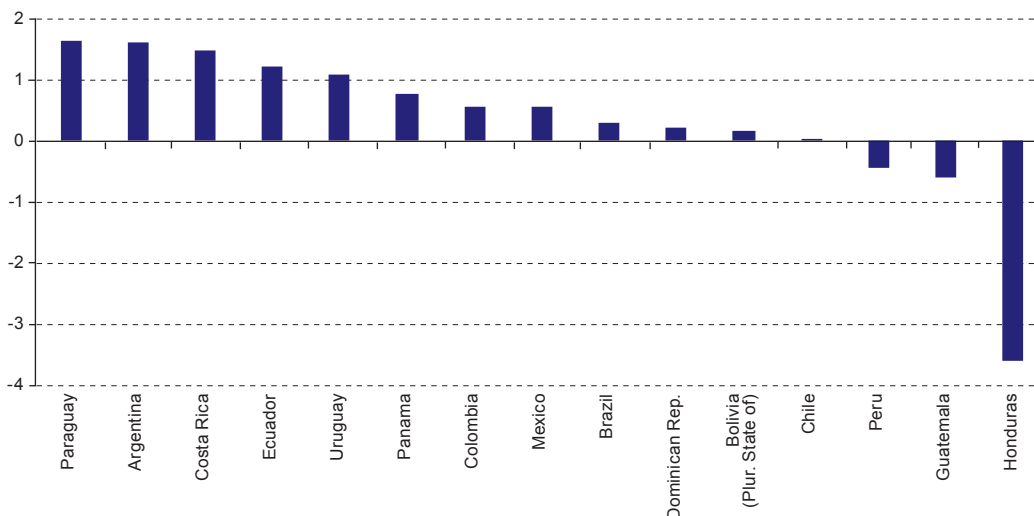
Note: Data refer to wage earners contributing to social security systems, except in the case of Brazil, where they refer to private sector wage earners reported by firms to the General Register of the Employed and Unemployed, and Panama, where the figures reflect the results of a survey of firms with five or more employees.

^a Data for Nicaragua refer to February 2019.

Time-related underemployment patterns confirm the trend of a deterioration in employment quality in the region's labour markets (see figure I.10). In 2019, the number of employed willing and ready to work longer hours increased in 10 of the 14 countries studied (Paraguay, Argentina, Costa Rica, Ecuador, Uruguay, Panama, Colombia, Mexico, Brazil and the Dominican Republic). Only in three countries for which data are available (Peru, Guatemala and Honduras) did this number fall, while it remained unchanged in one (Chile).

⁸ In the first months of 2020, the increase in the number of employed persons was driven by informal workers (12.7%) (INE, 2020).

Figure I.10
Latin America (15 countries): year-on-year change in time-related underemployment, 2019
(Percentage points)



Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official figures.

In sum, with a few exceptions, employment in the private sector saw no improvement in terms of formalization and quality in 2019; the number of people in informal employment is in fact on the rise. Registered employment growth showed no pick-up either, while the changes in underemployment point to increasing underutilization of labour.⁹

G. Net employment creation was highest in service and commerce sectors

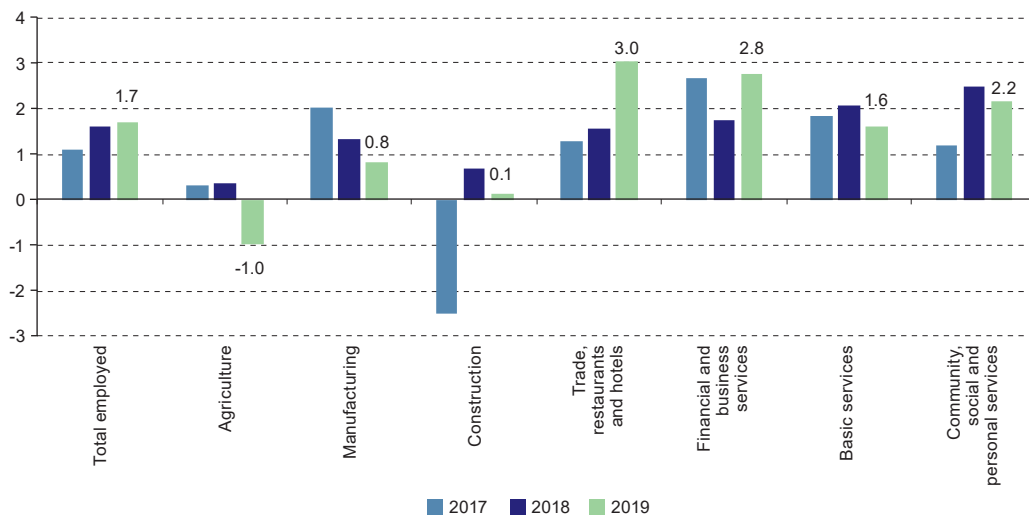
As regards employment creation by branch of activity, the strongest job creation is being seen in the tertiary sector, including commerce, restaurants and hotels (3.0%), financial services, real estate and business services (2.8%) and community, social and personal services (2.2%) (see figure I.11). Employment posted moderate growth in manufacturing (0.8%) while in construction it remained at virtually the same level (0.1%). Agriculture continued to lose jobs (-1%).

Overall, the tertiary sector accounted for the vast majority of net new jobs: community, social and personal services 32.7% and financial, real estate and business services 14.2% (see figure I.11B). Contributions from branches in other sectors were relatively modest. Part of this marked expansion of the tertiary sector in recent years is owed to the increase in informal activities with low entry barriers, in many cases own-account work, in response to slack labour demand from firms. Most of these activities are in commerce and some services (ECLAC/ILO, 2019a). The economic sectors with the highest rates of informal employment are commerce, restaurants and hotels and construction, which represent about 50% of the region's informal employment (ILO, 2014).

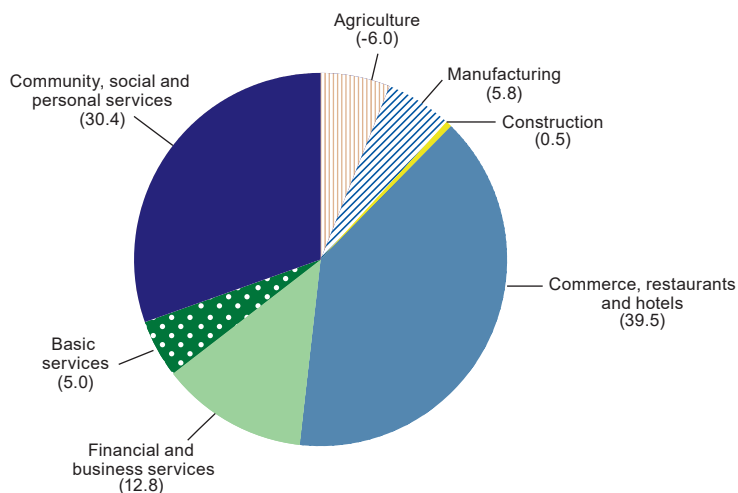
⁹ The number of people working in platform-based services has grown steadily in recent years. In most cases, these jobs are not regulated or covered by social protection, and it is difficult to capture these workers in employment surveys (see ECLAC/ILO, 2019a for more details).

Figure I.11
Latin America and the Caribbean (13 countries):^a employment creation by branch of activity
(Percentages)

A. Year-on-year variation, 2017, 2018 and 2019



B. Contribution to increase in employment, 2019



Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official figures.

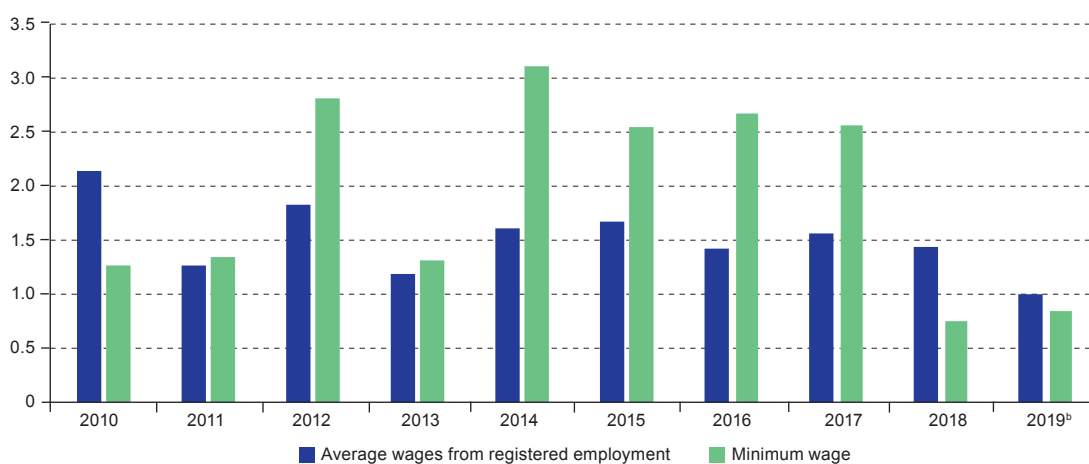
Note: Basic services include electricity, gas and water, as well as transportation, storage and communications.

^a Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Honduras, Jamaica, Mexico, Panama, Paraguay and Peru.

H. The moderate gains seen in average wages outstrip those in the minimum wage

The pace of economic growth and the dynamics of job creation are key elements for wage trends. To the extent that economies grow at high rates and create jobs that sustainably reduce the unemployment rate, a more pronounced improvement in wages is to be expected. By contrast, in contexts of less vigorous growth, lower wage increases would be expected (ILO, 2017). In 2019, weak economic growth and labour demand contributed to a slowdown in real wage growth (see figure I.12). Wage growth has fallen over the decade and the median real wage growth rate for registered employment in 2019 was the lowest in recent years (1%).

Figure I.12
Latin America and the Caribbean (selected countries):^a median rate of change in real average wages from registered employment and in the minimum real wage, 2010–2019
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official figures.

^a Data for the average wage are from Argentina, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Mexico, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay. Data for the minimum wage are from the above countries, as well as from the Bolivarian Republic of Venezuela, the Dominican Republic, Haiti, Honduras, Jamaica, Nicaragua, and Trinidad and Tobago.

^b Data for 2019 are preliminary.

This slowdown in wage growth has been more pronounced in minimum wages, where median wage hikes have been below 1% for the past two years.¹⁰ The effective application of minimum wages contributes to ensuring that low-paid workers obtain a fair share of the fruits of progress, thus contributing to the policies designed to overcome poverty and reduce inequalities (ILO, 2017). Until 2017, many countries introduced policies to increase minimum wages, bringing the regional

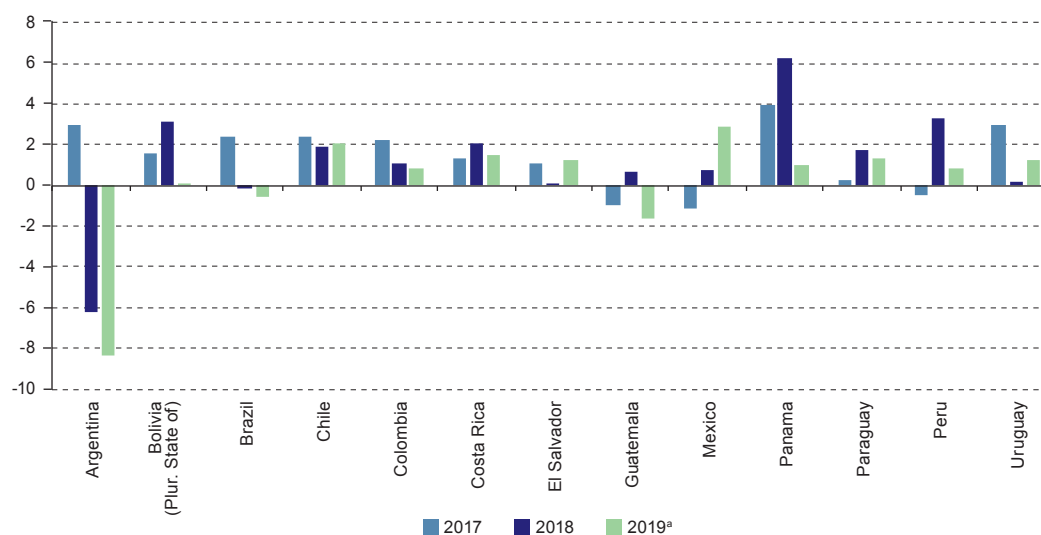
¹⁰ The minimum wage has been defined as the minimum amount of remuneration that an employer is required to pay wage earners for the work performed during a given period, which cannot be reduced by collective agreement or an individual contract (ILO, 2017).

average up sharply between 2005 and 2015.¹¹ However, the last two years have seen a more modest increase in minimum wages, likely reflecting a shift in policies geared towards raising minimum wages, which in previous years helped to reduce the region's high wage inequality (ECLAC, 2019).

The region's largest increases in real wages in registered employment were recorded in Panama and Mexico and, to a lesser extent, in Chile, Colombia, Costa Rica, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay. Real wages declined in Brazil and contracted sharply in Argentina (8.3%), mainly due to inflation during the year (see figure I.13).

Figure I.13

Latin America (13 countries): year-on-year growth in registered employment, 2017, 2018 and 2019



Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official figures.

Note: The figures for year-on-year changes in wages in 2019 refer to June in Paraguay and the January–September average in the Plurinational State of Bolivia and Panama.

* Data for 2019 are preliminary.

In brief, 2019 was characterized by low economic growth, moderate employment generation and a slight increase in unemployment, which now affects 26.3 million people in Latin America and the Caribbean. Employment quality indicators also deteriorated, suggesting that the increase in employment is driven more by household income needs than by a rebound in labour demand.

¹¹ During 2005–2015, there was a widespread improvement in real minimum wages. On average, in Latin America, the real minimum wage rose 42%, the equivalent of an annual real increase of 3.6% (ILO, 2017).

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II. Work in times of pandemic: the challenges of the coronavirus disease (COVID-19)

Introduction

As indicated in the first chapter of this report, estimates of the impact of the crisis caused by coronavirus disease (COVID-19) on the region's economies and labour markets are still very preliminary. What is clear, however, is that in 2020 the COVID-19 pandemic will cause the most severe economic crisis that Latin America and the Caribbean will have experienced in its entire history, with regional GDP expected to shrink by 5.3%. The sharp economic downturn will greatly affect the region's labour market, destroying jobs, increasing unemployment and making working conditions more precarious. Although the region has faced several crises that have affected its economies and labour markets and that created major challenges for social and labour policies, none has been as fast or as severe, or has had the impact that the ongoing COVID-19 crisis is expected to have on supply and demand in the economies and labour markets of the region. Historically, crises have put pressure on institutional frameworks and on the capacity to structure social and labour policies, creating a need to review and restructure institutional architectures and decision-making mechanisms. Responses to the COVID-19 crisis must reflect the existence of such challenges at the national, regional and global levels.

The health response to the pandemic has involved containment measures that are affecting supply and demand in the economic and labour spheres, creating uncertainty over the future return to normal and the effectiveness of policies to accompany that process. The need to address the effects of COVID-19 in the countries of Latin America and the Caribbean is an opportunity to reflect on the type of crisis response to adopt when a set of complementary policies and time frames is required (health, economic, labour and social security), affecting labour supply and demand in different ways (according to sectors, company sizes and vulnerable groups) and also affecting the capacity of social and labour institutions to respond in a timely manner. It is therefore important to examine the current crisis through the lens of the experience of responses to previous crises, the type of policies available, and the prerequisites for new policies and institutional arrangements to address the short- and medium-term effects of COVID-19.

This second part of the report examines several different areas. Section A outlines the challenges that the crisis poses in terms of policy responses, and section B addresses occupational safety and health policies and their core role in the recovery. Section C discusses policies to guarantee income for workers and sustain business activity and employment. Section D addresses the institutional and fiscal challenges relating to policy implementation and sustainability. Lastly, section E offers some considerations on improving social and labour conditions, beyond the pandemic.

A. Challenges posed by the COVID-19 crisis in terms of policy responses in Latin America and the Caribbean

At the international level, countries have adopted policies for action in three areas: protecting workers in the workplace, stimulating the economy and labour demand, and supporting employment and incomes (ILO, 2020b; ECLAC, 2020a). The fundamental idea behind these measures is to prevent infection, safeguard the income of the most vulnerable groups, and maintain the installed capacity and viability of companies, as well as protecting jobs and working conditions.

In terms of protecting workers in the workplace, this includes measures such as remote working and the establishment of staggered work shifts, extension of the right to paid sick leave for workers with symptoms or who are in quarantine, telephone hotline advice on occupational safety and health, creation of special websites on the subject and dissemination of information, and the provision of childcare services for working parents in countries where schools and nurseries have been closed.

Policies to support employment and continued income include agreements on reduced working hours and on compensation, promotion of job retention through subsidies or loans tied to maintaining posts and pay, extension of unemployment benefits for formal workers, and expansion of social assistance benefits, especially for informal workers and their families. Key examples of policies to promote economic activity and demand for labour include fiscal incentives (tax exemptions or deferrals, increases in public spending on health or social protection) and financial support for specific sectors at preferential interest rates.

COVID-19 has spread rapidly in Latin America and the Caribbean, as has the adoption of emergency measures in response to the pandemic (ECLAC, 2020d).¹ In comparative terms, the economic downturn in 2020 is expected to be much greater than the one seen in 2009 (-1.8%), which was in turn similar to that of the 1982 debt crisis (Ocampo, 2011). However, after the recession in 2009, unemployment rates and social and labour indicators had returned to pre-crisis levels by 2011 in most countries in the region as a result of a rapid recovery in the global economy and an active social and labour policy response (ILO, 2012; ECLAC, 2012; Marinakis, 2011). This response was supported by the fiscal capacity to structure countercyclical policies with greater ease than during other regional crises.² Therefore, prior to the crisis labour and social protection policy instruments were gradually constructed, and during the 2009 crisis spaces were created to implement new policies (Marinakis and Velásquez, 2010; ECLAC-ILO, 2011; ILO, 2011; ECLAC, 2011; Marinakis, 2011). There have also been institutional and policy developments since the 2009 crisis; in particular, formalization of employment and the production fabric (Salazar-Xirinachs and Chacaltana, 2018; ILO, 2014), improvement of sources of statistical information (Dargent and others, 2018; Gontero and Zambrano, 2018), and increases in employment³ and social protection programmes (ILO, 2016; López Mourelo, 2018; ILO, 2018b). Nonetheless, public spending on employment policies (less than 1% of GDP) is clearly low compared to the average for Organization for Economic Cooperation and Development (OECD) countries, and the impact of such spending must be improved (Escudero and others, 2017; López Mourelo, 2018; ECLAC, 2019b).

In addition to the elements of the response to the 2009 crisis and some advances in the architecture of social and labour policies, there are other factors that influence the direction, extent and capacity of the regional response to the COVID-19 crisis. While progress has been made in reducing informality, in recent years there have been trends (faster growth in own-account work and underemployment and a slowdown in registered employment) that suggest this process has been reversing in several countries. The 2020 recession will increase informality, both through the loss of formal jobs to the informal sector and through the temporary suspension of employment relationships.

¹ According to the Oxford COVID-19 Government Response Tracker (OxCGRT) [online] <https://covidtracker.bsg.ox.ac.uk/>, while at the end of February there were only recorded cases in Brazil and Mexico, 28 countries in the region had reported cases by 15 March, and 37 countries by 1 April. At the same time, internal restrictions were also being stepped up. While up to 15 March social distancing recommendations had been issued in just 6 countries, by 1 April local or national confinement measures were in place in 29 countries.

² In the 2003–2008 period, 15 of the 19 countries of Latin America recorded a primary surplus, while the overall balance (taking into account public debt service payments) was close to balanced for these countries (ECLAC, 2011).

³ Employment programmes in the region (training, labour services, incentives for the private sector and public employment) increased progressively from minimal levels in the 1990s through to the 2010s, when they became particularly widespread (Escudero and others, 2019; López Mourelo, 2018).

In effect, this will result in jobs without access to labour benefits or social protection. This will make it difficult to achieve the aims of employment and social protection policies and to provide a coordinated response. Moreover, there has been an uninterrupted concentration of employment in the region's services sector, which is the fastest-growing sector and the one that creates the most jobs (see chapter I of this report): seven out of every ten workers work in the tertiary sector, and one out of every four works in commerce (ILO, 2020c). Given that COVID-19 containment policies will have a high or medium-high impact on the services sector, and since it is the sector with the highest degree of informality, policy responses need to focus on sustaining employment and working conditions in this sector. This will be particularly important in countries such as those in the Caribbean, which have greater relative concentration of employment in services, and especially in those linked to tourism.

The region has also seen growth in female participation and employment, concentrated in the services sector (ECLAC-ILO, 2019a; ILO, 2019). In addition, the percentage of women in the region in informal work (51.8%) is higher than that for men (46.8%) (ILO, 2018). Therefore, social and labour policy responses must be gender-responsive. Another trend is linked to the increase in intraregional migration, driven by Venezuelan migration since 2014 (ECLAC-ILO, 2017). For many migration-receiving countries this situation differs significantly from other crises, because of the concentration of migrant employment in services and because of the challenge of including formal and informal migrant workers in policy responses. At the regional level, there has also been a gradual increase in the use of digital platforms, which poses major challenges in terms of both regulation and the implementation of employment and social protection policies (ECLAC-ILO, 2019b). In addition, although telework is an alternative during confinement, especially for formal workers in administrative areas and non-manual sectors, there are related complexities linked to the lack of pre-pandemic regulation and of instruments to ensure compliance in most countries.

While employment policies have been expanded, not enough progress has been made in a wider sense. For example, in 2019, unemployment insurance was available only in Argentina, Brazil, Chile, Colombia, Ecuador and Uruguay in Latin America, and in the Bahamas and Barbados in the Caribbean. There is substantial space for progress in occupational safety and health policies. In a crisis such as that of COVID-19, these policies must play a more prominent role in the overall framework of countercyclical labour policies. In this time of formulation of countercyclical fiscal responses to COVID-19, the countries of Latin America and the Caribbean generally find themselves with little room to increase their fiscal spending, owing to higher debts, rising interest payments, limited fiscal revenues and the constraints that come with issuing debt under restricted international financial conditions (ECLAC, 2020a). However, the regional context of low and controlled inflation (ECLAC, 2019b) provides scope for expansionary monetary and credit policy responses, albeit with limited impact as a result of the low interest rates. In addition, the recent trend of moderation in minimum wages is compounded by the fact that activating such a policy would have limitations in the context of the COVID-19 crisis, in which companies—particularly micro-, small and medium-sized enterprises—are seeing their capacity to pay constrained by the drop in activity. Lastly, containment measures make it difficult to conduct employment surveys in the region normally, complicating monitoring of policy impact on the labour market. For this reason, ad hoc measures must be taken, and countries' statistical systems must be strengthened, to supplement current data with other sources of information (see box II.1).

The contexts, trends and backgrounds of the countries in the region are determining factors of their social and labour policy responses to COVID-19. In particular, the good policy practices seen at the international level have often been implemented in countries whose labour markets have

more formal structures and more fiscal space. Furthermore, the region's capacity to respond to the COVID-19 crisis is different to that it had during the 2009 crisis, as there is less fiscal space and significantly more resources would be required to implement the same set of countercyclical social and labour policies. Added to this is the urgent need to design a strategy and formulate the policies required to contain the virus and promote economic recovery, with occupational safety and health as a key consideration. In the following sections, these dimensions are discussed in more detail.

Box II.1

The statistical challenges posed by the coronavirus disease crisis (COVID-19)

Unlike other crises that hurt the economies and labour markets of Latin America and the Caribbean, in this crisis, difficulties in collecting statistical data are affecting the quality and scope of social and labour policy responses to the repercussions of coronavirus disease (COVID-19) in the region. In particular, total or partial confinement of households and general physical distancing or quarantine measures pose difficulties in terms of face-to-face data collection. In many Latin American countries, the requisite ad hoc measures have resulted in surveys being conducted by telephone or online (ECLAC, 2020c). This has often involved making adjustments to the sampling and questionnaire designs and carrying out additional research to better capture the effects of the phenomenon being studied. However, changes and difficulties in adjusting data collection methods affect response rates, coverage and other aspects that can reduce the quality of labour indicator measurements and their comparability with past observations.

This situation poses a policymaking challenge. Firstly, it highlights the importance of having statistical systems that can react quickly to situations such as this (ILO, 2020h). In this regard, the region needs to further strengthen statistical institutions and improve the design and complementarity of instruments and sources of information that are used as inputs for social and labour policy decisions. The progress made by some countries with social and labour administrative records, such as those linked to unemployment insurance, social benefit recipients and social security records, may help to supplement the information needed to design social and labour responses to the COVID-19 crisis.

The Economic Commission for Latin America and the Caribbean (ECLAC) and the International Labour Organization (ILO) are making a joint effort, through seminars and virtual meetings with the vast majority of the countries in the region and direct technical assistance to many of these countries, to ensure that the above-mentioned difficulties are addressed in the best possible way. The conceptual framework of norms regarding labour market statistics makes it possible to describe the phenomenon in question without changing the basic definitions and criteria used to measure key labour market indicators. The ultimate goal is to obtain information on the main labour indicators that measure the effects of the crisis caused by COVID-19, at least at the national level.

Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO).

B. Occupational health policy as a crucial pillar of employment policy

This section examines the need to address the health challenge posed by COVID-19 from a more permanent perspective, which requires implementation of occupational safety policies, remote work and telework policies, and responses to the challenge of ensuring a safe return to workplaces. In the crisis caused by the COVID-19 pandemic, occupational safety and health policies should be prioritized, so that the return to production and employment is safe and healthy. Appropriate participatory management of the occupational risk of exposure to the coronavirus can facilitate the necessary economic recovery, without neglecting people's health.

1. The continuing health challenge

The onset of the COVID-19 pandemic in the various countries of the region poses a major public health challenge. This has been understood by governments, which have progressively implemented policies of physical distancing to limit the virus's spread. These indispensable measures have greatly disrupted production activity and work.

Initially it was thought that there would be two phases to this crisis: the first, a health phase, which would last a few months, and the second, an economic phase, caused by the first, which would last several months or years. Indeed, the forced standstills in many economic activities will have repercussions that will persist even after health restrictions have been lifted.

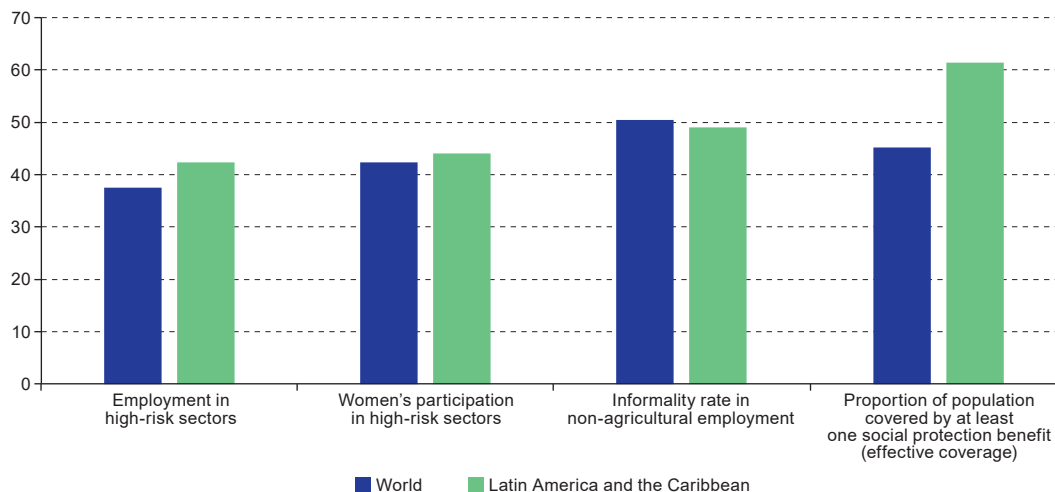
However, as seen in countries that are a few weeks ahead of the region in the timeline of the crisis, such as those in Europe, the separation between the two phases will be much less clear-cut than initially thought. Instead of all health restrictions being lifted, what is being seen is lifting of some restrictions, while others are modified or left in place. Something similar is happening in Latin America and the Caribbean, as several countries, despite being in the midst of the health crisis, have already announced their strategies for reactivation and the return to the workplace.

In terms of public policy, it will be important to reconcile these two challenges as well as possible: to continue to stop the spread of the virus and to allow economic activities to continue. For companies to operate under these circumstances, they must do so in creative and innovative ways, protecting workers' health and contributing to the overall health of the population. The recovery will therefore be gradual, determined by the indications of the health authorities and the specific characteristics of the different sectors of activity.

Broadly speaking, it is possible to identify two different types of risk. Firstly, there are sectors whose production and demand for labour have remained stable or even increased during the crisis, but whose workers, in many cases, are more exposed to the risk of infection, as they must perform their tasks in person. Such is the case for workers who form the first line of response to the emergency, such as health workers—who, by ensuring that the population's health needs are met, are more exposed to infection (ILO, 2020a)—but also workers in essential services, such as agriculture, the food and pharmaceutical supply chain, local public services, or energy generation, supply and distribution. Other activities have suffered from the impact on the volume of production and employment. COVID-19 is expected to have a high impact on economic activity and employment in sectors such as the wholesale and retail trade, manufacturing, accommodation and food services (linked to tourism), and real estate, and a medium-high impact in sectors such as transport and storage, and arts, entertainment and recreation (ILO, 2020a). As figure II.1 shows, high-risk sectors account for around 4 out of every 10 workers worldwide and in the region. Women's participation in these sectors is significant, at over 40% globally and also in the region. In addition, in Latin America, the pandemic is affecting labour markets in which nearly half of non-agricultural workers are informal (ILO, 2018a), and just 61% of the region's population has at least one social protection benefit (ILO, 2017).

Figure II.1

Employment in high-risk sectors, informality rates and social protection coverage:
global and regional estimates
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of ILO, *ILO Monitor: COVID-19 and the world of work. Second edition*, Geneva, 7 April 2020; "Presente y futuro de la protección social en América Latina y el Caribe", *Panorama Laboral Temático*, No. 4, Lima, 2018 and *World Social Protection Report 2017–19*, Geneva, 2017.

2. Remote work and telework

In many sectors, one way of complying with isolation measures, while also continuing to operate, has been to resort to legally regulated remote work or telework, or to adopt exceptional teleworking arrangements even in the absence of specific regulations. For example, according to a 25 March 2020 survey of 250 large companies in Argentina, 93% had adopted a telework policy in response to the pandemic (United Nations Global Compact/UNDP, 2020).

Remote working can be understood as any work carried out in a place other than the premises of the company, and telework as remote work carried out using information and communication technologies (ICT). In countries where telework or remote work was already regulated, its use is being encouraged and standards have been issued to facilitate implementation. This also means that this mode of work has lost its usually voluntary nature in the context of the emergency. In Brazil, implementation of telework and remote work has been simplified, shortening the period of advance notice to the employee to 48 hours (in writing or by digital or electronic means). Employers must make the necessary equipment and infrastructure available to their workers and reimburse any additional expenses they incur. Costa Rica has issued a Protocol for the Activation of Teleworking in response to COVID-19 in the public sector, as a result of which 14,668 officials from central government and decentralized bodies have taken advantage of teleworking. The private sector was also invited to implement temporary teleworking measures.

In some countries where the issue was being discussed before the crisis, rules have recently been issued for implementation of telework on a permanent basis, with specific provisions for emergency situations. In Panama, Law No. 126 of 18 February 2020 formally establishes telework as a mode of

work, covering matters such as employers' duty to cover the additional costs of broadband when a higher than basic speed is required, occupational safety and health, and protection of workers' data. Law No. 126 also includes an article on emergency work that applies to the current crisis, and to any future ones. In El Salvador, the Telework Law was passed on 20 March 2020, including a transitional provision stipulating that, in the event of a national emergency, public calamity, state of exceptional circumstances, or suspension of constitutional rights and disasters, telework shall lose its voluntary nature. In Chile, Law No. 21220 has been enacted, amending the provisions of the Labour Code regarding remote work and regulating this mode of rendering services, including the right to disconnect, to personal protection equipment and to proper management of occupational risks. Chilean law provides for the right to disconnect for at least 12 consecutive hours in each 24-hour period. In addition, the Chilean Social Security Superintendency issued rulings Nos. 1160-2020 and 693-2020, establishing criteria for the application of occupational accident insurance for those who work remotely, as a result of the crisis caused by COVID-19.

Lastly, in some countries where remote work and telework were not regulated, ad hoc provisions have been issued to regulate remote work on an exceptional basis for the duration of the crisis. For example, in Paraguay, telework has been established as a legal mode of work for public and private companies for the duration of the health emergency, through Emergency Law (No. 6524), and Resolution No. 181/2020 stipulates the related obligations of employers. In Ecuador, through Ministerial Resolution No. MDT-2020-076, the Ministry of Labour issued guidelines for ad hoc telework during health emergencies, stating that that it "only modifies the place where work is performed, without affecting or altering the essential conditions of the employment relationship" (article 4). In Suriname and Trinidad and Tobago, the authorities are also encouraging remote working under the current conditions.

Beyond possible accidents at work, teleworking can also have a significant impact on the psychological balance of workers and several countries have reported rises in gender-based violence linked to the quarantine. These increases are also linked to the world of work in times such as this when the home doubles as the workplace. In this context, the Ministry of Social Protection of Guyana has established a hotline to report gender-based violence, as a crisis response measure.⁴

However, not all economic activities are suited to work being moved to workers' homes. It has been estimated that between 26% and 29% of occupations can be performed remotely in Argentina, and 20% to 34% in Uruguay. In the Latin American countries for which estimates are available, an average of 23% of workers could perform their activities remotely (ILO, 2020i). It is also estimated that the percentage of informal workers who would be unable to continue working under physical distancing measures is higher than the proportion for formal workers (De los Santos and Finn, 2020). Also, several activities with a high level of formality, such as manufacturing, cannot be carried out remotely either and are therefore greatly affected.

3. Addressing the challenges of a safe return to the workplace

In order to resume activities that cannot be carried out in the form of remote work or teleworking, occupational safety and health policies must be prioritized, to make it possible to return to work without putting people's health at risk or jeopardizing reactivation strategies.

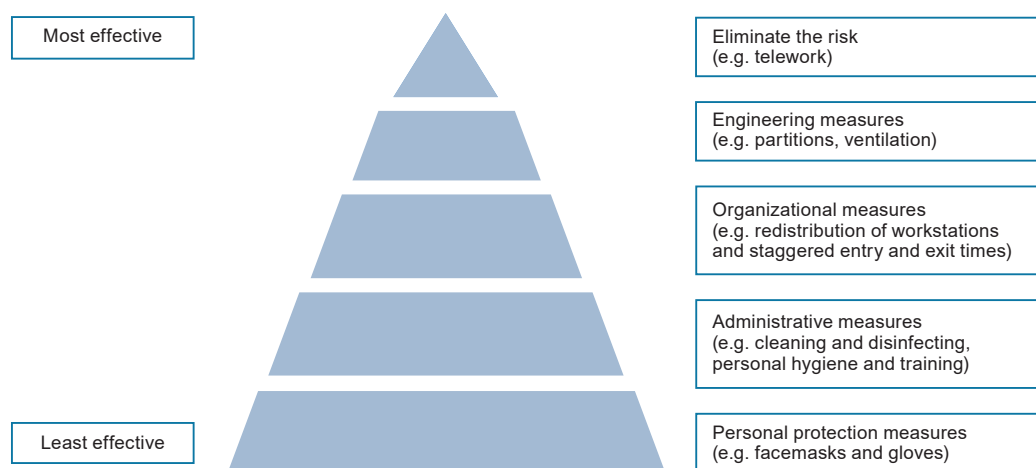
⁴ See "Responding to Domestic Violence During COVID-19" [online] <https://mosp.gov.gy/responding-to-domestic-violence-during-covid-19/>.

Given that the virus is highly contagious through direct contact with an infected person or with contaminated objects or surfaces, ensuring physical distance between people and guaranteeing cleaning, disinfection and hygiene measures are considered the most effective actions to prevent infection. As the confinement measures and health restrictions are lifted, each sector of activity or company will need to formulate and implement specific occupational safety and health protocols that set out the preventive measures to be taken to ensure a safe and healthy return to the workplace.

To provide guidelines for the design of such protocols, the International Labour Organization (ILO) published an action checklist for the prevention and mitigation of COVID-19 at work (ILO, 2020g), based on the *Guidelines on occupational safety and health management systems, ILO-OSH 2001* (ILO, 2002), which includes bilateral social dialogue between employer and worker representatives.⁵ The proposal recalls that measures must respect the recognized hierarchical order, prioritizing engineering and organisational measures to ensure physical distance, such as installing partitions or barriers, redistributing workstations to ensure a minimum safety distance and establishing staggered shifts and entry or exit times to prevent crowding (see diagram II.1). In addition, ventilation and regular cleaning and disinfection conditions must be improved, and equipment and facilities for personal hygiene must be provided. The last resort, as a complementary measure to the above, will be to provide personal protection equipment to workers. In addition, providing information and training and monitoring staff health will be key to infection risk prevention policies (ILO, 2020e).

Diagram II.1

Pyramid of measures to prevent infection in the workplace



Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of *Guidelines on occupational safety and health management systems, ILO-OSH 2001*, Geneva, 2002.

Measures to prevent infection must consider not only workplace conditions, but also travel to and from the workplace, as well as suppliers of goods and services in the supply chain. Reorganization of transport is particularly important, especially in large urban areas, accompanied by restructured working hours and shifts. In many sectors, customer confidence is also crucial.

Some sectoral and national experiences of implementation of safety and health protocols for the return to workplaces are reviewed below.

⁵ See also WHO (2020) for the basic precautions that must be adopted at work during the pandemic.

In the large-scale mining industry in Chile, which continues to extract ore (but is not starting new projects), various protective measures have been adopted. Before workers are transferred to the mining site, the company checks their temperatures, and they must fill out a health questionnaire; the recommended physical distance is maintained on the buses that transport them and they wear facemasks. Once on the site, in order to ensure distancing and prevent crowding, work is organized in smaller groups, turns at the canteen have been redistributed, the gyms have been closed and fewer people than usual sleep in each room in the accommodation. If a worker has symptoms, he or she is transferred to the care centre for testing. If the result is positive, the worker enters a quarantine and the group with which he or she was in contact during work also enters a period of quarantine and monitoring. In some companies, an agreement has been reached to organize working hours in what is known as a “14 x 14” arrangement (a fortnight of work and a fortnight of rest) to limit excessive turnover. In addition, transport for workers from other regions goes straight to the workplace, without passing through cities. This same system applies to contractors and suppliers, thus covering other links in the supply chain.⁶

In Uruguay, the tripartite commission on safety and health in construction reached an agreement to resume activity in the sector, since construction work is largely carried out in the open air under conditions that allow for relative distancing between workers. The agreement includes a protocol on occupational safety and health, including an induction activity for staff on the first day back at work. Among other measures, the agreement promotes the adoption of staggered entry and exit times to prevent crowding at the entrance to the site and in the use of changing rooms and bathrooms; three daily routines of disinfection with bleach in bathrooms, changing rooms and dining halls; provision of handwashing systems with drinking water and soap; mandatory use of facemasks; work in crews, avoiding contact with other workers; limited use of dining halls, and a protocol to be followed if workers show symptoms.⁷

In Ecuador, through two Ministerial Resolutions the Ministry of Labour issued guidelines for a safe return to workplaces for the public and private sectors.⁸ The Ministry of Production, Foreign Trade, Investment and Fisheries, the Ministry of Labour, the Ministry of Public Health and the Institute of Social Security Institute of Ecuador jointly prepared a Guide and General Plan for a Progressive Return to Labour Activities to implement the guidelines, containing measures to prevent infection in the workplace, including safety, organizational and hygiene measures to be implemented both during a pre-opening stage and during the opening phase.⁹

In addition to the considerations that are specific to each sector of activity, adaptations will be necessary for each company and workplace, considering the specifics of the locations, the tasks performed and the conditions of each person, in order to make the necessary adjustments. This will be the case in highly frequented workplaces where, in addition to looking after the health of workers, preventive measures will also have to take into account customers or users and their interaction with

⁶ See El Mostrador, “Entrevista al Presidente Ejecutivo del Consejo Minero, Joaquín Villarino” [online] [Spanish only]. <https://www.elmostrador.cl/mercados/2020/04/13/joaquin-villarino-presidente-ejecutivo-del-consejo-minero-los-sindicatos-han-tenido-una-actitud-muy-proactiva/>.

⁷ See “Condiciones para el retorno a los centros de trabajo del grupo 9 y la continuidad de las tareas durante el Plan de Contingencia Sanitaria relacionada con COVID-19” [online] [Spanish only]. <https://www.gub.uy/ministerio-trabajo-seguridad-social/comunicacion/noticias/se-acordo-forma-tripartita-protocolo-sanitario-para-trabajadores-construccion>.

⁸ Ministerial Resolution No. MDT 2020-093 (private sector) and Ministerial Resolution No. MDT 2020-094 (public sector) [online] [Spanish only] <http://www.trabajo.gob.ec/directrices-retorno-jornada-laboral/>.

⁹ See [online] [Spanish only]. <https://coronavirusecuador.com/wp-content/uploads/2020/04/Gui%CC%81ayplangeneralparaelretornoprogresivo.pdf>.

each other and with workers. In supermarkets, which have continued to operate during the period of restrictions owing to their classification as an essential service, the flow of people has been limited to ensure distancing, with staggered access for customers to prevent crowding, even after taking temperatures, transparent screens have been installed to separate checkout workers and customers without affecting visibility, and facemasks have been made obligatory. In Chile, the Ministry of Economic Affairs, Development and Tourism has issued a set of health protocols for supermarkets, postal and home delivery service providers, construction sites, workplaces that entail contact with the public, waste collectors, and workplaces in general.¹⁰

For preventive labour protocols to be effective, it is essential that workers or their representatives be consulted and involved, trilaterally through national or sectoral social dialogue bodies, and bilaterally through companies' occupational safety and health committees. Active collaboration between companies and their workers to reach agreed solutions will legitimize technical measures and facilitate compliance by all. For example, the National Council for Safety and Health at Work (CONASSAT) of Uruguay, a tripartite body comprising representatives of the government, employers and workers, has adopted Resolution No. 54/020 CONASSAT Coronavirus (COVID-19) on prevention of the biological risk posed in the workplace by COVID-19, which encourages formulation of protocols against the virus, agreed bilaterally within enterprises.¹¹

In short, occupational safety and health must be at the heart of return-to-work policies, to prevent a resurgence of infections that puts people and recovery strategies at risk, further increasing the human and economic cost of this crisis. It is crucial for return-to-work policies to be built upon participatory management of occupational safety and health, to avoid jeopardizing the reactivation strategy. When applying infection prevention actions, a control hierarchy must be followed, prioritizing the most effective actions. Such steps must also take into account that physical distancing is a proven measure to reduce transmission of the virus and they must consider not only the conditions of the workplaces, but also the movements to and from them, including both the company and its supply chain. Implementation of these actions will require extensive training and education of those who work in occupational safety and health, as well as strengthened institutions and budgets.

C. Guaranteeing workers' incomes and companies' survival

The arrival of COVID-19 in the countries of Latin America has brought economic activity to a standstill, creating challenges regarding both containment of the pandemic and the beginning of a phase of gradual economic reopening. It is foreseeable that the economic recovery will not be universal, but will instead progressively take hold in different sectors of activity, as well as in certain localities and regions, in accordance with the conditions stipulated by health authorities, as detailed in the previous section. Also, resumption of certain activities will probably not result in an immediate return to pre-crisis levels, and will require a transition period.

Several countries in the region have drawn on instruments that already existed or have implemented new policies to support affected enterprises by providing access to liquidity and partially covering the wages of their workers, either through unemployment insurance benefits or direct subsidies. The goal of these policies is to provide income to workers and to keep businesses going, enabling the

¹⁰ See [online] [Spanish only] <https://www.economia.gob.cl/2020/03/27/protocolos-sanitarios-para-funcionamiento-de-empresas.htm>.

¹¹ See [online] [Spanish only] <https://www.gub.uy/ministerio-trabajo-seguridad-social/institucional/normativa/resolucion-54020-conassat-coronavirus-covid-19>.

latter to maintain the employment relationship with their workers so that both companies and workers can contribute to the recovery when it begins. This is the key challenge regarding the recovery, which is expected to be gradual in certain activities.

1. Protecting employment relationships and providing income to workers

There is a valuable lesson to be learned from the financial crisis of 2008–2009 that can be applied in the current crisis. In some countries, the idea prevailed that the recession would be short-lived, so cuts to hours for all workers were favoured over layoffs. Under this approach, companies reduced wage payments by a smaller proportion than the cuts to hours and workers relinquished part of their income, but less than what would have been lost under the reduced working hours. In Germany and Canada, for example, which have mechanisms for such circumstances, the State partially subsidized the wage loss, thus reducing the amount of lost income for workers (and avoiding the higher cost if the workers had become unemployed). A similar mechanism was applied in Argentina. This measure contained the rise in unemployment and facilitated a gradual recovery in business activity (Marinakos and Velásquez, 2010).

In the ongoing crisis caused by COVID-19, several countries with unemployment insurance have offered schemes for shorter working hours and reduced remuneration from employers, accompanied by income compensation measures, such as the partial unemployment insurance in Germany, Austria and Switzerland. Faced with the current crisis, these countries have expanded the population that can benefit from the measures, thus including workers on fixed-term contracts, for example. By the end of April 2020, 751,000 German companies had announced that they would avail themselves of this scheme and more than 5 million employees are expected to benefit from the subsidy—more than three times the number recorded during the 2009 crisis.¹²

In Latin America, several countries are also implementing measures to encourage continuity in employment relationships under reduced working hours or temporary suspension, and to ensure that workers who are laid off have access to a minimum income while new employment opportunities open up.

In the countries that already had contributory unemployment insurance, access conditions were adapted to increase coverage, benefit amounts were improved or the period during which the subsidy can be received was extended, and fiscal resources are being injected to supplement accumulated funds.¹³ There is also the possibility of providing refresher or retraining opportunities for those receiving unemployment insurance, or of offering training under emergency employment programmes or labour-intensive projects.

In Chile, Law No. 21227 provides access to the benefits of Unemployment Insurance Act No. 19728 under exceptional circumstances, which is applicable to temporary closure of companies by order of the authorities, agreements to suspend work contracts and agreements to temporarily reduce the working day. It also provides for the worker to receive unemployment insurance benefits,

¹² See [online] [German only] <https://www.ams.at/unternehmen/personalsicherung-und-fruehwarnsystem/kurzarbeit>; https://www.lohn-info.de/kurzarbeitergeld_statistik.html; https://awa.zh.ch/internet/volkswirtschaftsdirektion/awa/de/coronavirus_informationen_awa/kurzarbeitsentschaedigung-einfach-erklart.html; https://statistik.arbeitsagentur.de/nn_32018/SiteGlobals/Forms/Rubrikensuche/Rubrikensuche_Form.html?view=processForm&resourceId=210368&input_=&pageLocale=de&topicId=17558&year_month=202004&year_month.GROUP=1&search=Suchen; <https://www.handelsblatt.com/politik/deutschland/arbeitsmarkt-die-wucht-des-wirtschaftsschocks-kostet-viele-arbeitsplaetze/25798858.html>.

¹³ The declining amount of unemployment insurance benefits must also be adapted, as they are designed to encourage job searches, but they not very useful in a context of widespread job destruction.

while the employer must continue to pay the worker's social security and health-care contributions. In Uruguay, 86,000 unemployment insurance applications were received in March 2020, compared to a maximum of 16,000 applications a month in previous years. In response to the crisis, Uruguay also introduced a special partial unemployment benefit. This has the advantage of preserving the employment link, which is beneficial for the worker, the company and the economic recovery, since specific knowledge is not lost and the costs of hiring and searching for employment are not incurred. Mexico City's unemployment insurance programme was expanded to more beneficiaries, albeit by cutting the coverage period from six to three months.

Barbados and the Bahamas decided to supplement the unemployment insurance funds. Acknowledging the possibility that the unemployment insurance fund could be rapidly depleted, the Government of Barbados promised to provide additional funds in accordance with the available fiscal space. Unemployment insurance payments last for six months and cover 60% of insurable earnings. At the same time, the requirement that individuals report in person to the employment services office to receive these transfers was relaxed. In the Bahamas, a system was put in place to pay transfers directly through employers, to speed up the disbursement process. It is estimated that the number of beneficiaries of this transfer will triple during the second quarter of 2020.

Several of the countries that did not have unemployment insurance, have introduced non-contributory programmes, financed from fiscal resources, to provide income to salaried workers affected by the crisis.

In Costa Rica, the Authorization to Reduce Working Hours due to the National Emergency Declaration Act seeks to protect employment and a regulation was issued setting out the procedure for the temporary suspension of employment contracts. In addition, the Legislative Decree on Protecting Workers during the COVID-19 Disease Crisis created a subsidy to support those who find themselves unemployed, whose contracts are temporarily suspended or whose working hours are reduced as a result of the crisis. It will be financed by the fuel price differential—upholding petrol prices, despite the drop in international prices—in order to help families survive the contraction in the labour market (Legislative Decree No. 9840 of 22 April 2020).

Similarly, an Employee Solidarity Assistance Fund was created in the Dominican Republic, for formal workers whose employment contracts are suspended under the provisions of the Labour Code for a period of up to 90 days, once the employer has been authorized to suspend contracts by the Ministry of Labour. Workers with salaries higher than 5,000 Dominican pesos per month will receive a monthly payment that will be covered largely by the government, with contribution from the employer.

The Unemployment Relief Program was launched in Belize with special funds (that is to say, it is not financed by social security funds), to transfer an amount equivalent to US\$ 75 every two weeks for three months to workers who have been laid off (including, in principle, those in the informal sector) as a result of the crisis and US\$ 50 every two weeks to the long-term unemployed.

Efforts have been made to try to develop policy responses that, in addition to providing support to companies, will encourage them to preserve the working relationships with their workers and continue to pay their wages, fully or in part. For example, the Emergency Programme to Safeguard Employment and Income in Brazil includes measures to cut working hours while preserving wages by agreement (individual or collective), so the employer can reduce employees' working hours and wages proportionally for a maximum of 90 days, during the state of public calamity. There is a provisional guarantee of employment while that measure is in effect and for an equal period after the return to normal working hours. In turn, employees whose working hours are cut will

be entitled to the emergency benefit to safeguard employment and income (paid by the federal government), corresponding to a percentage of unemployment insurance. The same programme also provides for the payment of unemployment insurance in the event that the employment contract is suspended.

Brazil also implemented the “hour bank”, a scheme that allows the employee and employer to suspend activities and establish a special compensation regime that will be in place for 18 months, starting from the end of the state of public calamity. Compensation is subject to the following parameters: the workday is extended by a maximum of two hours, and may not exceed a total of ten hours a day. Chile, El Salvador, Paraguay and Peru have adopted similar measures to supplement policies to incentivize companies to reactivate and protect incomes and employment relationships.

Bipartite social dialogue can play a key role in establishing mechanisms for the distribution of working hours in an effort to keep as many workers in employment as possible. For such a mechanism to be implemented, the company and the workers must be clear about how it will function in the recovery phase and how the previous working conditions will be reinstated as the situation improves. Collective bargaining is the most appropriate method for finding effective and equitable solutions.

These examples show that one of the innovations common to the policy responses to this crisis, justified by its severity, has been the massive injection of fiscal resources, including into existing contributory unemployment insurance schemes, as well as direct, non-contributory subsidies. At the same time, many countries that have unemployment insurance have complemented adaptations to these schemes with non-contributory transfers (one-time subsidies or emergency income), in recognition of the fact that social security coverage is limited in the region.

2. Measures to support production units and employment

Support for businesses —particularly micro, small and medium-sized enterprises (MSMEs)— has become a priority for containing the economic effects of the pandemic, given the need to mitigate the impact of the reduction in their sales and income and to alleviate the problems of paying salaries and debt, which pose a risk of bankruptcy and can have a concomitant effect on the supply chain and employment. Hence, efforts are being made to protect production units directly, both in terms of the ability to access liquidity and to sustain the relationship with workers and creditors, through initiatives that differ in terms of amounts, deadlines and requirements, but which in principle seek to reduce the tax burden on production units, postpone payments linked to public services or social benefits and provide access to credit to renegotiate debt or facilitate working capital.

On the one hand, measures to reduce the tax burden include temporary deferrals or suspensions of tax payments, together with the possibility of postponing social security contributions by companies. In Brazil, the payment of federal taxes by the micro and small enterprises included in the register of the national simplified taxation system was postponed for six months and payments by companies to the Fundo de Garantia do Tempo de Serviço (a mandatory severance indemnity fund) were deferred in the months of March, April and May, with the commitment to pay the respective amounts in six instalments, without interest or penalty. Similarly, in Chile, the payment of income and value added taxes was postponed for three months, and the possibility of advancing some tax refunds was offered. On the other hand, the deadline for payment of tax liabilities to legal entities was extended in Peru, the Dominican Republic and El Salvador, and the payment of basic service fees was also suspended in El Salvador.

In Colombia, Decree No. 558 stipulated a temporary decrease in the contribution to the General Pension System, while in Costa Rica the Tax Relief Act in response to COVID-19 provides for the elimination of partial payments of income tax and exemption from VAT on commercial leases. In Argentina, within the framework of the Emergency Assistance Programme for Jobs and Production, employer contributions to the Argentine Integrated Social Security System (SIPA) were reduced by up to 95% and the procedures for this reduction were simplified. In Uruguay, cooperatives were exempted from 40% of personal and employer contributions under the industry and commerce regime, while in Paraguay, an extension was granted for the submission of signed tax returns and total or partial tax payments and social security contributions were deferred for four months.

At the same time, credit lines with state guarantees and focused on MSMEs have been set up to finance working capital and basic operating expenses at preferential interest rates, which in several cases are complemented by the deferral of capital repayments for pre-existing debt. In particular, policies in which lending is associated with preserving employment relationships or workers' incomes stand out. An emergency employment support programme was established in Brazil. It provides emergency financing for the payment of salaries of SME employees and covers 1.4 million companies and 12 million workers, complemented by the expansion of credit for MSMEs, to the tune of 5 billion reais. In Mexico, three million loans of US\$ 1,000 each were made available to formal and informal companies that had not laid off workers or lowered salaries in the first quarter of the year, up to 15 April. In Peru, a business support fund for micro and small enterprises was created to guarantee working capital loans to these companies, as well as to restructure and refinance their debts and to prohibit the distribution of profits of beneficiaries. In Argentina, fixed-rate loans were offered to SMEs to pay salaries and 30 billion pesos were allocated to the Fondo de Garantías Argentino (FOGAR) to guarantee loans. In addition, one billion pesos were allocated to working capital lines of credit for MSMEs, at a fixed rate and a term of up to 12 months, with a maximum six-month grace period.

D. Implementation and sustainability of measures: challenges in terms of institutional frameworks, inclusion of vulnerable groups and fiscal space

The countries of the region are making enormous efforts to address the health and socioeconomic crisis caused by COVID-19. However, even with well-designed and well-formulated packages of measures, the challenge remains to ensure that benefits and services reach the population quickly, especially in the countries that are lagging behind in institutional development and in rural areas.

The present crisis, together with new technological possibilities, also represents an opportunity for advancement in ensuring the integration and complementarity of some labour institutions, for example, those facilitating transfers and protection for the unemployed with employment services and job training in the new context, both from a distance (online) at the present time and in person when health restrictions are lifted.

However, even with the necessary resources to finance the measures, including savings on items considered to be of lower priority and the temporary relaxation of fiscal responsibility regulations, a new financing challenge could arise for the countries if the socioeconomic crisis lasts longer than initially foreseen.

1. Institutional obstacles to the effective delivery of benefits and services

This crisis underscores the importance of having strengthened labour institutions with broad coverage including job training, public employment services, social security, labour administration and inspection and social registration of households.

Public employment services fulfil a number of relevant functions, aimed at assisting workers who lose their jobs in obtaining income while they are unemployed, providing access to training opportunities to improve their job skills profile and providing intermediation services to facilitate the search for a new job. In the current situation, online service channels are particularly important.

Thus, the provisions of the ILO Employment Service Convention, 1948 (No. 88) become more relevant in the context of the present crisis. This Convention, ratified by countries such as Argentina and Brazil, includes a number of functions that would have to be fulfilled, as well as guidelines for the participation of trade unions and employers' organizations in the collection and analysis of the necessary information.

The effective implementation of these response policies and measures depends critically on the country having formal jobs and labour institutions with broad coverage that are strong enough to manage the provision of benefits. In the face of economic crises caused by disasters such as the COVID-19 pandemic or by other factors, countries with strong institutions and high levels of employment formality have a clear advantage in protecting workers and businesses.

In view of the above, the ILO Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205) and, in general, international standards and recommendations in this area (see box II.2) consider labour legislation, labour administration and labour market information to be integral components of disaster management strategies. In short, labour institutions and formalization are as important priorities in times of crisis as in times of economic prosperity, or even more important.

Box II.2

What do international labour standards say about crisis response?

International labour standards contain specific guidance for ensuring decent work in the context of crisis response, for example in the case of COVID-19 (ILO, 2020d). One of the most recent international standards, the Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205), emphasizes that crisis responses need to ensure respect for all human rights, including respect for fundamental principles and rights at work and for international labour standards. Among the strategic approaches to crisis response, Recommendation No. 205 highlights the need to implement coherent and comprehensive strategies to enable recovery and build resilience.

This approach includes, inter alia: stabilizing livelihoods and income through immediate social protection and employment measures; promoting economic recovery for employment and decent work opportunities and socioeconomic reintegration; promoting sustainable employment and decent work, social protection and social inclusion, sustainable development, the creation of sustainable enterprises, in particular small and medium-sized enterprises, the transition from the informal to the formal economy, a just transition towards an environmentally sustainable economy and access to public services; and conducting employment impact assessments of national recovery programmes.

Recommendation No. 205 also emphasizes providing guidance and support to employers to enable them to take effective measures to identify, prevent and mitigate the risks of adverse impacts on human and labour rights in their operations, or in products, services or operations to which they may be directly linked; promoting

Box II.2 (continued)

social dialogue and collective bargaining; building or restoring labour market institutions, including employment services, for stabilization and recovery; developing the capacity of governments, including regional and local authorities, and of employers' and workers' organisations; and taking measures for the socioeconomic reintegration of persons who have been affected by a crisis, in particular those who have been involved with the armed forces or combatant groups, including through training programmes aimed at improving their employability.

There is also a framework of key provisions of international labour standards relating to occupational safety and health, social security, employment, non-discrimination, working arrangements and protection of specific categories of workers, which also helps to ensure decent working conditions during the COVID-19 pandemic if it is respected. As seen in the table, the international standards framework provides guidance for the implementation of policies and legislation in different areas of the world of work in the context of a pandemic. These guidelines allow for a more suitable response to the effects of this or another crisis on employment, while providing a regulatory framework that favours a transition to a post-crisis context of normalization. In particular, the framework of international standards and recommendations serves as a basis for the most effective adaptation and the overall improvement of national regulations.

International conventions and recommendations in the context of coronavirus disease (COVID-19)

Regulatory area	International conventions and recommendations	Aspects considered
Social dialogue and collective bargaining	Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87) Right to Organise and Collective Bargaining Convention, 1949 (No. 98) and Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144) Tripartite Consultation (Activities of the International Labour Organization) Recommendation, 1976 (No. 152) and Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205)	Underscoring of the key role of consultation and the promotion of active participation of employers' and workers' organizations in the planning, implementation and monitoring of recovery and resilience measures.
Labour relations	Employment Relationship Recommendation, 2006 (No. 198)	Promotion of public policies aimed at reducing the scope of covert labour relations to avoid the lack of protection for workers.
Non-discrimination and equal treatment	Equal Remuneration Convention, 1951 (No. 100); Discrimination (Employment and Occupation) Convention, 1958 (No. 111) and Workers with Family Responsibilities Convention, 1981 (No. 156)	Prevention of the effects of COVID-19 from translating into practices that discriminate or ignore equal treatment, with particular regard to workers with family responsibilities.
Boosting recovery and promoting employment	Employment Policy Convention, 1964 (No. 122); Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168) and Private Employment Agencies Convention, 1997 (No. 181) Employment Policy (Supplementary Provisions) Recommendation, 1984 (No. 169)	Targeted measures to stabilize economies and address employment challenges, including fiscal and monetary stimuli aimed at stabilizing livelihoods and incomes, safeguarding business continuity and strengthening public employment services.
Protection of income	Minimum Wage Fixing Convention, 1970 (No. 131); Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168) and Protection of Wages Convention, 1949 (No. 95) Minimum Wage Fixing Recommendation, 1970 (No. 135) and Social Protection Floors Recommendation, 2012 (No. 202)	Maintenance of minimum wage levels to protect vulnerable workers and reduce poverty, increase demand and contribute to economic stability. Wages must be paid regularly and, in the event of bankruptcy, workers must be preferred creditors.
Suspension of employment or dismissal	Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168); Termination of Employment Convention, 1982 (No. 158) and Workers with Family Responsibilities Convention, 1981 (No. 156)	Workers who have lost their jobs as a result of COVID-19 should have access to employment and vocational training services. Temporary absence from work because of illness or injury is not a valid reason for termination. In the case of collective redundancies, the employer must give the workers' representatives relevant information and an opportunity to consult on the measures to be taken.
Temporary reduction of hours	Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168) and Part-Time Work Convention, 1994 (No. 175)	Governments should take measures to extend unemployment benefits to workers who face a loss of earnings owing to partial unemployment, particularly in cases of temporary reduction of working hours, and the suspension or reduction of earnings as a result of a temporary suspension of work.
Safety and health	Occupational Safety and Health Convention, 1981 (No. 155); Occupational Health Services Convention, 1985 (No. 161) and Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187) Occupational Health Services Recommendation, 1985 (No. 171); Maternity Protection Recommendation, 2000 (No. 191) and List of Occupational Diseases Recommendation, 2002 (No. 194)	Employers have a responsibility to ensure that feasible preventive and protective measures are taken to minimize occupational risks, and workers must respond to the guidelines. States are urged to formulate, in consultation with social partners, a national policy and programme on occupational safety and health. In addition, the operation of occupational health services is regulated.

Box II.2 (concluded)

Regulatory area	International conventions and recommendations	Aspects considered
Occupational disease	Employment Injury Benefits Convention, 1964 (No. 121) Employment Injury Benefits Recommendation, 1964 (No. 121) and List of Occupational Diseases Recommendation, 2002 (No. 194)	To the extent that workers suffer from these conditions and are unable to work as a result of work-related activities, they should be entitled to monetary compensation, medical assistance and related services. The list of occupational diseases has been revised in 2010 to include those in which a direct link can be established between exposure to biological agents resulting from work activities and the disease contracted by the worker.
Leave	Medical Care and Sickness Benefits Convention, 1969 (No. 130) and Social Security (Minimum Standards) Convention, 1952 (No. 102) Medical Care and Sickness Benefits Recommendation, 1969 (No. 134)	Workers who have contracted COVID-19 should be entitled to paid sick leave or cash sickness benefits while unable to work. Persons who must be absent to comply with quarantine or to receive preventive or curative medical care should receive a monetary benefit.
Requirement for the use of holidays	Holidays with Pay Convention (Revised), 1970 (No. 132)	Employers should not unilaterally require workers to use their annual leave if it is decided that they should not go to work as a precautionary measure to avoid possible exposure to infection.
Exceptions to normal working hours	Reduction of Hours of Work Recommendation, 1962 (No. 116)	The competent authority of each country should determine under what circumstances and within what limits exceptions to the normal duration of work may be authorized in cases of force majeure.
Specific categories of particularly vulnerable workers and sectors	Rural Workers' Organisations Convention, 1975 (No. 141); Migration for Employment Convention (Revised), 1949 (No. 97); Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143); Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159); Safety and Health in Construction Convention, 1988 (No. 167); Indigenous and Tribal Peoples Convention, 1989 (No. 169); Safety and Health in Mines Convention, 1995 (No. 176); Safety and Health in Agriculture Convention, 2001 (No. 184); Domestic Workers Convention, 2011 (No. 189) and Maritime Labour Convention, 2006 Migrant Workers Recommendation, 1975 (No. 151) and Nursing Personnel Recommendation, 1977 (No. 157)	Standards regulating access to occupational health and safety and access to social and labour benefits for workers in the health, agricultural, construction, mining and maritime sectors, and for migrant workers, disabled workers, indigenous workers and paid female domestic workers.

Source: Economic Commission for Latin America and the Caribbean (ECLAC)/International Labour Organization (ILO), on the basis of International Labour Organization (ILO), *ILO Standards and COVID-19 (coronavirus)*, Geneva, 2020.

Non-contributory benefits for informal workers —such as direct subsidies aimed at providing a minimum income during this crisis— are a much-needed tool, but benefit levels are generally insufficient and coverage is limited, owing to countries' narrow fiscal space and weak institutional capacity. Nevertheless, the fairly innovative efforts that several countries of the region have initiated to provide some income to informal workers in response to the current crisis (as detailed in table II. 1) should be recognized.

The COVID-19 crisis implies opportunities and challenges for the strengthening of social and labour policies in the region. The urgency of this crisis should accelerate the provision of resources to programmes that guarantee income and sustain the jobs of formal and informal workers and their families. It should also lead to an increase in the fiscal budget allocated to social protection and labour market programmes, as the budget for the region's social and labour policies has been shown to be low in comparison with the more developed countries (ECLAC, 2019a and 2020b).

The importance of social protection and labour market policies goes beyond the COVID-19 crisis. As has become clear in the face of the rapid expansion of the pandemic and its effects on health and on the global and regional economies, societies require a State with the capacity to generate rapid responses and to coordinate efforts both from the State system and through public-private initiatives. Some of the institutional improvements, for example in the management of administrative records of both formal and informal workers, will also generate benefits in the implementation of

policies beyond the circumstances of this crisis. In the case of social and labour policies, it is also important to create a space for social dialogue with actors in the world of work in order to achieve greater relevance and legitimacy. In the medium term, strategies aimed at economic and labour market recovery must include institutional designs that promote improved social and labour policies, in terms of not only institutional capacity and coordination, but also of scope and coverage.

2. Vulnerable groups: informal workers, paid female domestic workers and migrants

The economic, social and labour packages of most countries in the region contain provisions for both formal and informal workers. If the crisis continues, a new round of measures targeting workers and businesses will be necessary, with a special focus on the most vulnerable groups: migrants in an irregular situation, domestic workers and caregivers of the elderly, informal self-employed workers in critical sectors, and health workers in the front line of action against COVID-19.

In the case of informal workers, public policy tools are much more limited, since they lack an employment contract, are not affiliated with or contributing to social security, and, above all, do not have access to the unemployment insurance that exists in some countries. These difficulties are also encountered by paid female domestic workers, most of whom are in informal employment: less than 30% have social security coverage in the region (ILO, 2018). The challenge is especially great for migrant workers, who in many cases have difficulty accessing the benefits and services provided in keeping with public policies.

The regional and international responses to the situation of informal workers in the context of the pandemic reflect similarities and differences (see table II.1). While more developed countries tend to establish higher transfers, those provided by the countries of the region are more limited, mostly below US\$ 100. Moreover, most programmes so far provide for one or two transfers to beneficiaries. In the region, the selection criteria for beneficiaries revolve around informality and low household income, or are based on criteria established in social programmes with similar characteristics that are already in place, and the implementation of transfers has meant the creation of specific vouchers or the extension of pre-existing programmes. In several cases, the implementation of these measures has faced additional obstacles owing to the difficulty of having up-to-date, complete and readily accessible household records to facilitate transfers.

Although progress has been made in social protection systems, for example the extension of conditional and unconditional transfer policies to the most vulnerable sectors with a high prevalence of informal workers, there are some problems in their design, particularly the capacity to sustain such programmes over time, and in the coordination between programmes and their targets (ECLAC, 2019b; ILO, 2017). The policies implemented for informal workers may be insufficient in terms of both the amounts and the duration of the transfers, given the uncertainty about the duration of pandemic containment measures and their effect on the intensity of informal employment, which generally requires workers' physical presence, and on these workers' incomes. In fact, the incomes of informal workers in the region are expected to post the largest declines globally (ILO, 2020f). Hence, it may be necessary to extend the transfers for a longer period.

Table II.1

Latin America and the Caribbean (10 countries) and developed countries: transfer policies in response to the coronavirus disease pandemic (COVID-19), May 2020^a

Country	Amount (dollars)	Duration	Total amount (dollars)	Beneficiaries	Programme
Argentina	153	Single payment in April, can be repeated in May	153 (could be up to 306)	Households or workers aged 18 to 65 not receiving pensions or benefits of any kind and having no other income from the State.	New: Emergency Family Income (IFE) for unregistered workers and single taxpayers
Brazil	353	Three months	353 per person (706 for single-parent households headed by a woman)	Expansion of the Bolsa Familia programme to include informal workers, micro-entrepreneurs, the self-employed and the unemployed. Each household can have up to two beneficiaries. For women who are heads of household and single, the benefit is doubled.	Expansion: Bolsa Familia beneficiaries can choose whether to receive aid from the Auxílio Emergencia programme or from Bolsa Familia during the three months
Chile	59	One-time payment in April	59	Households or informal workers that receive another cash transfer from the State (persons receiving the Single Family Benefit (SUF) and families in the Security and Opportunities Subsystem (SSy00)) or households among the 60% most vulnerable and with no formal income.	Expansion: SUF beneficiaries and SSy00 families New: households among the 60% most vulnerable
Colombia	41	One-time payment in April	41	Households or informal workers that do not receive other cash transfers from the State.	New: Solidarity Income
Dominican Republic	46	Two payments in April	92 (71 additional for families with people who are particularly vulnerable to the virus)	Families in the Stay at Home programme (in order to ensure that people in these households, which are mostly made up of informal workers, are fed). The programme's reach is expanded to more than 600,000 families.	Expansion: Eat First and Stay Home programmes
Ecuador	60	Two months (April and May)	120	Households or informal workers with income of less than US\$ 400 per month and that do not receive other State subsidies such as the Human Development Grant.	New: Emergency Family Protection Grant owing to COVID-19 in Ecuador
Jamaica	71	Single payment in April, initially	71	The unemployed, informal workers, students over 18 years of age and older persons.	New: Compassionate Grant
Paraguay	85	Up to two months per person	170	Informal workers or persons over 18 years of age who do not contribute to social security and do not receive social assistance from the State.	New: Pytyvô Emergency Health Grant
Peru	112	Every 15 days (disbursed twice to date)	224	Most vulnerable urban households in a situation of poverty or extreme poverty (approximately 2.5 million households).	New: I Stay Home Grant
Saint Lucia	185	Once a month for three months, starting in April	555	Self-employed workers who do not contribute to social security.	New: Subsistence Allowance
France	1,646	One-time payment	1,646	Independent workers and small and medium enterprises (SMEs).	New: Fonds de Solidarité (Solidarity Fund)
Italy	110	One-time payment in March	110	Workers with annual earnings of less than US\$ 43,765 and whose work cannot be done remotely.	New: #CuratItalia Decree (decree law of 17 March 2020)
Portugal	481	Six months	2,885	Independent workers with children up to 12 years old. Two-thirds of average income is covered.	
Republic of Korea	Between 329 and 824	One-time payment	Between 329 and 824	Households among the 70% poorest in the country. The amount depends on the number of household members.	

Source: Economic Commission for Latin America and the Caribbean (ECLAC)/International Labour Organization (ILO), on the basis of official information from the countries; J-PAL Latinoamérica y el Caribe, and U. Gentili and others, "Social protection and jobs responses to COVID-19: a real-time review of country measures", World Bank, 1 May 2020 [online] <http://documents.worldbank.org/curated/en/883501588611600156/pdf/Social-Protection-and-Jobs-Responses-to-COVID-19-A-Real-Time-Review-of-Country-Measures-May-1-2020.pdf>.

^a Only programmes in effect as at 4 May 2020 are considered.

Coordination between programmes and instruments is crucial. The speed and economic impact of the pandemic can create gaps or grey areas: many formal workers have become unemployed or, when dismissed, move into informality. Whether in countries that provide unemployment insurance, transfer programmes for households with informal incomes, or both, benefit eligibility requirements can pose problems in cases where records are not up to date, which are exacerbated by increased demand for benefits in times of crisis. In addition, if contributions have been made to unemployment insurance for a short period, the benefits of this insurance may be insufficient if not supplemented by social transfers. Therefore, complex situations can arise that prevent the mechanisms from fulfilling their purpose. This is even more problematic when the employment relationship of wage earners is temporarily suspended, and they are left without access to unemployment insurance or social transfers.

The COVID-19 crisis also highlights the vulnerability of paid female domestic workers, especially with regard to the risk of infection and the lack of access to social and labour benefits. The absence of legislation in the region on minimum safety and health conditions for this professional group is striking (Valenzuela and Velasco, 2019). The prevailing informality in the sector means that, in practice, many of these workers cease to receive labour income if they are unable to go to their workplace. In addition, the enforcement of rules to maintain the employment link is much weaker in a crisis context, so a large number of domestic workers must live in the households they serve during the quarantine period. Those who are migrants are in an even more vulnerable position, both because of the consequences of breaking the employment link and because they are forced to remain in the home where they work.

In this context, there is an urgent need to consider paid female domestic workers when formulating social and labour responses to the crisis. Short-term measures should provide for income transfers to these workers during the quarantine period through direct transfer programmes or by including them in unemployment insurance. In turn, their access to health and social security services should be guaranteed, in particular those related to the provision of adequate equipment, access to health services for illnesses contracted in the workplace and the possibility of taking paid sick leave. Both Argentina and Colombia have adopted specific measures to protect female domestic workers. Specifically, a campaign has been carried out in Argentina to guarantee these workers' right to leave and, within the framework of the Día del Personal de Casas Particulares, another campaign was launched to reinforce their rights in the context of the emergency. In any case, efforts must continue to ensure that legislation recognizes the vulnerability of this sector and brings the labour rights of paid female domestic workers into line with those of other wage earners in all dimensions.

The COVID-19 crisis also exposes the extreme vulnerability of migrant workers, especially those in an irregular situation: infection prevention policies have limited the activities of sectors where the bulk of migrant work is concentrated, such as commerce, hotels and restaurants, small businesses and the informal sector (ECLAC/ILO, 2017). Platform-based work, especially home delivery service, presents a mixed picture: although it is an alternative for generating income, a situation such as this pandemic shows the precariousness of the safety and health conditions of its workers, both migrants and nationals (ECLAC/ILO, 2019a). Without access to sufficient income and emergency labour and social protection (in the case of informal migrant workers) or with limited access (in the case of formal migrant workers), the situation of migrants becomes even more precarious in the midst of the pandemic, as they are unable to return to their countries, and face a kind of double confinement. This situation is in many cases aggravated by the suspension of the services of public visa regulation bodies.

Beyond the humanitarian aid that has been deployed in some cases, migrant workers require labour protection and access to the social security benefits enjoyed by national workers in the host countries.¹⁴ It is particularly important for them to be able to register for social transfer and employment benefit programmes despite the limited time they have been working. Also, taking into account the closure of borders, these measures would require consideration of potential temporary visa moratoria and the possibility that migrant workers affected by this situation be considered in social policies.

3. Social and labour policy strategies in the face of limited fiscal space

During the COVID-19 crisis, the fiscal situation in the region has become more restrictive: many countries are facing higher debt, rising interest payments, more limited tax revenues and difficulties in issuing debt in a restrictive international financial context (ECLAC, 2020a). The decline in economic activity in 2020 as a result of COVID-19 will exacerbate the fiscal situation, both because of the decrease in revenue and because of the need for additional spending on health and on social and labour protection. Thus, there is an urgent need to expand fiscal space through financing mechanisms, by reducing or rescheduling debt and debt service or by issuing debt or providing access to financing on more favourable terms, given the context of low interest rates and the willingness of multilateral agencies to provide resources in the face of the pandemic (ECLAC, 2020a and 2020b; World Bank, 2020; IMF, 2020).

In terms of policy demand, at the regional level, spending on social protection and health accounts for about 4.1% and 2.2% of GDP and 18.1% and 9.7% of total public spending, respectively (ECLAC, 2019b). However, this distribution changes at the subregional level: while in South America, spending on social protection and health accounts for 6.1% and 2.4% of GDP, respectively, in Central America, the Dominican Republic and Mexico it is 1.9% and 1.9% of GDP, and in the Caribbean it is 3.1% and 3.0% of GDP, respectively. Thus, while there is a need to expand spending on social protection and health, the space for doing so is different in each country and subregion, suggesting the possibility of making budgetary adjustments by changing the distribution of public expenditure items, or making changes within the social protection and health items, or a combination of the two. Several countries have applied temporary exemptions in the payment of social protection contributions by employers and workers, which creates additional pressure in terms of their financing.

This shows the importance of establishing synergies in order to generate more impact from spending. To enhance the effectiveness of efforts to expand transfers to households and workers with informal incomes for as long as possible, for example, established income transfer mechanism platforms could be used, incorporating new criteria or expanding existing ones to include new beneficiaries. Some countries have already made progress in this area, but the integration of transfer programme platforms and coordination between the public services responsible for them must be strengthened. Other measures that would help to create financing opportunities would be, on the one hand, to reduce costs by facilitating online registration of beneficiaries and transfers and, on the other, to expand the use of banking services (Chacaltana, Leung and Lee, 2018).

¹⁴ As stated in the ILO Migration for Employment Convention (Revised), 1949 (No. 97); the Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143) and the Migrant Workers Recommendation, 1975 (No. 151).

Similar challenges can be seen with regard to labour market policies.¹⁵ According to ECLAC (2019b), in the six countries with available information (Argentina, Chile, Colombia, Costa Rica, Mexico and Uruguay), spending on these policies did not exceed 0.7% of GDP, compared with an average of 1.3% in OECD countries. Spending on the different policies is also mixed depending on the country: training is the top priority in Argentina, Chile, Colombia and Costa Rica, compared with direct job creation in Mexico and out-of-work income protection in Uruguay. The response to the situation caused by COVID-19 not only requires an increase in financing for labour market policies in general, but also consideration of the need to strengthen occupational safety and health programmes, employment incentives for hiring unemployed persons and out-of-work income support.

Given the relative importance of training policies in many countries, and taking into account the difficulty of carrying out face-to-face training during the pandemic, it is possible to expand online training—within the possibilities of each agency—so as to free up resources that can be allocated to the highest priority instruments in this crisis. Furthermore, beyond the overall priorities of these policies, emphasis should be placed on the sectors with a high and medium-high impact from COVID-19, and on MSMEs, which are more susceptible to a regression to informality. As in other similar crises, initiatives involving increased public spending as a counter-cyclical measure should focus first on labour-intensive sectors (ILO, 2020j).

Other regional experiences include the strengthening and expansion of instruments such as unemployment insurance, which can even operate as compensatory mechanisms during the temporary suspension of employment, as in the case of Chile. Along the same lines, the crisis may encourage several countries to implement unemployment insurance systems that must initially be financed by the State, and then operate with a financing mechanism that is the responsibility of employers and workers or with mixed systems with State participation that focus on lower-income workers.

E. Towards a post-pandemic or permanent-pandemic world of work?

Regardless of how the crisis develops in the coming months and years, which is still very uncertain, two important conclusions can be drawn: firstly, the crisis (including its purely health-related dimension) will persist until a vaccine or effective treatment is developed, produced, distributed and massively applied; secondly, because of the previous point, the two phases of the crisis—health and socioeconomic—will largely overlap. It is possible that in the short and medium term the world will not move towards a post-pandemic labour scenario, but towards a permanent-pandemic labour scenario.

That is why health and safety at work must take on a new dimension, moving from a traditional paradigm focused on managing occupational risks to prevent accidents at work and occupational diseases to a new paradigm in which the containment of the virus and occupational health will be of the essence for ensuring companies' survival.

Meanwhile, the constraints imposed by the crisis are also creating opportunities for innovation. In many cases, adaptations in the organization of production and work could generate economic and socioeconomic benefits even when the current health crisis is over. For example, many companies

¹⁵ According to ECLAC (2019b), labour market policies include labour intermediation services, training, employment incentives (for hiring unemployed persons), sheltered employment (for persons with disabilities), direct job creation, start-up incentives, out-of-work income support and early retirement.

and workers will likely be much better trained in the use of online working tools, but there is also a risk of new gaps in technological investment and worker training, which will need to be addressed by public policy.

With regard to public policies, one of the innovations that will surely contribute to greater formalization in the medium term is the creation and improvement of administrative records of formal and informal workers and other categories of workers.

Certain economic activities are experiencing dynamic short-term growth in the context of the crisis: this is the case of logistics activities, home delivery services and online services. In this context, there are also important public policy challenges, for example, in terms of adequate labour regulation of new activities or job training and intermediation through public employment services, to ensure that more unemployed people can take advantage of new opportunities in the shortest possible time.

At the international level, the current crisis may accelerate some deglobalization trends, and some supply chains may be reorganized, giving more weight to local and national linkages. However, global trends will continue to impact the region and vice versa. The challenges posed by climate change and the need for a just transition to a more sustainable model will remain as important as ever.

Lastly, the crisis has shone a particularly harsh light on the cost of informality and inequality in most of the region's labour markets. Therefore, policies for recovery should not confine their aims to achieving a "new normal" similar to the state of the labour markets before the crisis, but should gear up for a "better normal", with greater formality, equity and social dialogue.

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Annex

Table A1

Latin America and the Caribbean: annual average national unemployment rates by sex, 2008–2019
(Percentages)

Country/Sex	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 ^a
Latin America												
Argentina												
Both sexes ^b	7.9	8.7	7.7	7.2	7.2	7.1	7.3	6.5 ^c	8.5 ^d	8.4	9.2	9.8
Men ^b	6.6	7.8	6.7	6.3	6.1	6.1	6.5	5.7 ^c	7.8 ^d	7.5	8.2	9.2
Women ^b	9.7	9.9	9.2	8.5	8.8	8.5	8.4	7.6 ^c	9.4 ^d	9.5	10.5	10.7
Bolivia (Plurinational State of)												
Both sexes ^e	2.8	3.3	...	2.7	2.3	2.9	2.3	3.5	3.5 ^f	3.6 ^f	3.5 ^f	3.7 ^g
Men ^e	2.1	2.5	...	2.2	1.6	2.3	1.7	3.0	3.1 ^f	3.3 ^f	3.4 ^f	3.4 ^f
Women ^e	3.7	4.3	...	3.2	3.1	3.5	3.1	4.2	5.1 ^f	4.1 ^f	3.6 ^f	4.1 ^f
Brazil												
Both sexes ^e	7.1	8.3	...	6.7	7.3	7.1	6.8	8.5	11.5	12.7	12.3	11.9
Men ^e	5.2	6.2	...	4.9	6.0	5.8	5.7	7.3	10.1	11.3	10.8	10.1
Women ^e	9.6	11.1	...	9.1	9.2	8.9	8.2	10.1	13.3	14.6	14.1	14.0
Chile												
Both sexes ^h	7.8	9.7	8.3	7.3	6.6	6.1	6.5	6.3	6.7	7.0	7.4	7.2
Men ^h	6.8	9.1	7.3	6.2	5.6	5.4	6.1	5.8	6.3	6.5	6.7	6.7
Women ^h	9.5	10.7	9.9	8.9	8.1	7.1	7.1	7.0	7.2	7.6	8.3	8.0
Colombia												
Both sexes ⁱ	10.5	11.3	11.0	10.1	9.7	9.0	8.5	8.3	8.6	8.8	9.1	9.9
Men ⁱ	8.5	9.0	8.6	7.9	7.5	7.0	6.7	6.4	6.8	6.9	7.1	7.8
Women ⁱ	13.4	14.5	14.2	13.1	12.7	11.7	11.0	10.8	11.1	11.4	11.6	12.6
Costa Rica												
Both sexes ^e	4.9	7.8 ^j	7.3 ^l	7.7 ^l	10.2 ^k	9.4 ^k	9.6 ^k	9.6 ^k	9.5 ^k	9.1 ^k	10.3 ^k	11.8
Men ^e	4.2	6.6 ^j	6.0 ^l	6.0 ^l	8.9 ^k	8.3 ^k	8.1 ^k	8.0 ^k	8.0 ^k	7.5 ^k	8.4 ^k	9.3
Women ^e	6.2	9.9 ^j	9.5 ^l	10.3 ^l	12.2 ^k	11.1 ^k	11.9 ^k	12.2 ^k	12.1 ^k	11.6 ^k	13.2 ^k	15.3
Cuba												
Both sexes ^e	1.6	1.7	2.5	3.2	3.5	3.3	2.7	2.4	2.0	1.7	1.7	...
Men ^e	1.3	1.5	2.4	3.0	3.4	3.1	2.4	2.3	1.9	1.7	1.6	...
Women ^e	2.0	2.0	2.7	3.5	3.6	3.5	3.1	2.6	2.2	1.6	1.8	...
Dominican Republic												
Both sexes ^e	4.8	5.5	5.2	6.1	6.7	7.4	6.7	7.3 ^l	7.1 ^l	5.5 ^l	5.7 ^l	6.2
Men ^e	3.2	4.1	4.1	4.7	5.1	5.3	4.8	5.2 ^l	4.8 ^l	4.0 ^l	3.5 ^l	3.9
Women ^e	7.4	7.9	7.0	8.3	9.2	10.5	9.7	10.5 ^l	10.5 ^l	7.8 ^l	8.8 ^l	9.3
Ecuador												
Both sexes ^e	3.8 ^l	4.5 ⁱ	4.0 ^l	3.4 ^l	3.2 ⁱ	3.0 ⁱ	3.4 ^l	3.6 ⁱ	4.5 ⁱ	3.8 ⁱ	3.5 ⁱ	3.8
Men ^e	3.2	3.7	3.5	2.9	2.8	2.7	3.0	3.0	3.7	3.0	2.9	3.2
Women ^e	5.0	5.9	4.9	4.2	3.8	3.7	4.1	4.5	5.8	4.9	4.4	4.6
El Salvador												
Both sexes ^e	5.9 ^m	7.3 ^m	7.0 ^m	6.6 ^m	6.1 ^m	5.9 ^m	7.0 ^m	7.0 ^m	7.0 ^m	7.0 ^m	6.3 ^m	...
Men ^e	7.5 ^m	9.0 ^m	8.4 ^m	8.2 ^m	7.3 ^m	6.8 ^m	8.6 ^m	8.4 ^m	8.1 ^m	8.3 ^m	7.3 ^m	...
Women ^e	3.6 ^m	4.9 ^m	5.1 ^m	4.4 ^m	4.3 ^m	4.7 ^m	4.7 ^m	5.0 ^m	5.3 ^m	5.2 ^m	4.9 ^m	...
Guatemala												
Both sexes ^e	...	...	3.7	4.1	2.9	3.1	2.9	2.6	2.7	2.5	2.4	2.6
Men ^e	...	...	3.2	2.9	2.4	2.7	2.6	2.0	2.2	2.0	2.1	2.0
Women ^e	...	...	4.0	6.6	3.6	3.7	3.5	3.6	3.5	3.5	3.0	3.5

Table A1 (continued)

Country/Sex	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 ^a
Honduras												
Both sexes ^e	3.0	3.1	3.9	4.3	3.6	3.9	5.3	7.3	7.4	6.7	5.7	5.7
Men ^e	2.9	2.6	3.2	3.3	2.9	3.3	4.5	4.4	5.1	4.0	4.5	4.2
Women ^e	3.1	4.1	5.2	6.1	5.0	5.0	6.7	11.7	10.7	10.8	7.4	8.1
Mexico												
Both sexes ^e	4.0	5.5	5.4	5.2	5.0	4.9	4.8	4.4	3.9	3.4	3.3	3.5
Men ^e	3.8	5.4	5.4	5.2	4.9	4.9	4.8	4.3	3.9	3.3	3.2	3.5
Women ^e	4.1	5.4	5.2	5.2	4.9	5.0	4.9	4.5	3.9	3.6	3.4	3.5
Nicaragua												
Both sexes ^e		8.2	7.8	5.9	5.9	5.8	6.6	5.9	4.5	3.7	5.4	...
Men ^e		6.8	7.3	5.5	5.4	5.6	6.2	5.6	4.2	3.5	5.4	...
Women ^e		9.0	8.7	6.6	6.6	6.0	7.0	6.3	4.8	3.8	5.5	...
Panama												
Both sexes ^e	4.3 ⁱ	5.3 ⁱ	4.8 ⁱ	3.0 ⁱ	3.1 ⁱ	3.2 ⁱ	3.5 ⁱ	3.9 ⁱ	4.4 ⁱ	4.9 ⁱ	4.9 ⁱ	5.8
Men ^{e i}	3.4	4.0	3.7	2.6	2.5	2.5	2.7	3.1	3.7	3.8	3.9	4.8
Women ^{e i}	5.6	7.3	6.5	3.6	3.9	4.1	4.6	5.0	5.4	6.4	6.4	7.3
Paraguay												
Both sexes ^e	5.7	6.3	5.7	5.5	4.6	5.0	6.0	5.4	6.0	6.1 ⁿ	6.2 ⁿ	6.6
Men ^e	4.6	5.3	4.6	4.3	3.7	4.5	4.6	4.9	5.0	5.1 ⁿ	5.4 ⁿ	5.5
Women ^e	7.3	7.9	7.4	7.3	5.8	5.7	8.1	6.1	7.5	7.6 ⁿ	7.4 ⁿ	8.0
Peru												
Both sexes ^e	4.6	4.5	4.1	4.0	3.7	3.9	3.7	3.5	4.2	4.1	3.9	3.9
Men ^e	4.1	4.3	3.6	3.7	3.2	3.4	3.4	3.4	3.9	3.8	3.5	3.5
Women ^e	5.3	4.7	4.7	4.4	4.4	4.7	4.0	3.6	4.6	4.4	4.4	4.5
Uruguay												
Both sexes ^e	8.0	7.7	7.2	6.3	6.5	6.5	6.6	7.5	7.8	7.9	8.3	8.9
Men ^e	5.6	5.5	5.3	4.8	4.9	5.0	5.1	6.4	6.5	6.6	6.9	7.3
Women ^e	10.8	10.4	9.4	8.1	8.3	8.2	8.3	8.9	9.4	9.5	10.1	10.7
Venezuela (Bolivarian Republic of)												
Both sexes ^e	7.3	7.9	8.7	8.3	8.1	7.8	7.2	7.0	7.3	7.2	6.9	...
Men ^e	7.0	7.4	8.5	7.7	7.4	7.1	6.7	6.6	7.1	6.3	5.9	...
Women ^e	7.8	8.5	9.0	9.2	9.0	8.8	8.0	7.7	7.8	8.4	8.1	...
The Caribbean												
Bahamas												
Both sexes ^{e o}	8.7	14.2	...	15.9	14.4	15.8	14.6	13.4	12.2	10.0	10.3	...
Men ^{e o}	7.7	14.0	...	...	15.1	15.6	13.8	11.9	10.3	8.6	10.1	...
Women ^{e o}	9.7	14.4	...	...	13.7	16.1	15.4	15.0	14.2	11.0	10.6	...
Barbados												
Both sexes ^{e o}	8.1	10.0	10.8	11.2	11.6	11.6	12.3	11.3	9.7	10.0	10.1	10.1
Men ^{e o}	6.9	10.1	10.9	9.8	11.0	11.7	11.7	12.3	9.3	9.8	9.9	11.6
Women ^{e o}	9.5	9.8	10.6	12.6	12.2	11.6	12.8	10.3	10.1	10.1	10.3	8.5
Belize												
Both sexes ^{e o}	8.2	13.1	12.5	...	15.3	13.2	11.6	10.1	9.5	9.3	9.4	9.1
Men ^{e o}	...	...	...	...	10.5	7.8	6.3	6.8	5.6	5.9	5.6	5.9
Women ^{e o}	...	...	...	...	22.3	20.8	19.9	15.4	15.6	14.6	14.9	13.4
Jamaica												
Both sexes ^e	10.6 ^o	11.4 ^o	12.4 ^o	12.6 ^o	9.3 ⁱ	10.3 ⁱ	9.5 ⁱ	9.8 ⁱ	9.0 ⁱ	7.7 ⁱ	5.6 ^j	5.0
Men ^e	7.3 ^o	8.5 ^o	9.2 ^o	9.3 ^o	7.0 ⁱ	7.8 ⁱ	7.2 ⁱ	7.2 ⁱ	6.6 ⁱ	5.6 ⁱ	4.2 ^j	3.8
Women ^e	14.6 ^o	14.8 ^o	16.2 ^o	16.7 ^o	12.3 ⁱ	13.6 ⁱ	12.4 ⁱ	12.5 ⁱ	12.0 ⁱ	10.2 ⁱ	7.2 ⁱ	6.5
Trinidad and Tobago												
Both sexes ^{e o}	4.6	5.3	5.9	5.1	5.0	3.7	3.3	3.5	4.0	4.8	4.1	...
Men ^{e o}	...	...	...	...	...	3.0	2.8	2.9	3.9	4.2	3.3	...
Women ^{e o}	...	...	...	...	...	4.6	4.0	4.2	4.0	5.6	4.5	...

Table A1 (concluded)

Country/Sex	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 ^a
Latin America and the Caribbean												
Both sexes ^a	6.4	7.4	6.6	6.4	6.4	6.3	6.1	6.6	7.8	8.1	7.9	8.1
Men ^a	5.2	6.2	5.9	5.2	5.5	5.4	5.3	5.7	6.9	7.1	6.9	7.1
Women ^a	8.0	9.0	7.5	7.9	7.7	7.5	7.1	7.7	9.0	9.3	9.1	9.6

Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official figures.

^a Preliminary figures.

^b Urban areas.

^c The figure refers to the average for the first to the third quarter.

^d The figure refers to the average for the second to fourth quarter.

^e National total.

^f New measurements have been used since 2016; the data are not comparable with the previous series.

^g Preliminary data corresponding to the average for the year to the third quarter of 2019.

^h Since 2010, new calibration based on the 2017 census.

ⁱ Open unemployment rate, includes an adjustment to the figures for the economically active population to exclude hidden unemployment.

^j New measurements have been used since 2009; the data are not comparable with the previous series.

^k New measurements have been used since 2012; the data are not comparable with the previous series.

^l New measurements have been used since 2015; the data are not comparable with the previous series.

^m New measurements have been used since 2007; the data are not comparable with the previous series.

ⁿ New measurements have been used since 2017; the data are not comparable with the previous series.

^o Hidden unemployment is included.

^p Weighted average adjusted for lack of information and differences and changes in methodology. Includes an adjustment of data to exclude hidden unemployment in Colombia, Ecuador, Jamaica and Panama.

Table A2

Latin America and the Caribbean: annual average national participation rates, 2008–2019
(Percentages)

Country	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 ^a
Latin America												
Argentina ^b	58.8	59.3	58.9	59.5	59.3	58.9	58.3	57.7	57.5	57.8	58.5	59.1
Bolivia (Plurinational State of)	64.9	65.1	...	65.9	61.1	63.4	65.8	61.0	66.0	67.4	70.8	73.0 ^c
Brazil ^d	62.0	62.1	...	60.0	61.4	61.3	61.0	61.3	61.4	61.7	61.6	62.0
Chile ^e	56.0	55.9	60.2	61.5	61.5	61.6	61.9	62.0	62.1	62.7	63.0	62.8
Colombia ^f	58.5	61.3	62.7	63.7	64.5	64.2	64.2	64.7	64.5	64.4	64.0	63.3
Costa Rica ^g	56.7	60.4	59.1	59.0	62.8	62.3	62.5	61.2	58.4	58.8	60.7	62.5
Cuba	74.7	75.4	74.9	76.1	74.2	72.9	71.9	67.1	65.2	63.4	63.8	...
Dominican Republic ^h	57.4	55.2	56.5	57.8	59.0	58.7	59.1	61.8	62.3	62.2	63.6	65.1
Ecuador ⁱ	67.7	65.3	63.7	62.5	63.0	62.9	63.2	66.2	68.2	68.6	67.0	66.6
El Salvador ^j	62.7	62.8	62.5	62.7	63.2	63.6	62.8	62.1	62.2	61.9	61.3	...
Guatemala ^k	...	...	62.5	61.8	65.4	60.6	60.9	60.7	60.8	61.0	60.6	59.3
Honduras	51.0	53.1	53.6	51.9	50.8	53.7	56.0	58.3	57.5	59.0	60.4	57.3
Mexico	58.7	58.6	58.4	58.6	59.2	60.3	59.8	59.8	59.7	59.3	59.6	60.1
Nicaragua ^l	...	66.6	71.2	75.6	76.8	75.8	74.0	72.4	73.6	73.5	71.7	...
Panama ^m	63.9	64.1	63.5	61.9	63.4	64.1	64.0	64.2	64.4	64.0	65.4	66.5
Paraguay ⁿ	62.2	63.1	60.8	61.1	64.4	63.3	62.3	62.1	62.6	71.0	71.9	72.4
Peru	73.8	74.0	74.1	73.9	73.6	73.2	72.3	71.6	72.2	72.4	72.3	72.7
Uruguay	62.7	63.4	62.9	64.8	64.0	63.6	64.7	63.8	63.4	62.9	62.4	62.2
Venezuela (Bolivarian Republic of) ^o	64.8	65.2	64.7	64.5	64.0	64.4	65.1	63.9	63.3	65.6	67.0	...
The Caribbean												
Bahamas ^p	76.3	73.4	...	72.1	72.5	73.2	73.7	74.3	77.1	80.5	82.8	...
Barbados ^q	67.6	67.0	66.4	67.6	66.2	66.7	63.9	65.1	66.5	65.3	64.8	63.4
Belize ^r	59.2	...	...	...	65.8	64.2	64.1	63.2	64.0	64.1	65.5	68.1
Jamaica ^s	65.4	63.5	62.4	61.7	61.9	63.0	62.8	63.1	64.8	65.1	64.1	64.7
Trinidad and Tobago ^t	63.5	62.7	62.1	61.3	61.8	61.3	61.9	60.6	59.7	59.2	58.9	...
Latin America and the Caribbean ^m	61.6	62.0	61.9	61.5	62.3	62.3	62.1	62.0	62.1	62.4	62.6	62.4

Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official figures.

^a Preliminary figures.

^b Urban areas.

^c Preliminary figure corresponding to the average for the year to the third quarter of 2019.

^d New measurements have been used since 2012; the data are not comparable with the previous series.

^e Since 2010, new calibration based on the 2017 census.

^f Hidden unemployment is included.

^g New measurements have been used since 2009 and 2012; the data are not comparable with the previous series.

^h New measurements have been used since 2015; the data are not comparable with the previous series.

ⁱ New measurements have been used since 2011; the data are not comparable with the previous series.

^j New measurements have been used since 2009; the data are not comparable with the previous series.

^k New measurements have been used since 2017; the data are not comparable with the previous series.

^l National total. Hidden unemployment is included.

^m Weighted average adjusted for lack of information and differences and changes in methodology. Includes an adjustment of data to exclude hidden unemployment in Colombia, Ecuador, Jamaica and Panama.

Table A3Latin America and the Caribbean: annual average national employment rates, 2008–2019
(Percentages)

Country	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 ^a
Latin America												
Argentina ^b	54.2	54.2	54.4	55.2	55.0	54.7	54.0	53.9	52.6	52.9	53.1	53.3
Bolivia (Plurinational State of)	63.1	63.0	...	64.2	59.7	61.5	64.3	58.9	63.8	64.9	68.4	70.3 ^c
Brazil ^d	57.5	56.9	...	56.0	56.9	56.9	56.8	56.1	54.3	53.9	54.1	54.6
Chile ^e	51.7	50.5	55.2	57.0	57.4	57.8	57.9	58.1	58.0	58.3	58.3	58.3
Colombia	51.9	53.9	55.4	56.8	57.9	58.0	58.4	59.0	58.5	58.4	57.8	56.6
Costa Rica ^f	53.9	55.4	54.8	52.9	56.4	56.4	56.5	55.4	52.8	53.5	54.4	55.2
Cuba	73.6	74.2	73.0	73.6	71.6	70.5	70.0	65.4	63.8	62.4	62.7	...
Dominican Republic ^g	54.7	52.3	53.6	54.5	55.2	54.6	55.4	57.3	57.9	58.7	60.0	61.0
Ecuador	63.9	61.1	60.1	59.6	60.4	60.3	60.4	63.3	64.6	65.5	64.3	63.7
El Salvador	59.0	58.2	58.1	58.6	59.4	59.9	58.4	57.8	57.9	57.6	57.4	...
Guatemala ^h	...	...	60.2	59.2	63.5	58.7	59.1	59.2	59.2	59.4	59.1	57.8
Honduras	49.4	51.5	51.5	49.7	48.9	51.6	53.1	54.0	53.2	55.1	57.0	54.1
Mexico	56.3	55.4	55.3	55.5	56.3	57.1	56.9	57.0	57.3	57.3	57.6	58.0
Nicaragua ⁱ	...	61.3	65.6	71.2	72.3	71.5	69.1	68.1	70.2	70.8	67.8	...
Panama	60.3	59.9	59.4	59.1	60.8	61.5	60.9	60.9	60.8	60.1	61.5	61.8
Paraguay ^j	58.7	59.1	57.3	57.7	61.5	60.1	58.6	58.7	58.9	66.7	67.4	67.6
Peru	70.4	70.7	71.1	70.9	70.8	70.3	69.6	68.9	69.2	69.5	69.5	69.9
Uruguay	57.7	58.5	58.4	60.7	59.9	59.5	60.4	59.0	58.4	57.9	57.2	56.7
Venezuela (Bolivarian Republic of)	60.1	60.1	59.2	59.2	59.0	59.6	60.5	59.5	58.7	60.9	62.4	...
The Caribbean												
Bahamas	69.7	63.0	...	60.6	62.1	61.6	62.9	64.3	67.7	72.5	74.2	...
Barbados	62.1	60.3	59.6	60.1	58.6	58.9	56.0	57.7	60.0	58.8	58.3	57.0
Belize	54.3	...	...	...	55.7	55.9	56.6	56.8	57.9	58.1	59.0	62.0
Jamaica	58.5	56.3	54.7	54.4	53.3	53.4	54.2	54.6	56.2	57.5	58.2	59.6
Trinidad and Tobago	60.6	59.4	58.4	58.2	58.8	59.1	59.9	58.5	57.4	56.3	56.5	...
Latin America and the Caribbean ^k	57.7	57.3	57.8	57.6	58.2	58.3	58.3	57.9	57.3	57.4	57.6	57.2

Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official figures.

^a Preliminary figures.

^b Urban areas.

^c Preliminary figure corresponding to the average for the year to the third quarter of 2019.

^d New measurements have been used since 2012; the data are not comparable with the previous series.

^e Since 2010, new calibration based on the 2017 census.

^f New measurements have been used since 2009 and 2012; the data are not comparable with the previous series.

^g New measurements have been used since 2015; the data are not comparable with the previous series.

^h New measurements have been used since 2011; the data are not comparable with the previous series.

ⁱ New measurements have been used since 2009; the data are not comparable with the previous series.

^j New measurements have been used since 2017; the data are not comparable with the previous series.

^k Weighted average adjusted for lack of information and differences and changes in methodology. Includes an adjustment of data to exclude hidden unemployment in Colombia, Ecuador, Jamaica and Panama.

The slack economic performance of the region in 2019 was evident in weak job creation —particularly in registered wage employment— and in a slight year-on-year rise in the weighted average of national unemployment rates.

The early months of 2020 were marked by the outbreak of the coronavirus disease (COVID-19) pandemic, which forced governments to implement confinement policies. The pandemic and its repercussions led to the interruption of economic activities at the global level on a scale never seen before. The countries of Latin America and the Caribbean are now facing large falls in gross domestic product that are having major impacts on their labour markets, amid already weak and vulnerable macroeconomic conditions.

The second part of this report reviews some of the policies implemented by the countries to protect formal and informal employment, safeguard income levels and protect the production sector. It also analyses the labour challenges for restarting production in a post-pandemic scenario, which must be tackled on the basis of policies that make safety and health at work a priority.

