

**The Decent Work Decade
in the Americas, 2006–15**

**Agenda for the Hemisphere:
Initial assessment and perspectives**

17th American Regional Meeting
Santiago, Chile, December 2010

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Agenda for the Hemisphere: Initial assessment and perspectives

Report of the Director-General

INTERNATIONAL LABOUR OFFICE

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List of abbreviations

ACT/EMP	Bureau for Employers' Activities (ILO)
ACTRAV	Bureau for Workers' Activities (ILO)
CARICOM	Caribbean Community
CEPALSTAT	ECLAC statistical database (social, economic and environmental statistics and indicators)
CINTERFOR	Inter-American Centre for Knowledge Development in Vocational Training
DWA	Decent Work Agenda
ECLAC	Economic Commission for Latin America and the Caribbean
FSAL/ACTRAV	"Strengthening trade unions to meet the new challenges of integration in Latin America", ACTRAV multilateral project
GDP	gross domestic product
HIV	human immunodeficiency virus
IACLM	Inter-American Conference of Ministers of Labor of the OAS
ICTs	information and communication technologies
ILC	International Labour Conference
ILO	International Labour Organization; International Labour Office
ILOLEX	ILO database on international labour standards
ILO/SIALC	Labour Analysis and Information System for Latin America and the Caribbean
IPEC	International Programme on the Elimination of Child Labour
MDG	Millennium Development Goal
MERCOSUR	Common Market of the Southern Cone
MSEs	micro- and small enterprises
MSMEs	micro-, small and medium-sized enterprises
OAS	Organization of American States
OECD	Organisation for Economic Co-operation and Development
PREJAL	"Promoting youth employment in Latin America" project
SMEs	small and medium-sized enterprises
SSOS	"Social security for trade unions" project
TUCA	Trade Union Confederation of the Americas
UN	United Nations
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Development Fund for Women

Introduction

Decent work: The primary goal of ILO action

1. The Report of the Director-General to the 87th Session of the International Labour Conference (Geneva, 1999) established decent work as the primary goal of ILO action. In his Report, the Director-General stated that, in order to help countries advance towards decent work, the ILO had to consider the socio-political context in which it was working, the way in which countries had developed and the results they had obtained in the past few decades. As he observed, globalization, market liberalization and the adjustment policies adopted, while generating positive macroeconomic outcomes in many countries, did not necessarily appear to result in higher levels of equality and progress; he also warned that economies behaved cyclically, fluctuating between progress and crisis.¹

2. The Director-General further stated that decent work “is a global demand today, confronting political and business leadership worldwide. Much of our common future depends on how we meet this challenge” at a time when:

Globalization has turned “adjustment” into a universal phenomenon for rich and poor countries alike. It is changing the pattern of development itself, shifting long-term growth paths and skewing patterns of income distribution ... The ILO will be called upon to deal with these recurring crises of adjustment and development over the next decade. It must now organize itself for this purpose ... The ILO must articulate a coherent policy response based on its own values and competencies and adapted to the diversity of regional needs ... It must have a voice in the international debate on the future systems of governance for economic stability and equitable development.²

3. Tripartism, freedom of association and collective bargaining are fundamental pillars of decent work, as indicated in the 2008 ILO Declaration on Social Justice for a Fair Globalization.

Decent work in the Americas: An agenda for the hemisphere

4. On the basis of these considerations, the Report of the Director-General to the 16th American Regional Meeting,³ which was held in Brasilia in May 2006, set out a proposal for an agenda for the hemisphere for 2006–15, containing objectives for the implementation of ILO action consistent with the Director-General’s Report to the 87th Session of the International Labour Conference. It thus provided guidelines enabling the ILO’s constituents (governments and workers’ and employers’ organizations) to draw up social and labour policies based on the concept of decent work through national decent work plans, in a process of tripartite dialogue and with ILO technical cooperation organized within the framework of the Decent Work Country Programmes and specific initiatives to assist the constituents.

5. The Decent Work Agenda for the Hemisphere (DWA for the Hemisphere) was structured by aligning the ILO’s four strategic objectives with the region’s characteristic decent work challenges:

- to promote and realize labour standards and, in particular, fundamental principles and rights at work;

¹ See ILO: *Decent work*, Report of the Director-General, International Labour Conference, 87th Session, Geneva, 1999.

² *ibid.*, pp. v, 5.

³ ILO: *Decent work in the Americas: An agenda for the Hemisphere, 2006–15*, Report of the Director-General, 16th American Regional Meeting, Brasilia, 2006.

- to create greater employment opportunities for men and women and to promote the creation of more and better enterprises;
- to enhance the coverage and effectiveness of social protection;
- to strengthen tripartism and social dialogue.

These objectives were supplemented with five other cross-cutting objectives that are fundamental for the ILO: to promote fair globalization, work out of poverty, guarantee gender equality and avoid all forms of discrimination, enhance the impact of international labour standards on development, and broaden the impact of the social partners, social dialogue and tripartism.

Four years after the formulation of the Decent Work Agenda for the Hemisphere: An interim review of the progress made by the countries of the Americas with respect to the Agenda's targets (from the Declaration of Mar del Plata, Fourth Summit of the Americas, November 2005, to the G20 Leaders' Summit, Toronto, June 2010)

6. More than four years having elapsed since the DWA for the Hemisphere was proposed, the ILO considered it necessary to produce a review providing the 17th American Regional Meeting with an analysis of the decent work results obtained by the region's countries in the 2006–10 period, taking as a reference the Agenda's proposals and objectives and the ILO's action in support of country policies drawn up from that perspective.

7. The review focuses on the period from the Declaration of Mar del Plata (Fourth Summit of the Americas, November 2005) to the G20 Leaders' Summit (Toronto, June 2010), bearing in mind that those meetings were preceded and followed by others paving the way for and pursuing the process. Mar del Plata is considered the milestone, in the Americas region, immediately preceding the presentation of the DWA for the Hemisphere. By the same token, the G20 Leaders' Summit in Toronto is seen as the most recent international milestone, and was an event at which the most developed economies reaffirmed the importance of decent work and of the ILO's contributions in the face of the global economic and financial crisis as relevant factors for the formulation of economic and social policies. The G20 leaders, following on from the statements of the G20 Leaders' Summit held in Pittsburgh in September 2009 and the G20 Meeting of Labour and Employment Ministers held in Washington in April 2010, declared in Toronto in June 2010 that their "highest priority is to safeguard and strengthen the recovery" and that "we have agreed on the next steps we should take to ensure a full return to growth with quality jobs". They further declared: "We welcome the recommendations of our Labour and Employment Ministers, who met in April 2010, on the employment impacts of the global economic crisis. We reaffirm our commitment to achieving strong job growth and providing social protection to our most vulnerable citizens. An effective employment policy should place quality jobs at the heart of the recovery. We appreciate the work done by the International Labour Organization in collaboration with the OECD on a training strategy that will help equip the workforce with the skills required for the jobs of today and those of tomorrow". In this respect, the Director-General observed that "[b]uilding confidence is not only about calming financial markets, it is also about citizens feeling confident that leaders are implementing policies in a fair way".⁴

8. By limiting the review to the years between the 2005 Mar del Plata Summit and the 2010 G20 Leaders' Summit in Toronto, this Report seeks to provide information on a period in which the region's governments, workers, employers and other social and political players, prompted by the international context and like those in many parts of the world, started to stake out new directions in various areas of social and labour policy. The new directions took account of analyses of earlier development policies and their results, especially relating to crisis management. In this process, the ILO's observations, in particular those formulated in 1999 at the 87th Session of the International Labour Conference, and the proposals that emerged from its

⁴ See www.ilo.org/global/About_the_ILO/Media_and_public_information/Press_releases/lang--en/WCMS_142354/index.htm (press release of 28 June 2010).

constituents' deliberations for dealing with the 2008 global financial and economic crisis, were able to further the new outlooks both regionally and internationally.

9. As pointed out in the foreword to the DWA for the Hemisphere, “the belief that the creation of decent work, as defined by the ILO, is the best way to overcome poverty and reinforce democratic governance has progressively been consolidated, especially since 2003”.⁵

10. In the Americas, this belief is reflected in the conclusions of the Common Market of the Southern Cone (MERCOSUR) Regional Conference on Employment (Buenos Aires, April 2004), the Andean Regional Conference on Employment (Lima, November 2004), the Subregional Tripartite Employment Forum (Tegucigalpa, Honduras, June 2005), the 13th and 14th Inter-American Conferences of Ministers of Labor (IACLM) (Salvador de Bahia, Brazil, September 2003, and Mexico City, September 2005, respectively), and in the declarations of the Heads of State and Government at the Ibero-American Summits (Santa Cruz de la Sierra, Bolivia, November 2003, San José, Costa Rica, October 2004, and Salamanca, Spain, October 2005), the Third Latin America and the Caribbean – European Union Summit (Guadalajara, Mexico, May 2004) and the Summit of the Americas held in Nuevo León (Monterrey, Mexico, July 2009). The 2009 Declaration of Buenos Aires: Facing the crisis with development, decent work and social protection,⁶ is particularly worthy of note and of great relevance, as in it the IACLM reaffirms its commitment to the ILO's Global Jobs Pact and to the principles relating to fundamental rights at work, while at the same time endorsing the importance of the State's proactive role and of an expert link with private enterprise in promoting employment and protecting the rights of workers. The Declaration is supplemented with a plan of action endorsed in its entirety by the signatory countries, lending additional resonance to the guidance it provides for the social and labour policies gradually being introduced in the region, in particular in the wake of the global financial and economic crisis of late 2008. Equally worthy of note is the Declaration of the MERCOSUR Ministers of Labour adopted on the sidelines of the 98th Session of the International Labour Conference (2009), which asserts the need to tackle the crisis with shared policies whose basic objectives are job preservation and proactive public sector action.⁷

11. At the international level, various meetings held between 2005 and 2010 concluded with declarations confirming decent work as a global strategic prospect. One example is the Declaration adopted by the G8 in June 2009, in L'Aquila, Italy, which endorsed the Global Jobs Pact. Likewise, the concept of decent work was recognized as a key component of employment and development policies at the G20 Leaders' Summit (Pittsburgh, September 2009) and at the Meeting of G20 Labour and Employment Ministers (Washington, DC, April 2010). At all these events, the ILO Declaration on Social Justice for a Fair Globalization, adopted at the 97th Session of the International Labour Conference (Geneva, June 2008), and the document *Recovering from the crisis: A Global Jobs Pact*, adopted unanimously at the 98th Session of the International Labour Conference (Geneva, June 2009), were said to be of crucial importance. The latter is one of the most relevant contributions to the debate and decision-making process at the international level.

Structure of the Report

12. This review of the outcomes of the social and labour policies implemented between 2006 and 2010 focuses on the progress made by countries towards the decent work objectives set out in the 2006 DWA for the Hemisphere. The Report has been conceived in such a way as to provide a conceptual contextualization of the socio-political framework in which governments have acted with regard to labour affairs and the ILO's contribution.

⁵ ILO: *Decent work in the Americas: An agenda for the Hemisphere, 2006–15*, op. cit., p. viii.

⁶ IACLM: *Facing the crisis with development, decent work, and social protection*, Declaration of the 16th Inter-American Conference of Ministers of Labor, Buenos Aires, Argentina, 6–8 October 2009.

⁷ See http://oit.org.pe/index.php?option=com_content&view=article&id=2317:ministros-del-trabajo-del-mercosur-defienden-la-preservacion-del-empleo-frente-a-la-crisis&catid=117:ultimas-noticias&Itemid=1305 (in Spanish only).

13. The Report is divided into four parts in addition to the introduction. Part I analyses the social and political context during the 2006–10 period, which was marked by the 2008 global financial and economic crisis. Part II describes what the region’s countries accomplished during that period in meeting the targets in the four strategic areas set out in the DWA for the Hemisphere. Part III presents the ILO’s activities in the 2006–10 period, in particular its contribution to government policies, and the contribution of its constituents to the fulfilment of the goals relating to the Agenda’s proposals. Part IV contains a summary of the Report’s main observations.

14. The Report is based on input received from ILO’s four sectors at headquarters, its various regional offices, the ILO Labour Analysis and Information System for Latin America and the Caribbean (ILO/SIALC), the International Programme on the Elimination of Child Labour (IPEC), the Special Action Programme to Combat Forced Labour (SAP–FL), the ILO Programme on HIV/AIDS and the world of work (ILO/AIDS), the “Promoting youth employment in Latin America” project (PREJAL), the International Migration Programme (MIGRANT), the Bureau for Gender Equality (GENDER), the International Labour Standards Department (NORMES) and the Inter-American Centre for Knowledge Development in Vocational Training (CINTERFOR). It also includes information from the Bureau for Workers’ Activities (ACTRAV), the Bureau for Employers’ Activities (ACT/EMP), the International Trade Union Confederation/Trade Union Confederation of the Americas (ITUC/TUCA), the International Organisation of Employers (IOE) and the governments, decent work teams and ILO offices in Latin American and Caribbean countries. That information is supplemented with data from other agencies, such as the Inter-American Development Bank (IDB), the World Bank, the Economic Commission for Latin America and the Caribbean (ECLAC), the United Nations Development Programme (UNDP) and the World Economic Forum (WEF).

I. The socio-political context, 2006–10

15. The social and political performance of the countries of the Americas during the 2006–10 period is characterized by four main trends, in respect of which the development of social and labour policies needs to be contextualized.

(i) *Government policies during the period, especially since the financial and economic crisis of late 2008, have been characterized by the search for greater synergy between growth, macroeconomic equilibrium with better results with regard to quality jobs and social protection for sustained and sustainable development*

16. Evidence from various sources indicates that, both domestically and at the regional and subregional levels, to a greater extent than during earlier periods, social and labour policies were strengthened and prioritized in the 2006–10 period to encompass a more proactive public sector role with regard to employment, income and social protection networks. These policies were also the engine for the development of public and private capacity to generate quality jobs and promote sustainable enterprises, and they sought to heighten competitiveness by fostering tripartite dialogue between the social players. All this helped enhance State action for the economy and employment, while at the same time promoting greater public–private linkages that made it possible to tackle the financial and economic crisis of late 2008 in better conditions.

17. This trend emerged before 2006 in countries such as Argentina, Brazil and Uruguay, which started shifting public policy priorities in 2003, strengthening approaches that were subsequently applied in other countries in the region. The same approaches achieved a higher profile in various international forums and regional meetings between 2006 and 2010, with innovative proposals for sustained and sustainable development. The social partners, governments and international bodies have been promoting innovative policies and closely following the results, in particular of policies applied before the crisis of late 2008. In some countries, bipartite or tripartite dialogues have been held to analyse the issues (for example, the Tripartite Agreement on Employment in Chile and the Tripartite Agreement on Economic and Labour Emergencies in Free Trade Zones in Nicaragua).

18. According to various analyses,⁸ the new approaches were often first applied in the region after evaluation of the results obtained in terms of overcoming inequality, greater social integration and socio-economic progress. These were in many cases considered insufficient and, in part, the consequence of the development models followed since the 1970s and based directly or indirectly on what is known as the 1989 Washington Consensus and its predecessors, in particular various approaches used by the International Monetary Fund (IMF) and the World Bank at the start of the decade. The outlook that has emerged, both in the strategies drawn up in the light of those results, which were more structural in terms of equity, and in the face of the 2008 economic and

⁸ In this regard, see G. Rosenthal: “The financial and economic crisis of 2008 and its repercussions on economic thought”, in *CEPAL Review*, No. 100, April 2010; R. French-Davis: *Macroeconomía para el empleo decente en América Latina y el Caribe* [Macroeconomics for decent work in Latin America and the Caribbean], Growth and Employment Meeting, ILO Subregional Office for the Southern Cone of Latin America, 13 January 2010, and ILO Specialists Workshop, March 2010; J. Stiglitz: “The global crisis, social protection and jobs”, in *International Labour Review*, Vol. 148 (2009), Nos 1–2.

financial crisis, gives renewed value to the State's proactive capacity and to the application of counter-cyclical policies⁹ in ensuring better levels of social protection for citizens, especially at times of international economic crisis. At the 16th IACLM (October 2009), the governments recognized the importance of considering a more active role for the State.¹⁰ Likewise, the President of Brazil, Luiz Inácio Lula da Silva, speaking at the 33rd ECLAC Session in Brasilia (30 May–1 June 2010), stated: "The world expects signs of leadership. It is time for politics; the time for equality has arrived".¹¹

19. These processes paved the way for fresh debate on the conceptual underpinnings of development models, a matter in which the ILO has been interested for a number of years. This was made clear in the Director-General's Report to the 87th Session of the International Labour Conference (1999), which underscored concern at the results obtained by the predominant development model in terms of equality and opportunity. Referring to the processes of restructuring being implemented worldwide at the time, the Director-General wrote:

The standard policy response was formulated by the Bretton Woods institutions in the 1980s at the time of the debt crisis, and subsequently applied in the transition economies. It was based on two fundamental assumptions: that free markets were sufficient for growth; and that they were very nearly sufficient for social stability and political democracy. The strategy for economic success basically consisted in transferring responsibilities for regulation from the State to the market. ... Employment was a secondary derivative of these policies. The function of labour markets was limited to ensuring flexible adjustment to changes in the level of demand. Global governance consisted in the application of these policies by the international organizations responsible for financial stabilization and adjustment, trade liberalization and economic development.

These policies were influential because they were simple and universal. They brought necessary macroeconomic discipline and a new spirit of competition and creativity to the economy. They opened the way for the application of new technologies and new management practices. But they confused technical means of action – such as privatization and deregulation – with the social and economic ends of development. They became inflexible and did not take the social and political context of markets sufficiently into account. Their impact on people and their families was sometimes devastating.¹²

20. Ten years later, in his Report to the 98th Session of the International Labour Conference (June 2009), the Director-General recalled those words when referring to the global economic and financial crisis of late 2008:

From the beginning, the ILO has expressed many concerns with the values and ideological bias underpinning the Washington Consensus and questioned its foreseeable outcomes ... In the report *A fair globalization: Creating opportunities for all*, the World Commission on the Social Dimension of Globalization stated that "the current process of globalization is generating unbalanced outcomes, both between and within countries. Wealth is being created but too many countries and people are not sharing in its benefits ... these global imbalances are morally unacceptable and politically unsustainable". Having been critics, we must now help to put things right. The ILO Declaration on Social Justice for a Fair Globalization commits us to make social justice and fair globalization key drivers of the future.¹³

21. This view of the outcome of the process of globalization has not signified a return to the development models that prevailed from the 1940s to the early 1970s in Latin America, but rather a search for new strategies based on the lessons and outcomes of those experiences, which also resulted in inequality and inequity, and of experiences after the 1970s. The new strategies call for stronger ties between growth and macroeconomic and fiscal stability, and demand results in terms of progress and protection for people. They thereby place value on the improved macroeconomic equilibrium, fiscal stability and productive investment arising from proper conduct of countries in those areas, which have helped strengthen the crisis response capacity while at the same time

⁹ ILO: *Protecting people, promoting jobs: A survey of country employment and social protection policy responses to the global economic crisis*. An ILO report to the G20 Leaders' Summit, Pittsburgh, 24–25 September 2009.

¹⁰ IACLM: *Facing the crisis with development, decent work, and social protection*, op. cit., para. 1.

¹¹ See www.eclac.cl/cgi-bin/getProd.asp?xml=/prensa/noticias/comunicados/2/39742/P39742.xml&xsl=/prensa/tpl-i/p6f.xsl&base=/tpl/top-bottom.xslt, 1 June 2010.

¹² ILO: *Decent Work*, op. cit., p. 5.

¹³ See ILO: *Tackling the global jobs crisis: Recovery through decent work policies*, Report of the Director-General, Report I(A), International Labour Conference, 98th Session, Geneva, 2009, p. 1.

emphasizing the priority objective that growth should guarantee better and higher equity results in a framework of political and social democracy in which public action plays an active role.

22. While these policies can open new opportunities for progress towards decent work, the results obtained in the region since their implementation do not appear to be sufficient to overcome barriers to the full enjoyment of fundamental rights at work, to narrow gaps in income and opportunity, and to eradicate poverty and the various forms of discrimination. This is indicated in a joint ILO/ECLAC report on progress towards achieving the Millennium Development Goals¹⁴ and UNDP's studies on human development.¹⁵

23. One of the new instruments is the Global Jobs Pact, which was adopted by the ILO's tripartite constituent members at the 98th Session of the International Labour Conference (June 2009). The Pact contains a series of orientations, concepts and policies with major contributions to give these new policies content and strategic lines aimed at obtaining results that will lead to the achievement of sustainable development with social justice. These include respect for fundamental principles and rights at work and, in general, for the ILO's system of standards, the promotion of gender equality, the right to a "social protection floor" for all, environmental sustainability, encouragement of participation and social dialogue and the promotion of enterprise and of sustainable enterprises as key factors of recovery and development.¹⁶

24. In this framework, the workers' organizations,¹⁷ acting on the basis of the Social Justice Declaration (2008) and the Global Jobs Pact (2009), pledged to encourage, in their respective countries, the consultative processes recommended in the Pact, to stimulate a response from their organizations with regard to sustainable enterprise requirements and to incorporate them into ongoing processes of trade union training and self-reform. The Trade Union Confederation of the Americas (TUCA) and its affiliates drew up the Continental Trade Union Platform for Social Security. Likewise, the employers' organizations¹⁸ undertook to work in close contact with their members to help them make use of the Pact's proposals at the national level, initiate and tighten cooperation with other regional and international organizations in order to promote the Pact and seek cooperation opportunities, and work closely with the ILO, workers' organizations and the international trade union movement to give effect to the fundamental goals of the Pact.

(ii) Democratic regimes are more stable, although there continues to be some dissatisfaction with some of their results and the effectiveness of their institutions

25. The DWA for the Hemisphere states that the socio-political context is key to generating decent work and to fulfilling the strategic and cross-cutting objectives set out therein. In this framework, the proactive role of the State, its proper linkage to entrepreneurial activity and the creation of more and better sustainable enterprises are important in helping countries achieve more in the way of social justice, the enjoyment of civil rights, political stability and an appropriate and secure environment for economic development and enterprise, with a view to bolstering society's capacity and making substantive progress towards decent work.

26. The DWA for the Hemisphere and the ILO maintain that the generation of decent work requires solid public institutions in which the rule of law prevails, a framework that constitutes a key contribution to strengthening democracy. National labour market conditions are crucial factors of democratically functioning governments and political systems, and thus have an impact on democratic stability and governance.

¹⁴ ILO–ECLAC: *Informe interagencial sobre los avances en el cumplimiento de la meta 1.B de los Objetivos de Desarrollo del Milenio* [Interagency report on progress towards fulfilling Goal 1.B of the Millennium Development Goals] (May 2010).

¹⁵ See UNDP's national *Human Development Reports*, 1990–2010, <http://hdr.undp.org/en/reports/>.

¹⁶ ILO: *Recovering from the crisis: A Global Jobs Pact* (Geneva, 2009).

¹⁷ TUCA–ACTRAV: *Formación sindical sobre el Pacto Mundial para el Empleo, trabajo decente y desarrollo sostenible* [Trade union training on the Global Jobs Pact, decent work and sustainable development] (Montevideo, 1–3 March 2010).

¹⁸ IOE: *The Global Jobs Pact: Employers' guide* (2009).

27. The region has taken large strides forward in terms of strengthening democratic institutions since 1985, as revealed by a UNDP study on democracy in Latin America.¹⁹ The study nevertheless warns of various degrees of citizen dissatisfaction at the extent to which the problems of priority concern to them – such as job shortages and poor job quality, poverty eradication, rapid easing of the structural conditions fomenting economic inequality and limiting access to greater opportunity, and the complete elimination of all forms of discrimination – have been overcome. It also shows that, despite that dissatisfaction, more people are in favour of democracy (43 per cent) than define themselves as “non-democrats” (26.5 per cent), while those who say they are “neither for nor against” account for 30.5 per cent.

28. Along the same lines, the 2007 ECosociAL survey conducted in seven of the region’s countries found that, on average, about 60 per cent of those polled believed that “democracy is better than any other form of government”, whereas a little over 19 per cent considered it “better to have a government of strong authority in the hands of one person” and 17.1 per cent that “the form of government does not matter”.²⁰ More recent data from Latinobarómetro for 2006 and 2008 tend to confirm those findings.²¹

29. Consequently, dissatisfaction with some of the results of democracy does not necessarily spark a preference for other political systems such as authoritarianism. Rather, during this period and even earlier, there was a tendency to feel dissatisfaction at the functioning and results of certain institutions and the action of certain political representatives, but that uneasiness cannot be tied to a preference for another type of political system.

30. Strengthening and enhancing democracy in the region remains as important a goal as ever, both because of the shortcomings observed in some countries in terms of jobs, poverty, inequality and exclusion, and because of the weaknesses others have shown when it comes to the governability and consolidation of institutional democracy. The generation of decent work is a key factor in strengthening democracy, but it is also a consequence of better quality democracy in a society.

(iii) There was a discernible reduction in poverty during the 2005–08 period, but the recent global financial and economic crisis could reverse the trend in the coming years

31. The DWA for the Hemisphere incorporates the Millennium Development Goal to eradicate poverty and indigence. For the ILO, achieving this goal requires sustained and sustainable economic growth, stronger labour institutions and decisive public and private action in favour of jobs, alongside policies to reduce inequality and exclusion. Development policies should be drawn up from a holistic perspective that incorporates the structural components of the phenomena of poverty, exclusion, inequality, unemployment and precarious employment.

32. According to the evidence collected,²² the global financial and economic crisis that started in late 2008 is having a negative impact on the poverty reduction trend that emerged between 2000 and 2008, and this may hamper the achievement of the Millennium Development Goals. As the ILO Director-General stated in the preface to the Global Jobs Pact: “The damage to employment is ... threatening the achievement of the Millennium Development Goals, weakening middle classes, heightening risks to social cohesion and eroding confidence in decision-makers.

¹⁹ UNDP: *Democracy in Latin America: Towards a citizens' democracy* (2004).

²⁰ See ECosociAL: *Encuesta de Cohesión Social en América Latina* [Survey of Social Cohesion in Latin America], The Catholic University of Chile Institute of Sociology, CIEPLAN (Corporación de Estudios para Latinoamérica), the Fernando Henrique Cardoso Institute, the European Union and UNDP (2007). The survey was carried out in Argentina, Brazil, Colombia, Chile, Guatemala, Mexico and Peru.

²¹ See CEPALSTAT (ECLAC statistical database) in *Opinión Pública Latinoamericana*, Latinobarómetro 2006–08.

²² See ECLAC: *Statistical yearbook for Latin America and the Caribbean, 2008 (Santiago de Chile, 2009)*; ECLAC: *Objetivos de Desarrollo del Milenio, Informe Regional. El mercado laboral entre 1990 y 2009: Evolución de los indicadores de la Meta 1B de los ODM* [Lograr empleo pleno y productivo, y trabajo decente para todos, incluyendo mujeres y jóvenes] [Regional report on the Millennium Development Goals. The labour market between 1990 and 2009: Trends in the indicators under MDG target 1B (Achieve full and productive employment and decent work for all, including women and young people)], May 2010.

... some 300 million new jobs will need to be created from now to 2015 just to keep pace with the growth in the labour force”.²³

33. The incidence of poverty and indigence has fallen in Latin America since 2006. Based on data from 18 countries in the region, ECLAC estimates that, in 2007, 34.1 per cent of all people were poor and 8.1 per cent were indigent.²⁴ If those figures are held up against the regional data for 2005 indicated in the Decent Work Agenda for the Hemisphere, again according to ECLAC,²⁵ poverty fell by a modest 4.5 percentage points between 2005 and 2007 (from 38.6 per cent to 34.1 per cent). According to the same source, over a longer period (2000–07), poverty in the region fell by 8.4 percentage points (from 42.5 per cent to 34.1 per cent).

34. More recent data contained in a regional report on the Millennium Development Goals,²⁶ covering a longer period, confirm this trend. The period between 1990 and 2008 saw regional drops in the number of both working poor (from 39.9 per cent to 26.3 per cent) and working indigent (from 17.8 per cent to 11.3 per cent). The conclusion is therefore that poverty was falling at a steady but slow rate. During this period, Brazil’s poverty rate fell by 21 percentage points and Chile’s by 19. In Paraguay, however, poverty among those with jobs rose by six percentage points; slight increases were also recorded during the same period in the urban areas of Argentina and the rural parts of Colombia. The study indicates that the incidence of poverty and indigence was greater in rural than in urban areas.

35. The region’s labour market indicators have changed for the better, with lower rates, for example, of unemployment and informal work, in particular since the beginning of the millennium. All in all, despite the relative improvements achieved in working conditions and the capacity to generate jobs, extend social protection and narrow gender, ethnic and racial inequalities, the solutions to these problems remain, for the most part, inadequate.

36. Likewise, although a more proactive public sector endeavoured to enhance harmony between growth and social protection during the period, more needs to be done in that direction, in particular in the wake of the 2008 financial and economic crisis, in order to make progress towards achieving the goals of the DWA for the Hemisphere. This remains true even today, and even though, according to many analysts, the 2008 crisis had less of a negative impact on the possibilities to generate decent work in the region than initially believed.

37. The ILO maintains that the fundamental objective to reduce poverty will be met once and for all “[o]nly if the major imbalances currently found within labour markets are redressed”.²⁷ The same sentiment is expressed in ECLAC’s regional report, which identifies productive employment as “one of the constituent components of the concept of decent work and a key factor of poverty reduction”.²⁸ A more balanced relationship between productivity and work remuneration would help reduce poverty. In countries with better income distribution, the two are more closely related, and an increase in production has a quicker impact on low-income groups.²⁹ A balanced relationship between what workers generate in terms of wealth and the remuneration they receive in the light of their productivity and skills greatly contributes to making adequate and fairly paid work one of the more important means of improving the distribution of wealth and social equity.

38. In 2008, between 7 per cent (Chile) and 60 per cent (Honduras) of the employed lived in poverty, and between 1 per cent (Chile) and 40 per cent (Honduras) were indigent. In the

²³ ILO: *Recovering from the crisis: A Global Jobs Pact*, op. cit., pp. iii–iv.

²⁴ ECLAC: *Statistical yearbook for Latin America and the Caribbean, 2008*, op. cit. There are no figures on this for the Caribbean and no 2009 figures for Latin America.

²⁵ ECLAC: *Social Panorama of Latin America 2005* (Santiago, 2006).

²⁶ ECLAC: *Objetivos de Desarrollo del Milenio, Informe Regional* [Regional report on the Millennium Development Goals], op. cit.

²⁷ ILO: *Decent work in the Americas: An agenda for the Hemisphere, 2006–15*, op. cit., p. 7.

²⁸ ECLAC: *Objetivos de Desarrollo del Milenio, Informe Regional* [Regional report on the Millennium Development Goals], op. cit., p. 5, Ch. III (translated from Spanish).

²⁹ *ibid.*

Caribbean, according to ILO and World Bank data, the number of workers living on less than US\$1.25 a day varied between 0.2 per cent (Jamaica) and 54.9 per cent (Haiti).³⁰

39. In this regard, the 16th IACLM (Buenos Aires, October 2009) declared: “We are convinced that promotion of employment levels and protection of job quality, in addition to being a prerequisite for sustainable democratic systems, are an indispensable objective in tackling the impact of the crisis on the living standards of our peoples”.³¹

40. By the same token, the regional report on the Millennium Development Goals indicates that lack of access to quality jobs is a decisive factor of poverty and of social inequality,³² which continue unabated over time and are reflected in high and persistent income concentration in the region.³³ The peoples of Latin America are of the same view: according to *Latinobarómetro* surveys, they consider unemployment to be the biggest problem in their countries.

41. As indicated in the ILO’s 2009 document, *Protecting people, promoting jobs: From crisis response to recovery and sustainable growth*, with regard to the effects of the 2008 economic and financial crisis:

Many ILO constituents reflect continued concerns and fears about lack of credit, endangered enterprises, plant closures, job and earnings losses and anxiety about the future. Particularly distressing for working families is that even the more positive forecasts continue to regard high unemployment as inevitable long after recovery begins. Recent opinion polls in different regions have recorded high levels of labour market insecurity across large swathes of the world’s population.³⁴

(iv) Growing credence is being given to the point of view that the processes, problems and opportunities generated by globalization also have to be tackled globally, by strengthening multilateralism so as to promote international governance

42. Since the 2008 financial and economic crisis, the point of view that the processes, problems and opportunities generated by globalization require global approaches has been gaining ground. Although this point of view is not new, the arrival of the crisis at a time of growing economic integration worldwide has made the need for strategies that also incorporate a global vision more obvious. This is the ILO’s point of view, and it has received more and more international backing at the highest political level. The Heads of State and Government attending the United Nations 2005 World Summit declared: “We strongly support fair globalization and resolve to make the goals of full and productive employment and decent work for all, including for women and young people, a central objective of our relevant national and international policies as well as our national development strategies”.³⁵ The Director-General echoes that sentiment in the Global Jobs Pact of June 2009.

43. The ILO Declaration on Social Justice for a Fair Globalization of June 2008 provides leaders and decision-makers with:

... a balanced approach that connects with people and productive solutions at home, while also offering a common platform for governance at the international level. It contributes to policy coherence for sustainable

³⁰ ECLAC: *Objetivos de Desarrollo del Milenio, Informe Regional* [Regional report on the Millennium Development Goals], op. cit., Ch. III, p. 11.

³¹ IACLM: *Facing the crisis with development, decent work, and social protection*, op. cit., para. 9.

³² Around 2005, except in Uruguay, wages and salaries accounted for between 70.5 per cent (Panama) and 92 per cent (Nicaragua) of total income inequality in Latin America and the Caribbean, measured using the Gini coefficient.

³³ ECLAC: *Objetivos de Desarrollo del Milenio, Informe Regional* [Regional report on the Millennium Development Goals], op. cit., Ch. III, p. 1.

³⁴ ILO: *Protecting people, promoting jobs: From crisis response to recovery and sustainable growth*. Communication to G20 Leaders by the ILO Director-General, Pittsburgh Summit, 24–25 September 2009, p. 6, para. 24. See also the Gallup Survey, 13 August 2009; Eurobarometer 316, European Union, 27 July 2009; the survey conducted by Reforma, Mexico, in Reuters, 1 July 2009; the survey conducted by the Japan Productivity Centre, in Reuters, 30 June 2009; *South China Morning Post*, 17 July 2009; IPSOS survey, August 2009, on Chile.

³⁵ United Nations: *2005 World Summit Outcome* (2005). The declaration repeats the commitments made at the 1995 World Summit for Social Development.

development in national policies, among international organizations and in development cooperation, bringing together social, economic and environmental objectives. In this regard, it highlights that international and regional organizations with mandates in closely related fields can play an important role in the implementation of the integrated approach required and invites them to promote decent work.³⁶

44. In an article recently published by the ILO's *International Labour Review*, Nobel economist Joseph Stiglitz writes that although the 2008 crisis clearly started in the United States, its consequences are global in scope and strongly affect even those developing countries that are managing their economies well.³⁷ This means that the global crisis must be met with global measures, yet many countries only adopt national economic measures, and most developing countries do not have the resources to implement counter-cyclical policies. If these points go unheeded, he adds, the world will not emerge from the crisis as soon as all that, for it cannot do so if one part recovers and the other is unable to do so.

45. In Latin America and the Caribbean, as in many other parts of the world, policies have been adopted to deal with the crisis that imply international action, as the Director-General indicates in the report he presented to the G20 Summit (Pittsburgh, September 2009).³⁸ The report states that the policies developed worldwide to tackle the crisis of late 2008 have in many cases taken on equivalent scope that gave priority to social protection aspects in the context of counter-cyclical strategies, thus generating innovative approaches compared to the national responses to earlier shocks.

46. As a result, the review of progress towards attaining the goals of the DWA for the Hemisphere within the framework of the social labour policies developed by the region's countries since 2006 must carefully scrutinize this global dimension contextualizing both the problems and the responses to them.

³⁶ ILO: *ILO Declaration on Social Justice for a Fair Globalization*, adopted by the 97th Session of the International Labour Conference, Geneva, 10 June 2008, p. 3.

³⁷ Stiglitz: "The global crisis, social protection and jobs", op. cit.

³⁸ ILO: *Protecting people, promoting jobs: A survey of country employment and social protection policy responses to the global economic crisis*, op. cit.

II. The region's social and labour policies in the period 2006–10 and the strategic areas of the DWA for the Hemisphere

1. Job-rich growth

47. In 2006, the DWA for the Hemisphere stated that the economies of many countries in Latin America and the Caribbean were experiencing job-poor, slow growth, and that job quality fell far short of decent work requirements. To overcome this, the Agenda suggested that the region's countries set a target of sustained and stable growth of at least 5 per cent per year for the next ten years, until 2015, and commensurate changes in jobs and wages.

48. This Report notes that, according to the data collected, the region exceeded that growth target between 2006 and 2008, with gross domestic product (GDP) rising by an average of 5.2 per cent during that period. Growth was highest in the Andean subregion (6.9 per cent), followed by Central America (6.7 per cent) and the Southern Cone and the Caribbean (5.7 per cent). In North America, Mexico had a growth rate of 3.3 per cent.

49. During the same period, employment rates and the level of formal employment rose substantially, whereas the regional unemployment rate fell. Average real pay also showed a moderate tendency to rise. Nevertheless, according to the ILO, the average weighted increase in average real pay remained, in most countries, below the increase in labour productivity, suggesting that the growth recorded was unable effectively to redistribute the added value of the labour generating the wealth.

50. The global economic and financial crisis changed the picture. It was triggered in the United States in late 2008 by the limits of a pattern of financial growth in which speculation played a large part, and spread from there around the globe, affecting the real economy and labour markets.

51. As a result of the crisis, in late 2009 regional output had contracted by 1.9 per cent and per capita output by 3 per cent compared to 2008. This was reflected in the region's labour markets, with falls in employment levels, rising unemployment rates and a more rapid deterioration in job quality. The urban unemployment rate in Latin America and the Caribbean, which was 7.7 per cent in September 2008, had risen to 8.1 per cent by the end of 2009 and is forecast to hit 8.2 per cent by the end of 2010.

52. The crisis appears to have had less of an effect than anticipated on the labour market, as although unemployment rose and wages fell, this was not by as much as expected. This is because the region was better prepared than during previous crises, given that, in general, it had a good fiscal situation, international reserves and moderate inflation. Governments therefore had sufficient resources and support to deploy counter-cyclical fiscal and monetary policies that marked a departure from those adopted in the crises of the previous 20 years. The political will was derived from the long process of learning and debate on the results of earlier policies and the socio-political conditions they created.

53. The economic recovery started earlier than expected, in mid-2009. The labour markets that were hardest hit in the fourth quarter of 2008 also showed signs of stabilization in mid-2009 and had improved considerably by year-end.

54. The crisis affected men's and women's employment differently. In 11 of the 14 countries on which information was available, there was a greater drop in employment among men. However, the unemployment rate for women remained above that for men and employment, income and

access to quality jobs all suffer from a wide gender gap. At the same time, the unemployment rate rose more among young people than among adults.

55. In addition, the situation with regard to micro-enterprises and small companies, occupational training and employment services also experienced limited development of the momentum required to reach the targets set out for those areas in the DWA for the Hemisphere.

56. In short, this Report shows, on the basis of empirical evidence, that in the first strategic area of job-rich growth, thanks to the counter-cyclical and proactive public sector policies applied, and in spite of the impact of the financial and economic crisis, the targets proposed in the DWA for the Hemisphere for 2015 could be reached in most of the region's countries, if the present momentum for recovery is maintained and public pro-decent work policies continue to be applied. In other words, a pattern must be maintained, as many countries are endeavouring to do, that combines macroeconomic policies producing good results in terms of job quality, entrepreneurship and social protection.

1.1. Changes in economic activity

57. The data collected show that by late 2008 almost all the region's countries had exceeded the DWA for the Hemisphere's proposed target of at least 5 per cent annual growth. Growth was spurred by favourable external conditions, the good performance of exports of basic products and an increase in domestic demand and investment.

58. As shown in table 1, between 2000 and 2005, before the Agenda was formulated, GDP grew by an annual average of 2.9 per cent in the region; between 2006 and 2008 average annual growth rose to 5.2 per cent, in particular in the Andean and Central American subregions, where economies expanded by an annual average of 6.9 per cent and 6.7 per cent, respectively. In the Southern Cone and the Caribbean, growth was slightly above the annual target proposed in the Agenda, at 5.7 per cent, and only Mexico was less dynamic, averaging 3.3 per cent growth between 2006 and 2008.

59. Warnings were sounded in 2007 of the negative impact that the mortgage crisis and the as-yet latent risks of the balance of payments current account deficit in the United States could have in the region if international financial markets became highly volatile. Factors reappeared that historically had stunted the capacity of the region's economies for stable growth over time, in particular fluctuating global demand, which results in underuse of productive capacity and lower productivity. During periods of contraction, macroeconomic policy had traditionally been cyclical, and adjustments in the domestic market, which had a dampening effect on labour, ended up magnifying rather than moderating the effect of external shocks.

60. As was to be expected, the global financial and economic crisis stymied the positive trend in growth experienced in the region in previous years. This prevented the region from attaining the growth target set by the DWA for the Hemisphere in 2008 and led to a 1.9 per cent drop in regional GDP in 2009, mainly because of the 9.5 per cent contraction in regional exports during that year. The level of activity fell furthest in Mexico (by 6.5 per cent), followed by the Andean subregion (0.8 per cent) and the Caribbean (0.3 per cent), while Central America registered no growth (0 per cent) and the Southern Cone only marginal growth (0.1 per cent). According to the ILO, GDP fell by 2.5 per cent in the United States and by 3.4 per cent in Canada.³⁹

61. In mid-2009, the region's economies started showing signs of slight but sustained recovery; spearheaded by Brazil,⁴⁰ the recovery picked up pace to varying degrees in different countries. Brazil took the lead during the second quarter of 2009, owing in part to its larger domestic market, to the diversity of its products and its export markets and to its growing ties to

³⁹ ILO: G20. *Accelerating a job-rich recovery in G20 countries: Building on experience*. An ILO report, with substantive contributions from the OECD, to the Meeting of G20 Labour and Employment Ministers, 20–21 April 2010, Washington, DC (Geneva, 2010).

⁴⁰ ILO: 2009 *Labour Overview: Latin America and the Caribbean*, ILO Regional Office for Latin America and the Caribbean, Lima, 2009.

Table 1. Latin America and the Caribbean: Gross domestic product 2000–09 (annual variations)

Country	2000	2001	2002	2003	2004	2005	2000–05 ^a	2006	2007	2008	2006–08 ^a	2009 ^b
Argentina	-0.8	-4.4	-10.9	8.8	9.0	9.2	1.5	8.5	8.7	6.8	8.0	0.9 ^c
Brazil	4.3	1.3	2.7	1.1	5.7	3.2	3.0	4.0	5.7	5.1	4.9	-0.2 ^c
Chile	4.5	3.4	2.2	3.9	6.0	5.6	4.3	4.6	4.7	3.2	4.2	-1.5 ^c
Paraguay	-3.3	2.1	0.0	3.8	4.1	2.9	1.6	4.3	6.8	5.8	5.6	-3.5 ^d
Uruguay	-1.4	-3.4	-11	2.2	11.8	6.6	0.5	7.0	7.6	8.9	7.8	2.9 ^c
Southern Cone subregion	2.7	-0.2	-1.2	3.2	6.7	5.0	2.6	5.3	6.5	5.5	5.7	0.1
Bolivia, Plur. State of	2.5	1.7	2.5	2.7	4.2	4.4	3.0	4.8	4.6	6.1	5.2	3.5 ^d
Colombia	2.9	2.2	2.5	4.6	4.7	5.7	3.8	6.9	7.5	2.4	5.6	0.5 ^c
Ecuador	2.8	5.3	4.2	3.6	8.0	6.0	5.0	3.9	2.5	6.5	4.3	0.4 ^c
Peru	3.0	0.2	5.0	4.0	5.0	6.8	4.0	7.7	8.9	9.8	8.8	0.9 ^c
Venezuela, Bol. Rep. of	3.7	3.4	-8.9	-7.8	18.3	10.3	2.7	9.9	8.2	4.8	7.6	-3.3 ^c
Andean subregion	3.2	2.5	-1.6	-0.3	9.7	7.7	3.4	8.0	7.7	5.1	6.9	-0.8
Costa Rica	1.8	1.1	2.9	6.4	4.3	5.9	3.7	8.8	7.8	2.6	6.4	-1.2 ^d
Dominican Republic	5.7	1.8	5.8	-0.3	1.3	9.3	3.9	10.7	8.5	5.3	8.1	2.5 ^d
El Salvador	2.2	1.7	2.3	2.3	1.9	3.1	2.2	4.2	4.7	2.5	3.8	-2.5 ^d
Guatemala	3.6	2.3	3.9	2.5	3.2	3.3	3.1	5.4	6.3	4.0	5.2	-1.0 ^d
Honduras	5.7	2.7	3.8	4.5	6.2	6.1	4.8	6.6	6.3	4.0	5.6	-3.0 ^d
Nicaragua	4.1	3.0	0.8	2.5	5.3	4.3	3.3	3.9	3.2	3.2	3.4	-1.5 ^d
Panama	2.7	0.6	2.2	4.2	7.5	7.2	4.0	8.5	12.1	10.7	10.4	2.5 ^d
Central America subregion	3.7	1.7	3.6	2.8	3.6	6.0	3.6	7.6	7.6	4.8	6.7	-
Antigua and Barbuda	1.5	2.0	2.5	5.2	7.0	4.2	3.7	13.3	9.1	0.2	7.4	-8.5 ^e
Bahamas	3.7	-0.3	2.6	-0.9	-0.8	5.7	1.6	4.3	0.7	-1.7	1.1	-3.9 ^d
Barbados	2.3	-4.6	0.7	2.0	4.8	3.9	1.5	3.2	3.4	0.2	2.3	-3.6 ^d
Belize	12.3	5.0	5.1	9.3	4.6	3.0	6.5	4.7	1.2	3.8	3.2	-0.5 ^d
Cuba	5.9	3.2	1.4	3.8	5.8	11.2	5.2	12.1	7.3	4.1	7.8	1.0 ^d
Grenada	12.0	-3.9	2.1	8.4	-6.5	12.0	3.8	-1.9	4.5	0.9	1.1	-5.0 ^e
Guyana	-0.7	1.6	1.2	-0.7	1.6	-2.0	0.2	5.1	5.3	3.1	4.5	0.9 ^d
Haiti	0.9	-1.0	-0.3	0.4	-3.5	1.8	-0.3	2.3	3.4	1.3	2.3	2.0 ^d
Jamaica	0.7	1.3	1.0	3.5	1.4	1.0	1.5	2.7	1.4	-0.6	1.2	-3.0 ^d
Saint Kitts and Nevis	4.3	2.0	1.0	0.5	7.6	5.6	3.5	5.5	2.0	4.6	4.0	-8.5 ^d
Saint Lucia	-0.2	-5.9	2.0	4.1	4.9	5.0	1.6	5.9	2.2	0.8	2.9	-3.8 ^e
Saint Vincent and the Grenadines	1.8	2.2	3.8	3.1	6.6	2.1	3.3	9.5	8.4	1.1	6.3	-0.2 ^e
Suriname	1.9	5.7	2.7	6.8	0.5	7.2	4.1	3.9	5.1	4.3	4.4	2.5 ^d
Trinidad and Tobago	6.9	4.2	7.9	14.4	8.0	5.4	7.8	14.4	4.6	2.3	7.0	-0.5 ^d
The Caribbean	4.5	2.2	2.3	4.7	4.3	7.4	4.2	9.6	5.2	2.6	5.7	-0.3
Mexico	6.6	0.0	0.8	1.4	4.0	3.3	2.6	5.0	3.4	1.3	3.3	-6.5 ^c
Latin America and the Caribbean	4.0	0.4	-0.4	2.2	6.1	5.0	2.9	5.8	5.8	4.1	5.2	-1.9 ^d

^a Annual variations. ^b Preliminary figures. ^c Official estimates. ^d ECLAC estimates. ^e Eastern Caribbean Central Bank estimates.

Source: ILO, based on official information from the countries and from ECLAC.

Asia, factors that were heightened by the counter-cyclical policies adopted by the Brazilian Government to tackle the crisis.

62. ECLAC estimates that the region's GDP will grow by 5.2 per cent in 2010, a more energetic pace than in the second half of 2009. Six countries will probably be ahead of the regional average: Brazil (7.6 per cent), Uruguay and Paraguay (7 per cent), Argentina (6.8 per cent), Peru (6.7 per cent) and the Dominican Republic (6 per cent). The economies of four other countries will expand slightly less than the regional average: Panama (5 per cent), the Plurinational State of Bolivia (4.5 per cent), Chile (4.3 per cent) and Mexico (4.1 per cent); on the other hand, the pace of growth will drag in Colombia (3.7 per cent), Ecuador and Honduras (2.5 per cent) and Guatemala and Nicaragua (2 per cent), and the economy will contract in the Bolivarian Republic of Venezuela (by 3 per cent).⁴¹

63. The recovery is picking up speed more rapidly than expected, especially in the countries that applied counter-cyclical policies, in those with large domestic markets and in those strengthened by a regional space and by the fact that a high proportion of their exports are to Asia. The surge in activity is therefore reported to be consolidating in the region, driven by private consumption, greater investment and an upturn in exports. This is not to say, however, that all risks have been eliminated, because the process depends on the consistent and constant use of the means deployed and the effective behaviour of external markets.

1.2. Changes in employment, unemployment and informality

64. The DWA for the Hemisphere states that sustained and stable growth should stimulate job creation and conditions that are conducive to decent work, in an approach that is not just economic but also substantially based on the enjoyment of rights.

65. As is illustrated in figure 1, steady growth in economic activity had a positive effect on job creation, and unemployment tapered off during the period under review. This fostered a climate conducive to fulfilment of the Agenda's targets up to the start of the global financial and economic crisis. Indeed, as can be observed in table 2, the regional unemployment rate fell sharply, from 11.2 per cent in 2002 to 7.3 per cent in 2008, and started to creep up again as of the final quarter of 2008. The pattern was the same in all the subregions except Mexico, where the average annual unemployment rate, which was 4.2 per cent between 2000 and 2005, rose to 4.8 per cent between 2006 and 2008.

66. The regional open unemployment rate rose from 7.3 per cent in 2008 to 8.1 per cent in 2009, the equivalent of about 18.1 million unemployed urban workers, or 2.2 million more than in 2008.⁴² The trend was reproduced, but with differences, in each country. In the Southern Cone, unemployment rose more sharply in Chile (by 1.9 percentage points) and fell only in Uruguay (by 0.2 percentage points). In the Andean subregion, the greatest increases were in the Plurinational State of Bolivia, Colombia and Ecuador, whereas in Peru the rate remained steady. In Central America, there was a marked rise in this indicator in Costa Rica and Panama (2.8 and 1.4 percentage points, respectively), whereas in the Caribbean, it rose in the Bahamas from 8.7 per cent to 14.2 per cent (the highest unemployment rate in the region), outstripping the rate in Mexico which rose from 4.9 per cent in 2008 to 6.6 per cent in 2009.

67. In the case of the United States, although economic activity fell relatively modestly in 2009, the unemployment rate rose by more than 3 percentage points, whereas in Canada, where the fall in GDP was steeper, the impact on unemployment was less severe.⁴³

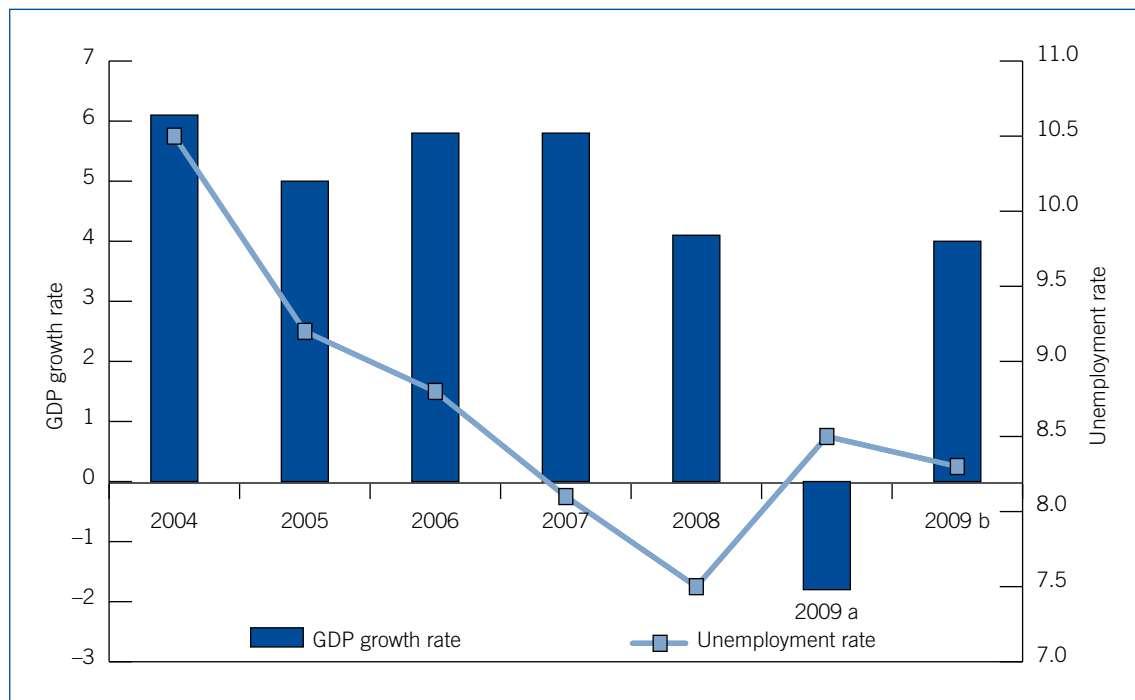
68. The unemployment rate forecast for the region in 2010 is 7.8 per cent, an improvement over 2009; the actual rate will depend on the extent of economic activity, considering that, as experience has shown, employment recovery tends to lag behind production recovery.

⁴¹ ECLAC: *Economic Survey of Latin America and the Caribbean 2009–2010* (Santiago, July 2010).

⁴² ILO: *2009 Labour Overview: Latin America and the Caribbean*, op. cit.

⁴³ *ibid.*

Figure 1. Latin America and the Caribbean: Rise in GDP and the unemployment rate, data observed and forecasts 2004–10 (percentages)



^a Estimate. ^b Forecasts.

Source: ILO, based on official information from the countries.

69. As can be seen in table 3, the trends with respect to participation by age group remained the same as before the crisis.

70. During the crisis, unemployment rose in most of the region's countries as much for men as for women; in any event, women continued to suffer from unemployment 1.4 times as much as men, even though unemployment had a greater impact on men. In eight of the 12 countries considered, average weighted male unemployment rose from 6.3 per cent to 7.5 per cent when the first three quarters of 2008 and 2009 are compared, whereas the female unemployment rate rose from 9.3 per cent to 10.1 per cent⁴⁴ (figure 2). This is because the crisis had a greater impact in sectors with larger numbers of male workers, such as industry and construction.

71. As concerns informal employment,⁴⁵ the ILO has information on five of the region's countries (Colombia, Ecuador, Mexico, Panama and Peru) in which employment surveys incorporate questions that serve to identify the characteristics of informal companies and record the working conditions of the jobs there. In those countries, informal employment grew by 2.1 per cent in the second quarter of 2009 compared to the same period in 2008, or less than it did in 2008 compared to the same period in 2007, suggesting that formal companies adjusted employment by reducing the number of staff on irregular or atypical contracts. However, the greatest impact of economic contraction can be seen in the rise in the number of jobs in the informal sector, which went up by 3.1 per cent between 2008 and 2009, or by more than the 2.7 per cent increase recorded between 2007 and 2008 (figure 3). Although total informal employment rose equally for men and women, in the case of informal employment in formal companies the drop was greater for women

⁴⁴ ILO: *2009 Labour Overview: Latin America and the Caribbean*, op. cit.

⁴⁵ *ibid.* The ILO defines informal employment in terms of its two main components. These are "employment in the informal sector", as defined by the 15th International Conference of Labour Statisticians (ICLS), which was held in 1993, and "informal employment in the formal sector", as established by the 17th ICLS in 2003. Employment in the informal sector refers to the characteristics of units of production that fail to meet certain obligations inherent in formality, such as being constituted as a body corporate or keeping accounts. Informal employment in formal enterprises refers to the characteristics of the jobs and encompasses persons who, even though they work for formal enterprises, are not covered by labour or social protection standards, such as social security (unprotected workers in the formal sector). It also comprises domestic workers who are not covered by labour or social legislation.

Table 2. Latin America and the Caribbean: Urban unemployment, 2000–09
 (average annual rates)

Country	2000	2001	2002	2003	2004	2005	2000–2005 ^t	2006	2007	2008	2006–2008 ^t	2009
Argentina ^a	15.1	17.4	19.7	17.3	13.6	11.6	17.0	10.2	8.5	7.9	8.8	8.7
Brazil ^b	7.1	6.2	11.7	12.3	11.5	9.8	11.2	10.0	9.3	7.9	9.1	8.1
Chile ^c	9.7	9.9	9.8	9.5	10.0	9.2	9.7	7.8	7.1	7.8	7.6	9.7
Paraguay ^d	10.0	10.8	14.7	11.2	10.0	7.6	10.7	8.9	7.2	7.4	7.8	–
Uruguay ^d	13.6	15.3	17.0	16.9	13.1	12.2	14.7	11.4	9.6	7.9	9.6	7.7
Southern Cone subregion ⁿ	12.4	11.7	13.4	13.0	11.7	10.1	12.0	9.9	9.0	7.9	8.9	–
Bolivia, Plur. State of ^e	7.5	8.5	8.7	9.2	6.2	8.2	8.0	8.0	7.7	6.7	7.5	7.9
Colombia ^f	17.3	18.2	17.6	16.6	15.3	13.9	16.5	12.9	11.4	11.5	11.9	13
Ecuador ^g	9.0	10.9	9.2	11.5	9.7	8.5	9.8	8.1	7.3	6.9	7.4	8.5
Peru ^h	7.8	9.2	9.4	9.4	9.4	9.6	9.1	8.5	8.5	8.4	8.4	8.4
Venezuela, Bol. Rep. of ⁱ	13.9	13.3	15.9	18.0	15.3	12.3	14.8	10.0	8.4	7.3	8.6	7.8
Andean subregion ^o	12.3	13.2	13.4	13.7	12.3	11.2	12.7	10	9	8.8	9.3	9.7
Costa Rica ^d	5.2	5.8	6.8	6.7	6.7	6.9	6.3	6.0	4.8	4.8	5.2	7.6
El Salvador ^j	6.7	7.0	6.2	6.2	6.5	7.3	6.6	5.7	5.8	5.5	5.7	–
Guatemala ^d	2.9	–	5.1	5.2	4.4	–	–	–	–	–	–	–
Honduras ^d	–	5.5	5.9	7.4	8.0	6.1	6.4	4.6	3.9	4.2	4.2	4.9 ^u
Nicaragua ^k	7.8	11.3	12.2	10.2	8.6	7.0	9.5	7.0	6.9	8.0	7.3	–
Panama ^l	15.3	17.0	16.5	15.9	14.1	12.1	15.2	10.4	7.8	6.5	8.2	7.9
Dominican Republic ⁱ	13.9	15.6	16.1	16.7	18.4	17.9	16.4	16.2	15.6	14.1	15.3	14.9
Central American subregion ^p	7.0	8.1	8.0	8.0	7.4	7.0	7.6	6.0	5.3	5.3	5.5	–
Bahamas ⁱ	–	6.9	9.1	10.8	10.2	10.2	9.1	7.7	7.9	8.7	8.1	14.2
Barbados ⁱ	9.3	9.9	10.3	11.0	9.6	9.1	9.9	8.7	7.4	8.1	8.1	10.0
Belize ⁱ	11.1	9.1	10.0	12.9	11.6	11.0	11.0	9.4	8.5	8.2	8.7	–
Cuba ^c	5.4	4.1	3.3	2.3	1.9	1.9	3.2	1.9	1.8	1.6	1.8	1.7
Jamaica ^l	15.5	15.0	14.3	10.9	11.4	11.2	13.1	10.3	9.8	10.6	10.2	11.4
Trinidad and Tobago ⁱ	12.1	10.9	10.4	10.5	8.3	8.0	10.0	6.2	5.5	4.6	5.5	5.3
The Caribbean												
including Cuba ^q	7.8	6.7	6.1	5.0	4.5	4.6	5.9	4.2	3.9	3.9	4.0	–
excluding Cuba ^r	13.3	12.5	12.3	10.9	10.3	10.2	11.7	8.9	8.3	8.6	8.6	–
Mexico ^m	3.4	3.6	3.9	4.6	5.3	4.7	4.2	4.6	4.8	4.9	4.8	6.6
Latin America and the Caribbean ^s	10.3	10.2	11.2	11.2	10.3	9.1	10.4	8.6	7.9	7.3	8.0	8.1 ^v

^a Gradual incorporation of up to 31 urban areas. Measured differently as of 2003; data not comparable with previous years.
^b Six metropolitan areas. Measured differently as of 2002; data not comparable with previous years. ^c National total. ^d National urban.
^e Urban area. 2004 figure based on the survey carried out between November 2003 and October 2004. Measured differently as of 2009, not comparable with previous years. ^f Thirteen metropolitan areas. Includes hidden unemployment.
^g National urban, 2000 (November), 2001 (August) and 2003 (December). Starting in 2004, average four quarters. Includes hidden unemployment.
^h Metropolitan Lima. Measured differently as of 2002; data not comparable with previous years.
ⁱ National total. Includes hidden unemployment. ^j National urban. Measured differently as of 2007; data not comparable with previous years.
^k National urban. Measured differently as of 2007; data not comparable with previous years. ^l National urban. Includes hidden unemployment.
^m 32 urban areas. ⁿ Weighted average. Includes adjustment of data for Argentina and Brazil reflecting methodological changes in 2003 and 2002, respectively. ^o Weighted average. Includes adjustment of data relating to the exclusion of hidden unemployment in Colombia and Ecuador. ^p Weighted average. Includes adjustment of data relating to the exclusion of hidden unemployment in Panama and the Dominican Republic. Without Guatemala. ^q Weighted average. ^r Weighted average. ^s Weighted average. Includes adjustment of data relating to methodological changes in Argentina (2003) and Brazil (2002) and to the exclusion of hidden unemployment in Colombia, Ecuador, Panama and the Dominican Republic. Figures reviewed. ^t Simple average. Includes adjustment of data for Argentina and Brazil reflecting methodological changes in 2003 and 2002, respectively. ^u May data. ^v Preliminary.

Source: ILO, based on official information from country household surveys.

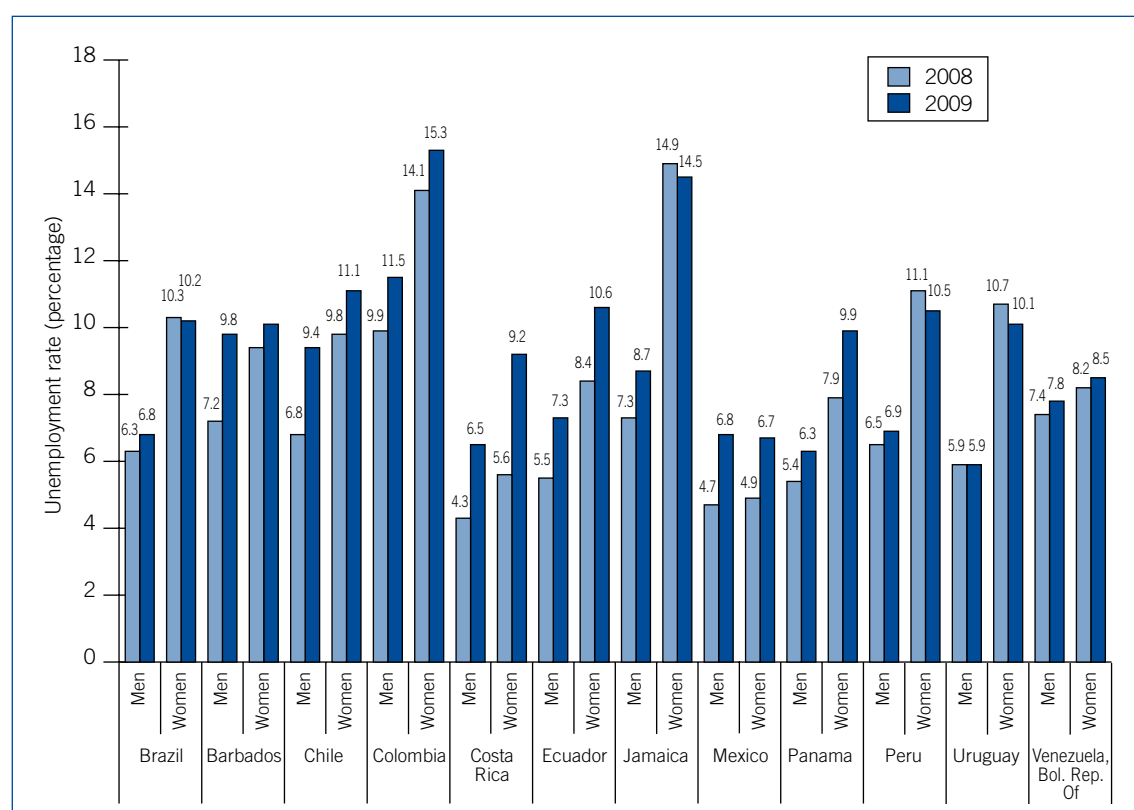
Table 3. Latin America (eight countries): Participation, employment and unemployment rates by age group, first quarter – third quarter 2008 and 2009 (percentages)

Countries	Participation rates				Employment rates				Unemployment rates			
	15–24 years		25 and over		15–24 years		25 and over		15–24 years		25 and over	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
Brazil (six metropolitan regions)	56.6	55.1	64.0	64.0	46.0	44.6	60.5	60.2	18.7	19.1	5.5	5.9
Chile (national) ^a	34.6	33.8	62.3	62.3	27.7	26.1	52.5	57.3	19.8	22.9	6.1	8.0
Colombia (13 metropolitan areas) ^b	52.4	54.2	67.0	68.3	40.8	41.1	61.3	61.7	22.1	24.1	8.4	8.7
Ecuador (urban) ^a	36.3	35.3	75.0	74.1	31.0	29.2	71.7	69.6	14.4	17.5	4.4	6.1
Mexico (national) ^c	44.6	42.9	64.6	64.5	41.2	38.5	62.7	61.8	7.6	10.3	2.9	4.2
Peru (Metropolitan Lima) ^c	55.2	52.4	74.6	74.9	46.4	43.5	70.0	70.5	15.9	16.8	6.1	5.9
Uruguay (urban) ^c	48.0	48.9	66.1	67.3	37.2	38.4	62.5	63.8	22.5	21.5	5.4	5.2
Venezuela, Bol. Rep. of (national)	44.7	44.0	50.5	50.6	38.2	36.9	47.4	47.5	14.6	16.1	6.1	6.3

^a First semester. ^b The age groups are 14–26 and 27 or older. ^c The first age group is 14–24.

Source: ILO, based on official information from country household surveys.

Figure 2. Latin America and the Caribbean (12 countries): Urban unemployment rates for men and women, first quarter – third quarter 2008 and 2009^a (percentages)



^a In the cases of Chile, Jamaica and the Bolivarian Republic of Venezuela, the national total is taken into account.

Source: ILO, on the basis of official information from country household surveys.

(–2.25 per cent) than for men (–1.1 per cent). Informal employment in households also rose, by 3.2 per cent between 2008 and 2009.

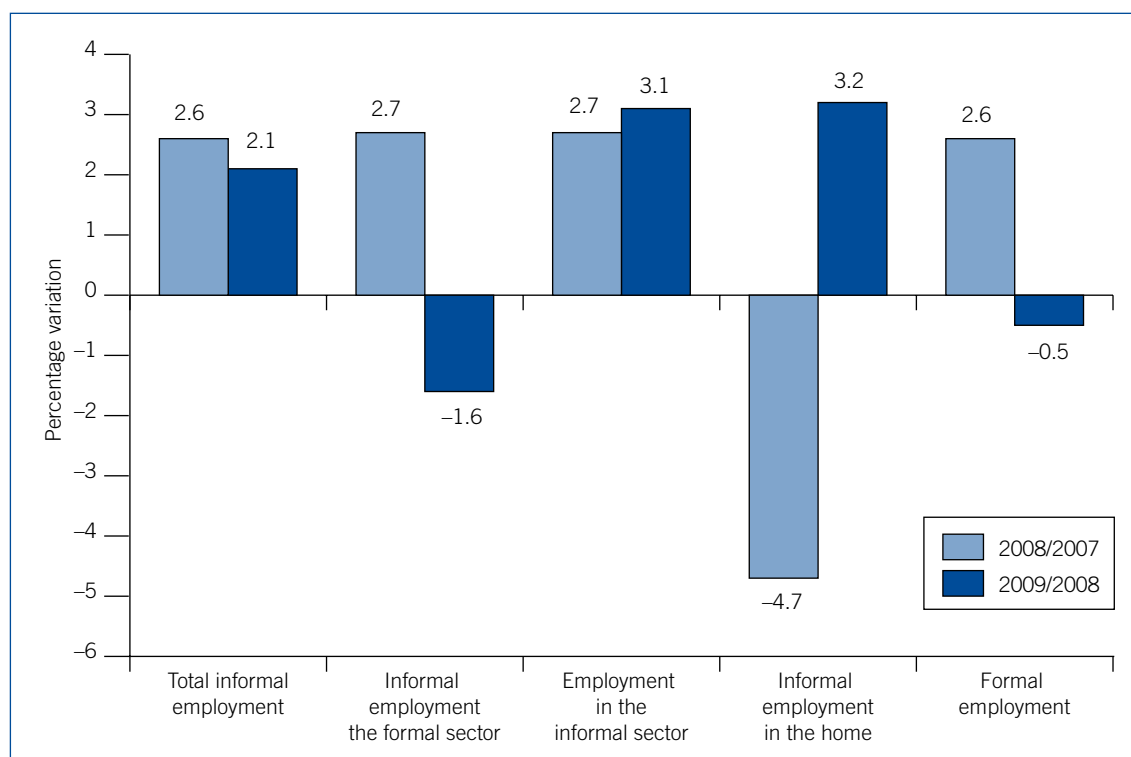
72. According to these data, the impact of the crisis in the countries reviewed has resulted in an increase in employment in informal enterprises, such as micro-businesses and small-scale undertakings, as demand for wage-earning workers has fallen. Total informal employment rose from 52.9 per cent in 2007 to 53 per cent in 2008 and to 53.6 per cent in 2009,⁴⁶ undermining the progress made in the years preceding the crisis and increasing the distance left to reach the target established in the DWA for the Hemisphere to halve informality by 2015.

73. In terms of underemployment, according to the ILO information presented in the *2009 Labour Overview* and updated by ILO/SIALC,⁴⁷ which covers five countries (Brazil, Colombia, Ecuador, Mexico and Peru), the rate of underemployment resulting from fewer-than-normal working hours worsened sharply, as did employment covered by social security institutions. These results are in line with those previously analysed on informal employment, as they demonstrate the effects of the adjustment on hours worked and the lack of protection associated with the loss of protected jobs.

⁴⁶ ILO: *2009 Labour Overview: Latin America and the Caribbean*, op. cit.

⁴⁷ *ibid.*

Figure 3. Latin America (five countries): Variation in formal and informal employment, second quarters 2007–09



Source: ILO, on the basis of country household surveys.

1.3. Wage trends

74. The growth and employment targets set by the DWA for the Hemisphere involve building the capacity of economies to deliver appropriate rewards in return for productivity, innovation and competitiveness among workers and enterprises. In so far as growth creates productive employment, this should lead to the progressive growth of real wages and the restoration of the minimum wage as a policy instrument.

75. In this regard, the available information indicates that average real wages in the region recorded positive growth in the period 2006–10, even though the increase was modest and below the average rise in productivity: only 0.9 per cent growth was recorded between 1992 and 2008.⁴⁸ This suggests that the results achieved are still falling short of reaching the targets outlined in the DWA for the Hemisphere.

Average real wages

76. Average real wages rose slightly between 2003 and 2007 as part of the positive but moderate trend seen from 2000 onwards (table 4). The ILO estimates that, between 2003 and 2007, the weighted average of the real wage in the 12 countries with available information rose by 0.7 per cent, less than the estimated 1.8 per cent growth in labour productivity during that period.⁴⁹ The trend continued in 2008, albeit at a slower pace due to the inflationary spike that occurred in the majority of those countries. With the exclusion of Argentina, where, according to official figures, the rise in wages was much higher than the average in 2008, the estimated growth in the

⁴⁸ ECLAC: *Objetivos de Desarrollo del Milenio, Informe Regional* [Regional Report on the Millennium Development Goals], op. cit.

⁴⁹ ILO: *2008 Labour Overview: Latin America and the Caribbean*, ILO Regional Office for Latin America and the Caribbean, Lima, 2009.

Table 4. Latin America: Average real wages, 2000–09 (index 2000 = 100)

Country	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009 ⁱ	Change 2008–09
Argentina ^a	100.0	98.4	79.4	85.9	104.3	114.8	129.8	145.5	167.6	–	
Brazil ^b	–	–	–	100.0	100.3	100.1	104.4	106.1	108.2	109.5	1.2
Brazil ^c	100.0	101.4	99.5	95.9	103.3	105.7	107.1	111.0	115.3	118.2	2.5
Chile ^d	100.0	101.6	103.6	104.6	106.5	108.5	110.6	113.7	113.5	118.9	4.8
Colombia ^e	100.0	99.7	102.8	102.1	103.8	105.4	109.5	109.2	107.1	108.3	1.1
Costa Rica ^f	100.0	101.0	105.1	105.5	103.1	100.8	102.5	103.9	101.8	112.1	10.1
Mexico ^g	100.0	106.7	108.7	110.2	110.5	110.2	111.8	112.9	115.4	116.2	0.6
Nicaragua ^f	100.0	100.3	104.1	105.9	103.6	103.7	106.0	103.7	99.5	105.3	5.8
Panama ^h	100.0	98.8	95.8	95.3	94.5	93.4	95.3	96.2	95.4	–	
Paraguay ⁱ	100.0	101.4	96.3	95.4	96.6	98.0	96.1	96.1	96.9	–	
Peru ^j	100.0	99.1	103.3	104.6	106.1	105.6	105.1	103.9	105.6	–	
Uruguay ⁱ	100.0	100.0	80.5	77.8	80.1	83.7	86.8	90.4	94.3	99.6	5.6
Venezuela, Bol. Rep. of ^k	100.0	106.9	95.1	78.4	78.6	80.7	84.8	85.8	82.2	78.1	–5.0

^a Workers' wage in manufacturing industry. ^b Workers covered by social and labour legislation in the private sector (index 2003 = 100). ^c Wages in the manufacturing industry. ^d General index of hourly wages. ^e Wages in the manufacturing industry with coffee threshing. ^f Average wages declared for members of social insurance schemes. ^g Wages in the manufacturing industry. ^h Average wages declared for members of social insurance schemes. For 2007, includes average wages in manufacturing industry, commerce and services, estimate based on data for January to June. ⁱ General index of public and private sector wages. ^j Private sector workers in Metropolitan Lima. ^k General index of private sector wages. ^l Provisional figures.

Source: ILO, based on official information from countries.

remaining countries was only 0.6 per cent in 2008, half the estimated rate of labour productivity growth for those countries (1.2 per cent).

77. The performance of real wages by subregion in the period 2000–08 was mixed. Mexico led the field in terms of growth, followed by the Andean and Southern Cone regions, which experienced moderate growth, in contrast to Central America, where the lowest growth rates were recorded.

78. In 2009, against a backdrop of weak demand for labour and falling inflation, average real wage patterns in the region were also mixed. Of the eight countries with available information, the best performance in terms of a real recovery of wages was recorded in Costa Rica, Nicaragua and Uruguay, while the effects of inflation led to a fall in wages in the Bolivarian Republic of Venezuela. There was a slight increase in Mexico.

Real minimum wages

79. According to the *Global Wage Report*⁵⁰ published by the ILO in 2009, there is clear evidence that, during the pre-crisis period (2001–07), both developed and developing countries made more vigorous use than in the past of minimum wage policies. Indeed, in 70 per cent of the countries analysed, the minimum wage rose by an average of 5.7 per cent annually in real terms.

80. The report also indicates that, unlike in earlier recessions, which were dominated by concerns about the potential impact of minimum wages in terms of labour costs and job losses, in the current crisis, many countries adjusted minimum wages upwards. From a sample of 86 countries analysed by the ILO with respect to 2008, half increased the minimum wage in real terms, while the other half allowed inflation to erode its real value.

⁵⁰ ILO: *Global Wage Report: Update 2009*, Geneva, 2009.

Table 5. Latin America: Trends in real minimum wages 2000–09 (index 2000 = 100)

Country	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Change 2008–09
Argentina ^a	100.0	101.1	81.3	84.0	129.8	171.1	193.2	219.6	253.3	292.0	15.3
Bolivia, Plur. State of ^a	100.0	110.9	118.1	117.0	112.0	106.3	111.1	110.1	108.0	115.9	7.3
Brazil ^a	100.0	109.8	114.3	117.4	121.4	128.5	145.3	154.7	160.8	172.7	7.4
Chile ^a	100.0	103.8	106.8	108.3	111.3	113.4	116.3	118.4	118.3	125.0	5.7
Colombia ^a	100.0	101.8	103.5	103.7	105.6	107.2	109.9	110.7	110.1	113.7	3.3
Costa Rica ^a	100.0	100.6	100.9	101.4	99.6	99.9	101.6	102.9	102.6	107.8	5.0
Dominican Republic ^b	100.0	106.2	105.0	95.5	80.1	96.3	89.5	93.7	87.7	93.8	7.0
Ecuador ^a	100.0	111.5	112.8	119.5	122.2	125.9	130.0	135.1	146.6	152.0	3.6
El Salvador ^b	100.0	96.0	94.2	95.7	95.0	90.7	90.1	92.4	92.4	101.5	9.9
Guatemala ^b	100.0	116.1	114.2	120.0	117.4	115.4	117.2	114.4	107.8	112.3	4.1
Honduras ^b	100.0	102.4	105.0	114.0	114.8	121.6	127.8	132.7	132.3	249.4	88.6
Mexico ^a	100.0	100.5	101.3	101.2	100.8	101.3	101.6	101.6	100.5	100.0	-0.5
Nicaragua ^b	100.0	102.1	105.9	109.2	113.5	118.1	126.9	129.8	133.8	144.7	8.2
Panama ^b	100.0	106.8	105.7	105.8	107.3	103.9	107.3	105.3	105.6	103.3	-2.2
Paraguay ^a	100.0	103.6	103.0	105.9	102.3	104.4	106.7	103.9	101.3	102.0	0.7
Peru ^a	100.0	101.2	101.0	102.2	106.9	105.2	112.1	111.8	114.5	111.2	-2.9
Uruguay ^a	100.0	98.7	88.7	77.7	77.6	132.1	153.3	159.6	176.9	194.4	9.9
Venezuela, Bol. Rep. of ^a	100.0	100.5	96.1	85.1	97.0	108.6	116.9	124.2	119.9	111.7	-6.9
Simple average	100.0	104.1	103.2	103.5	106.4	113.9	119.8	123.4	126.2	139.1	10.2
Weighted average	100.0	105.2	105.6	106.7	113.0	120.8	131.0	137.7	142.8	152.3	6.6

^a National minimum wage. ^b Lowest minimum wage in industry.

Source: ILO, based on official information from countries.

81. In Latin America, as can be seen in table 5, the weighted average of the real minimum wage in 18 countries rose by 6.6 per cent between 2008 and 2009. However, patterns varied, with four countries recording a fall: the Bolivarian Republic of Venezuela (-6.9 per cent), Peru (-2.9 per cent), Panama (-2.2 per cent) and Mexico (-0.5 per cent). All the other countries recorded growth: Argentina (15.3 per cent), El Salvador (9.9 per cent), Uruguay (9.9 per cent), Nicaragua (8.2 per cent), Brazil (7.4 per cent), Plurinational State of Bolivia (7.3 per cent), Dominican Republic (7 per cent), Chile (5.7 per cent), Costa Rica (5 per cent), Guatemala (4.1 per cent), Ecuador (3.6 per cent), Colombia (3.3 per cent) and Paraguay (0.7 per cent). Honduras is a special case, with an increase of 88.6 per cent over 2008.

82. Of the subregions, only the Southern Cone recorded a minimum wage performance that was higher than the average for Latin America and the Caribbean in 2009 as compared with 2008. In Central America, the increase over the same period was 5 per cent, excluding Honduras (the inclusion of the latter raises the average to 18.6 per cent). In the Andean subregion, the increase was 0.9 per cent, while for the Caribbean, information is only available for the Dominican Republic, which recorded a rise of 7 per cent. Mexico recorded a fall in this indicator of 0.5 per cent, while the United States saw a rise.

83. The evidence shows that, in several countries of the region, governments applied active wage policies to support the recovery of the purchasing power of earnings against a backdrop of falling inflation, which helped sustain domestic consumption without affecting employment. An active minimum wage policy reinforces any economic recovery, since it allows workers on the lowest incomes to keep up their consumption levels. Moreover, aligning future increases with increases in average productivity will contribute to stable growth.

84. The mechanisms for setting minimum wages vary from country to country. In some, such as Argentina, the Plurinational State of Bolivia, Mexico and Uruguay, there are institutionalized bodies to agree on this wage with the social partners. In Brazil, through a process of social dialogue, a policy was defined in 2006 providing for the annual adjustment of the minimum wage up to 2011. In other countries, such as Chile, the practice is to consult the national trade union organizations, and in yet others, such as Ecuador, Peru and the Bolivarian Republic of Venezuela, the minimum wage is set directly by the government. No information is available as to whether, as of 2006 (the period covered by this Report), new institutionalized or other bodies have been created in those countries that normally do not consider consulting the social partners for this purpose.

85. In short, the repercussions of this crisis in Latin America have been less marked than in other recessions, largely thanks to the positive impact of counter-cyclical policies aimed at the expansion of fiscal expenditure and the implementation of social programmes. In many cases, these policies were based on the control of inflationary and fiscal imbalances, which allowed countries to take advantage of the favourable external climate, make progress in terms of stability and equity and build up resources on which they can draw. In general, the economies of Latin America and the Caribbean were able to avoid significant setbacks in the progress they had made up to 2007 in achieving the targets of the DWA for the Hemisphere.

86. The emphasis on stimulating growth, consumption, investment and employment prevented the adoption of recessive adjustment policies designed to deregulate markets and lower labour standards and working conditions, as had frequently occurred in the past. Macroeconomic policies have taken up the challenge of creating a climate with less real volatility, sustainable external and fiscal accounts and stable prices. As regards fiscal policy, the reality is that although the international financial crisis highlighted the crucial importance of such policy as an instrument of macroeconomic stabilization, and even if the counter-cyclical role of such policy is fulfilled perfectly, it will normally not be enough, since fiscal expenditure in the region represents only about one fifth of aggregate demand.

87. A growth strategy that is compatible with achieving the targets for the region set by the DWA for the Hemisphere requires working on key sources of stability. This means embarking on a major adjustment of the foreign exchange policy, aimed at developing productive capacity to serve both foreign and domestic markets. Counter-cyclical regulation of the capital account is needed in order to be able to act in cycles of economic expansion and contraction and to make room for a reorganization of the financial system so as to channel resources towards saving and productive investment, thus reducing the structural differences between different sectors.

1.4. Specific policies on employment growth and wages

Youth employment

88. The DWA for the Hemisphere sets the target of halving in ten years the percentage of young people aged 15–24 years who are neither studying nor in the labour market. According to the ILO report *Decent work and youth: Latin America* (2007),⁵¹ 22 million young people (21.1 per cent of all young people) in the region's countries were neither studying nor working in 2005. According to the 2010 update of the report, in 2008 that figure was 20 per cent, in other words 1.1 per cent lower than in 2005. This suggests that the target set by the DWA for the Hemisphere is still a long way off. Thus the challenge remains of how to intensify policies which encourage decent work opportunities for this group of young people.

Trends observed in the period 2006–10

89. The 2010 update of the report also indicates that one of the trends that has characterized Latin America in recent years is the shift in the age structure of the countries of the region.⁵²

⁵¹ ILO: *Decent work and youth: Latin America*, ILO Regional Office for Latin America and the Caribbean, Lima, 2007.

⁵² ILO: *Trabajo decente y juventud en América Latina* [Decent work and youth in Latin America] (advance copy of February 2010), Regional Office for Latin America and the Caribbean, Lima, 2010, p. 4, based on data for 2007 from the Latin American and Caribbean Demographic Centre (CELADE).

Table 6. Latin America: Participation, unemployment and non-employment of young people and adults, 2008

Country	Young people (15–24)			Adults (25 and over)		
	Activity rate	Unemployment rate	Non-employment rate	Activity rate	Unemployment rate	Non-employment rate
Argentina ^{a, b}	45.9	24.1	65.2	66.7	8.1	38.7
Bolivia, Plur. State of ^a	55.6	9.9	49.9	81.0	3.9	22.1
Brazil	63.2	15.5	46.6	70.2	4.8	33.2
Chile	34.2	19.7	72.5	62.3	5.9	41.4
Colombia	44.1	21.1	65.2	65.1	7.9	40.1
Costa Rica	49.1	11.0	56.3	65.2	3.3	36.9
Ecuador	50.9	13.0	55.7	74.6	3.5	28.0
El Salvador	47.8	11.1	57.5	66.8	4.4	36.2
Guatemala ^a	58.7	3.7	43.4	69.8	1.2	31.0
Honduras ^a	48.3	5.5	54.3	65.7	1.9	35.6
Mexico	47.7	7.0	55.7	65.0	2.6	36.7
Nicaragua	47.9	8.5	56.1	66.3	4.2	36.5
Panama	49.1	11.1	56.3	67.6	2.6	34.1
Paraguay	59.6	11.9	47.5	73.8	3.4	28.7
Peru	62.1	9.2	43.6	79.3	2.7	22.8
Dominican Republic	41.7	11.3	63.0	63.9	2.9	38.0
Uruguay ^b	53.2	21.0	58.0	66.2	4.9	37.1
Venezuela, Bol. Rep. of ^c	43.9	14.6	62.5	72.4	6.1	32.0
Latin America	53.7	13.3	53.5	68.8	4.5	34.3

^a Household survey 2006: Argentina, Guatemala and Plurinational State of Bolivia; 2007: Honduras. ^b The survey is urban only. ^c The survey is national but does not allow for a breakdown between urban and rural.

Source: PREJAL–SIALC–ILO youth employment database.

Indeed, the pace of growth of the population aged 15–24 years has been slowing in the last decade. Between 2010 and 2020, this age group is estimated to grow by only 2.4 million over the whole decade, from 104 million to 106.4 million. This implies a progressive change in the demographic pyramid with a decline in the youngest age groups compared with the middle-aged and older adult groups. According to the ILO, the situation presents a series of challenges for social security systems and, generally, the design of labour and social security policies.

90. The same ILO report points out that, up to 2008, young people continued to have significantly higher unemployment rates than adults. The report indicates that, according to household surveys for Latin America (18 countries), overall youth unemployment, both urban and rural, rose to three times that of adults, reaching 13.3 per cent of the respective economically active population, whereas the rate for adults was 4.5 per cent (table 6). Young women, for their part, have significantly higher unemployment rates than young men, and are unemployed for longer periods. This is despite the fact that they spend more years studying than men.

91. According to the same ILO report, the 2008 financial and economic crisis, “as expected, affected most heavily the young population. Youth unemployment rates for the first three quarters

Table 7. Latin America (eight countries): Changes in the urban unemployment rate for young people and adults, 2008–09

Country	Unemployment rate				Change 2008–09	
	15–24 years		25 and over		15–24 years	25 and over
	2008	2009	2008	2009		
Brazil (six metropolitan regions)	18.7	19.1	5.5	5.9	0.4	0.4
Chile (national) ^a	19.8	22.9	6.1	8.0	3.1	1.9
Colombia (13 metropolitan areas) ^b	22.1	24.1	8.4	8.7	2.0	0.3
Ecuador (urban) ^a	14.4	17.5	4.4	6.1	3.1	1.7
Mexico (national) ^c	7.6	10.3	2.9	4.2	2.7	1.3
Peru (metropolitan Lima) ^c	15.9	16.8	6.1	5.9	0.9	–0.2
Uruguay (urban) ^c	22.5	21.5	5.4	5.2	–1.0	–0.2
Venezuela, Bol. Rep. of (national)	14.6	16.1	6.1	6.3	1.5	0.2

^a First six months. ^b The age groups are 14–26 years and 27 years and over. ^c The first age group is 14–24 years.

Source: ILO, based on official information from country household surveys.

of 2009, in seven of the eight countries for which we have information, rose faster than for adults”.⁵³ In 2009, in those same countries, the urban unemployment rate for the 15–24 age group was estimated at levels ranging from between 16.1 per cent in the Bolivarian Republic of Venezuela and 24.1 per cent in Colombia. Only in Uruguay was there a fall in percentage terms (from 22.5 to 21.5 per cent). Among the population aged 25 years and over, urban unemployment rates ranged over the same period from between 4.2 per cent in Mexico and 8.7 per cent in Colombia. In percentage terms, comparing 2009 with 2008 for the 15–24 age group, urban unemployment rose by 0.4 per cent in Brazil and 3.1 per cent in Chile and Ecuador, while in the 25 and over age group, comparing the same years, the differences ranged from –0.2 per cent in Peru and Uruguay to 1.9 per cent in Chile (table 7).

92. Although the information is incomplete and there are problems with comparability due to the different bases on which each country compiles its statistics, the trends at the regional level do not show any significant progress towards the target set out in the DWA for the Hemisphere. While some countries are making progress, others are lagging behind, and it seems that the trends are falling far short of reaching the rates and volumes of change needed to halve the number of young people neither studying nor in employment between 2005 and 2015.⁵⁴

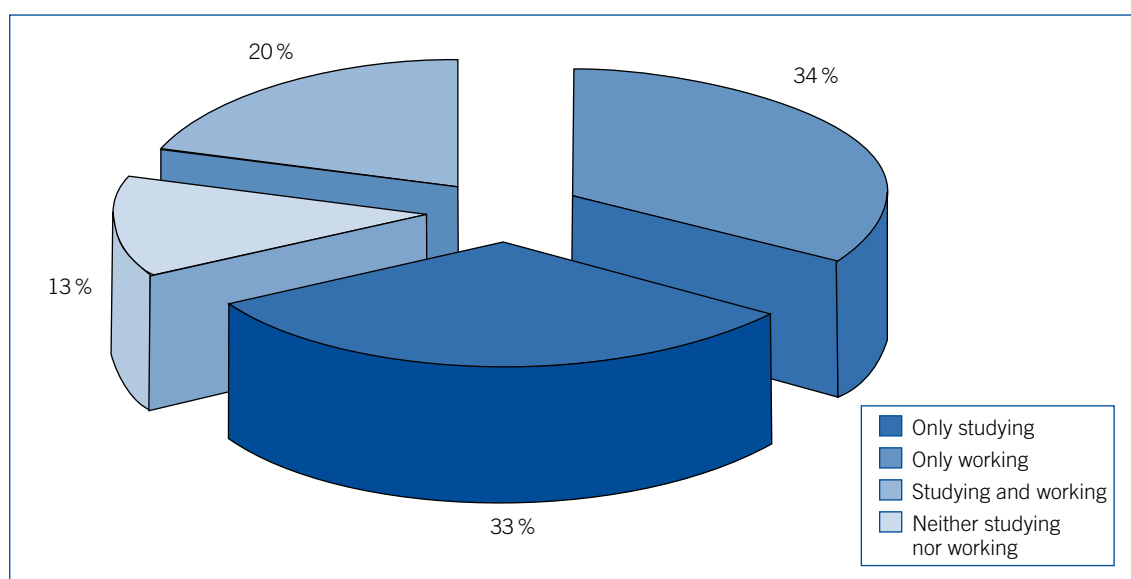
93. In 2008, the percentage of young people neither studying nor working, as shown in figure 4, stood at 20 per cent for the region, in other words, only 1.1 percentage point lower than the figure for 2005. This means that just over a million fewer young people were in that situation, which, as recognized by the ILO in its 2010 report on decent work and youth in Latin America, is very slow progress, which could, moreover, “be affected by the impacts of the international crisis”.⁵⁵ The impact of the 2008 crisis on this age group is a cause for concern, since every percentage point increase in the unemployment rate means that over half a million more young people will be without work.

94. The downward trend in the employment of young men that has been observed for some years occurred as a result of the crisis, probably because more of them were staying in the education system in the hope of better employment opportunities. Young women, on the other hand, especially those aged 18–24 years, have seen a steady increase in their employment rate.

⁵³ ILO: *Trabajo decente y juventud en América Latina* [Decent work and youth in Latin America], op. cit., p. 5 (translated from Spanish).

⁵⁴ This group includes people who are unemployed, those caring for their family and carrying out domestic tasks and those not engaged in any activity at all.

⁵⁵ ILO: *Trabajo decente y juventud en América Latina* [Decent work and youth in Latin America], op. cit., p. 12 (translated from Spanish).

Figure 4. Education and employment of young people in Latin America, 2008

Source: ILO–Prejal youth employment database, 2008.

95. Nevertheless, the same report, when it breaks down the data for this group of young people who are neither studying nor working, spells out the problem in terms of volume that would be faced by this category in practice as a highly precarious group (table 8). This breakdown shows that, of the 18.3 million included in the group, 4.21 million are unemployed, in other words young people actively seeking work. If these are discounted, the figure falls to 14.059 million young people, of whom only 3.1 million are men, while 10.86 million are young women neither studying nor working, almost all of whom are engaged in bringing up children and domestic tasks. Breaking this down further, if the scope is limited to men in urban areas and in poverty (with a per capita family income of less than US\$2 a day) the number of young people at risk would be 482,000, and these are found in the cities most affected by violence (those of Central America, Brazil, Colombia and Mexico). This is important for policies aimed at achieving the target set out in the DWA for the Hemisphere. Such policies should take the above aspects into account, so as to distinguish clearly the characteristics of the young people at whom they are aimed, on the basis of their needs, expectations and living conditions in different situations.

96. In the same vein, another ILO study⁵⁶ points out that even though over half of all young women are employed in paid work, those that are not give family responsibilities and childcare as the main reason. It should also be mentioned that the region has one of the highest rates of adolescent maternity, which is concentrated in the lowest income sectors and is a factor in the reproduction of poverty. There is, therefore, fairly broad agreement on the need to redistribute domestic work and family care between men and women and to strengthen policies to support workers (both men and women) with family responsibilities. This is a prerequisite for increasing the participation of young women in the world of work, reducing poverty and promoting women's independence and gender equality.

⁵⁶ ILO–UNDP: *Work and family: Towards new forms of reconciliation with social co-responsibility*, Santiago, 2009.

Table 8. Characteristics of young people (aged 15–24 years) who are neither studying nor working, 2008

	Unemployed/inactive				Married/ cohabiting ^d %	Income quintiles				
	Total	Unemployed	Household duties	Other		1	2	3	4	5
Argentina ^{a, b}	100.0	37.2	39.2	23.7	28.9	28.6	23.4	22.7	16.3	9.0
Bolivia, Plur. State of ^a	100.0	22.8	59.7	17.5	53.4	17.3	25.6	23.1	18.8	15.2
Brazil ^d	100.0	31.2	51.3	17.5	–	31.0	19.3	18.8	17.7	13.2
Chile ^e	100.0	33.9	48.9	17.2	26.9	24.9	22.6	19.4	17.7	15.5
Colombia	100.0	25.7	41.1	33.2	40.6	39.9	22.1	17.3	14.2	6.6
Costa Rica	100.0	22.3	52.4	25.3	37.7	29.5	25.8	20.8	15.0	8.9
Dominican Republic	100.0	7.5	34.3	58.2	38.6	22.2	24.6	18.5	21.8	13.0
Ecuador	100.0	26.9	11.1	62.0	40.8	24.3	23.4	22.3	18.5	11.5
El Salvador	100.0	19.8	67.7	12.5	39.2	27.9	23.1	21.8	17.1	10.1
Guatemala ^a	100.0	7.6	82.6	9.8	52.2	30.7	20.4	18.5	16.2	14.2
Honduras ^a	100.0	8.6	78.8	12.6	41.2	30.3	25.4	21.0	15.3	8.0
Mexico	100.0	12.9	72.0	15.1	46.3	29.2	24.4	22.3	15.5	8.6
Nicaragua	100.0	15.6	68.0	16.4	–	31.2	26.5	18.1	14.4	9.8
Panama	100.0	21.0	9.4	69.5	50.3	28.2	23.8	21.8	18.5	7.7
Paraguay	100.0	23.4	13.2	63.4	41.6	25.6	25.6	22.1	17.5	9.2
Peru	100.0	17.1	4.4	78.5	24.9	21.1	19.7	19.9	19.5	19.8
Uruguay ^b	100.0	37.1	12.5	50.3	6.7	38.0	28.0	17.8	10.6	5.6
Venezuela, Bol. Rep. of ^c	100.0	23.6	41.0	35.4	32.5	28.0	26.3	20.2	15.3	10.2
Latin America (thousands)	100.0	23.1	51.7	25.2	39.8	30.1	22.1	20.0	16.6	11.2
	18 263	4 215	9 440	4 608	4 810	5 456	3 991	3 615	3 007	2 027

^a Household surveys 2006: Argentina, Guatemala and Plurinational State of Bolivia; 2007: Honduras. ^b The survey is urban only. ^c The survey is national and does not allow a breakdown between urban and rural. ^d In Brazil and Nicaragua, there is no question on marital status. ^e Chile, CASEN survey.

Source: PREJAL–SIALC–ILO youth employment database.

97. Participation rates of young men are falling more than those of adults. According to the ILO report on decent work and youth in Latin America, it is possible that young men are staying longer in the education system, as would be desirable. In 2008, 44.3 million young people (47 per cent of the total) were studying, and of those, 12.6 million (13 per cent) were working as well as studying. This trend of staying longer in education is still a slow process. School attendance rose by 1 per cent between 2005 and 2008. This tendency to stay in education could also be linked to the decline in jobseeking.⁵⁷

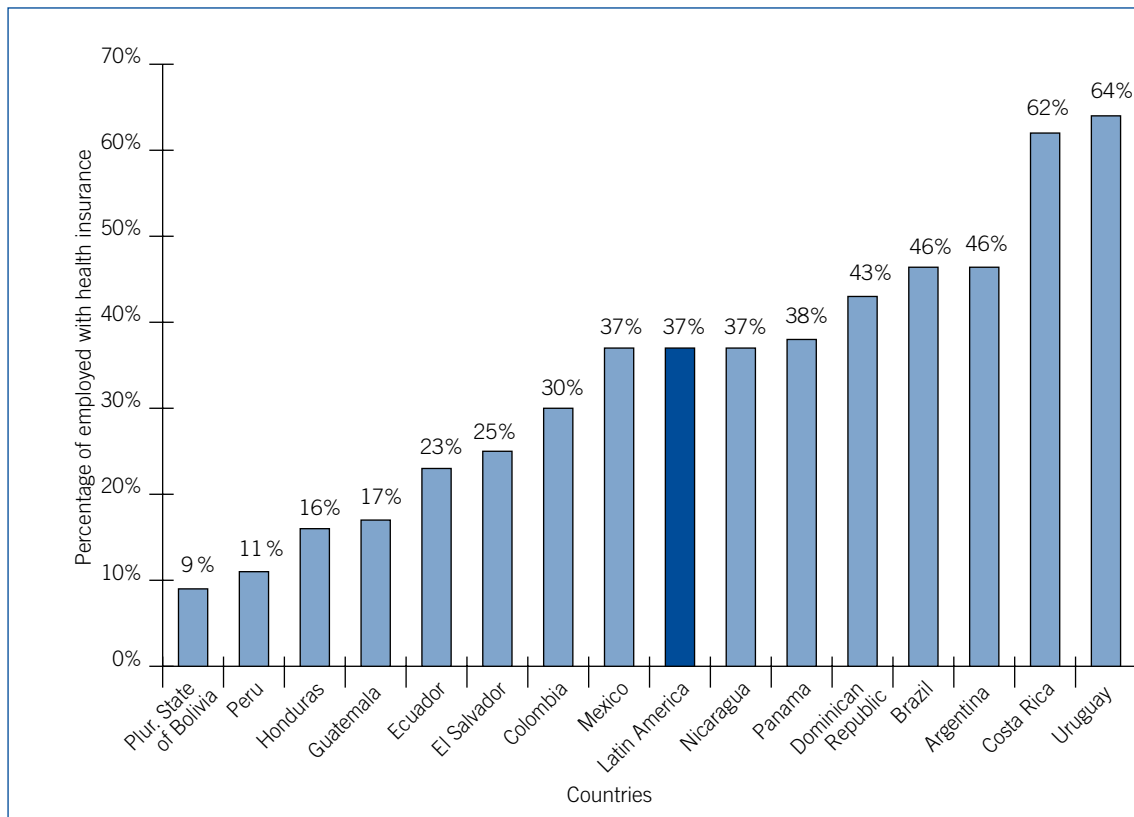
98. In general, young people who work do so in precarious occupational conditions. According to the same ILO report, only 35.1 per cent of those employed (15 out of 43.2 million) have health insurance and 32 per cent belong to some kind of pension scheme. Of the 24.2 million employed workers, only 14 per cent (3.4 million) have a stable employment contract. In other words, a stable job is a privilege enjoyed by less than 10 per cent of young people who work.⁵⁸

99. Moreover, the average income of a young person is about 49.9 per cent of the average income of an adult, according to ILO data for 18 countries (table 9).

⁵⁷ ILO: *Trabajo decente y juventud en América Latina* [Decent work and youth in Latin America], op. cit., p. 5.

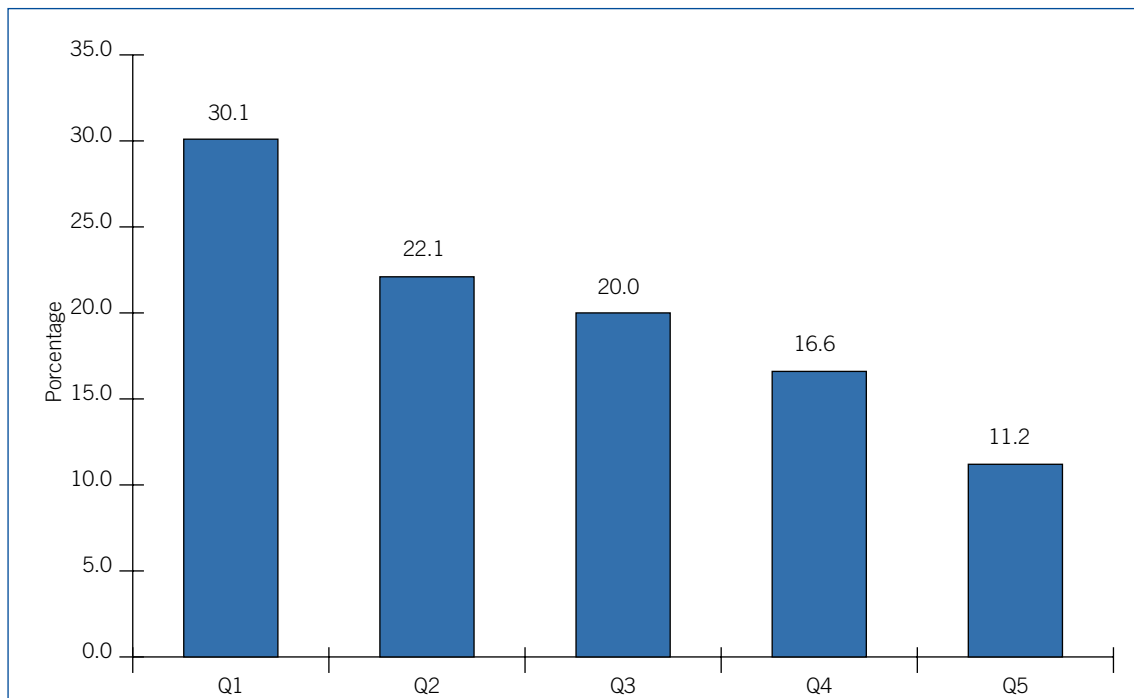
⁵⁸ *ibid.*

Figure 5. Unprotected youth employment: Percentage of employed people with health insurance



Source: ILO–PREJAL youth employment database, 2008.

Figure 6. Quintiles of family per capita income and proportion of young people neither studying nor working



Source: ILO–PREJAL youth employment database, 2008.

Table 9. Income indicators for young people aged 15–24 years, 2008* (percentages)

Country	Unpaid family workers ^e	Average income (youth/adult) ^{**}	Total incomes (youth/total) ^{***}	Income equal to or less than		
				US\$1	US\$2	US\$5
Argentina ^{a, b}	2.4	48.4	7.9	11.1	13.7	28.4
Bolivia, Plur. State of ^a	42.2	43.8	10.9	43.1	45.8	54.7
Brazil	8.4	46.2	10.3	12.3	14.2	21.6
Chile ^d	2.6	46.7	6.5	0.5	1.7	7.0
Colombia	8.1	50.3	9.3	14.5	18.3	30.9
Costa Rica	2.6	57.6	12.9	3.1	4.1	9.1
Dominican Republic	7.4	60.6	12.5	7.9	9.9	21.7
Ecuador	18.5	44.7	9.2	23.7	25.1	31.1
El Salvador	20.0	51.3	12.3	19.9	21.9	29.8
Guatemala ^a	28.6	47.5	16.3	28.2	33.4	45.4
Honduras ^a	22.2	49.3	15.4	24.4	26.8	36.1
Mexico	14.1	65.2	14.1	26.0	27.5	32.4
Nicaragua	25.2	47.1	14.4	26.6	28.4	42.5
Panama	13.1	54.3	10.7	15.4	19.6	28.3
Paraguay	21.0	55.4	14.9	25.5	27.3	34.2
Peru	25.9	44.9	10.5	32.1	37.0	47.5
Uruguay ^b	3.3	41.9	6.3	8.8	12.0	24.4
Venezuela, Bol. Rep. of ^c	4.0	68.9	12.5	4.4	4.4	10.4
Latin America ^f (thousands)	12.5	49.9	10.8	7 713	8 674	12 109

^a Household surveys: 2006: Argentina, Guatemala and Plurinational State of Bolivia; 2007: Honduras. ^b The survey is urban only. ^c The survey is national and does not allow a breakdown between urban and rural. ^d Chile, CASEN survey. ^e Average non-response in income variable is 7.4 per cent. ^f The ratio of average and total incomes for Latin America is a weighted average based on the populations of the countries considered.

* Incomes from employment standardized according to the World Bank purchasing power parity. ** Ratio of average incomes of young people (15–24 years) as compared to those of adults (25–64 years). *** Ratio of total incomes of young people (15–24 years) as compared to those of the total population.

Source: PREJAL–SIALC–ILO youth employment database.

100. An analysis of young people who are neither studying nor working by income quintiles (family per capita) shows a close correlation between this phenomenon and poverty. The lowest income quintile has a proportion of 30.1 per cent of young people who are neither studying nor working, while in the highest quintile, the proportion is only 11.2 per cent (figure 6). In the case of women, this phenomenon is associated with early maternity which is concentrated in the lowest income households in which women usually devote more time to family responsibilities and household tasks.

101. The situation of youth precariousness and poverty has strongly gender-related characteristics which should be taken into account when developing policies for this age group.

102. To sum up, the situation of young people in Latin America does not appear to be improving in terms of their access to employment and conditions of work, social security and career opportunities, and serious gender gaps persist. Despite progress in several countries with regard to educational coverage and, in some countries, in the sphere of social security, as well as other areas, this problem is an ongoing challenge which carries serious implications for all the targets aimed at the development of decent work.

Micro- and small enterprises

103. The DWA for the Hemisphere set the target of increasing within ten years the percentage of workers employed in micro- and small enterprises (MSEs) that are covered by business services

and policies aimed at raising productivity and which have access to markets and minimum levels of protection in all the countries of the region.

104. The evidence gathered suggests that, although progress has been made towards the target in the period 2006–10, it is still slow and the scale and effects are somewhat varied across the countries of Latin America and the Caribbean. Although, since 2006, the policies which have led to this progress have been increasingly extensive, the quality of work and level of economic activity in these establishments remains somewhat precarious.

105. According to the IDB,⁵⁹ some 70 million micro-enterprises are the chief source of employment in the region. Over 100 million people work in establishments with up to five workers, equivalent to half of all employment. These enterprises represent between 20 and 22 per cent of GDP in all the countries. Of all these companies, only 6.5 per cent have loans from financial institutions and just over 8 per cent have access to deposit services.

106. According to a study produced by ILO experts,⁶⁰ this type of establishment tends to be concentrated in a few low-productivity sectors with few entry barriers and which are highly competitive. Commerce and services are the chief activities; a smaller proportion is concentrated in industry. The micro-enterprise sector is divided into two major groups: self-employed workers and micro-enterprises which employ workers. The quality of employment is low and the workers have very limited access to social protection. As a rule, they do not have access to training and their average level of education is low. In March 2006, the Governing Body of the ILO called for the promotion of decent work through entrepreneurship, a strategy associated with improving conditions of employment and work in micro-, small and medium-sized enterprises (MSMEs) through local policies.

107. The majority of the region's countries, since the beginning of the decade, have witnessed the growing strategic importance of generating policies to promote the development of MSMEs and the creation of conditions and incentives to formalize them. The development agendas of many of the region's countries have started to include the launch of active public and private policies intended to create the conditions required by this type of productive entity in terms of finance, technology, vocational training and access to national, regional and global markets. These initiatives reflect a trend in the government policies of the region's countries to drive progress in the way contemplated in the DWA for the Hemisphere.

108. In Argentina, in 2005, the Ministry of Labour, Employment and Social Security and the World Bank prepared a survey using the ILO approach and methodology to measure the informal economy in Greater Buenos Aires. In 2007, the results of the survey, which was based on the Permanent Household Survey, were delivered. In addition, in 2006, the Ministry, with ILO support, designed the National Labour Regularization Programme, which seeks to eliminate unregistered work, strengthen institutional capacities and promote the training of technical teams and the design of a computer system to implement the programme.

109. In Brazil, the National Programme for Targeted Productive Microcredit (PNMPO) was created in December 2005. In 2009, it helped 745,000 active customers, 60 per cent of whom were women. In that year, it granted loans amounting to some US\$1,200 million, quadrupling its efforts of 2008. Policies to support family farming were also strengthened through the National Programme to Strengthen Family Farming (PRONAF) which, between 2002 and 2009, granted credit equivalent to US\$2,200 million to family farmers, *quilombolas*, settlers under the agrarian reform, artisanal fishers and fish farmers, miners, foresters and indigenous peoples, with 10.6 million contracts signed in the period, with special lines of credit aimed at women and young people.

⁵⁹ IDB/Multilateral Investment Fund: *Microfinanzas y microempresas en América Latina y el Caribe* [Microfinance and micro-enterprise in Latin America and the Caribbean], 2009.

⁶⁰ R. Di Meglio: "La microempresa en América Latina: la agenda de trabajo decente y el desarrollo económico local" [Micro-enterprise in Latin America: The Decent Work Agenda and local economic development], in *Futuros (quarterly Latin American and Caribbean review on sustainable development)*, No. 13, Vol. 4, 2006, at: http://revistafuturos.info/futuros13/microempresa_trabajo.htm (in Spanish only).

110. In Chile, especially from 2005 onwards, a broad range of policies and instruments were developed through the Production Development Corporation (CORFO) to support small and medium-sized enterprises (SMEs). Instruments were developed in four areas: quality and productivity, innovation, financing and investment. In the quality and productivity area, there are eight programmes, including most notably the Technical Assistance Fund (FAT) and the Management Support Programme (PAG). In the innovation area, there are ten programmes, including programmes to provide support for business incubators, seed capital co-financing and support for technological innovation. As regards financing, there are 13 programmes, including CORFO-investment credit programmes and programmes to provide working capital financing through factoring and venture capital. In the investment area, it is worth mentioning that there is a programme to promote and attract investment in the regions.

111. In Paraguay, three out of every four workers in 2008 worked in an MSE with fewer than 20 employees, many of them in rural areas. Given that 65 per cent of these rural production units have 5 per cent of the land, while 1 per cent of the large landowners hold over two-thirds of the total agricultural area, the Government put forward a proposal for comprehensive agrarian reform, with a recovery of family farming and the small farming sector. This reform is complemented by a strategy of economic growth with social inclusion, seeking to give priority to these sectors and ensure their participation in growth, in order to improve the quality of employment by bringing informal MSEs into the formal sector. A draft law on MSEs designed to achieve these objectives has been drawn up by an inter-institutional panel involving the Ministry of Industry and Commerce, the Ministry of Justice and Labour and other public bodies.

112. In Uruguay, from 2006 onwards, a set of wide-ranging national and local programmes aimed at MSEs has been implemented, promoting the formation of clusters and other forms of business association, as well as microfinance, support for exports and other strategies. In late 2008, a high degree of institutional dispersion was observed in this area. To remedy this, in 2009, the National Agency for Productive Development was created, becoming the chief provider of financial and business development services and of services to coordinate and direct policies for MSEs.

113. In the Plurinational State of Bolivia, in 2008, the Ministry of Productive Development created four development agencies to provide public financial and non-financial services to productive undertakings in the micro-, small and medium-sized enterprise (MSME) sector: PRO BOLIVIA, CONOCE BOLIVIA, PROMUEVE BOLIVIA and INSUMOS BOLIVIA.

114. In Peru, the system of microfinance institutions has been one of the most successful in promoting MSEs. Until they were recognized by the Banks Act, these institutions handled less than US\$300 million a year, but now they have some 400 branches nationwide, 10,000 employees and a million customers, and handle over US\$2,000 million, equivalent to half the market for lending to MSMEs. This system has better indicators than the multiple bank system with regard to liquidity, arrears and profitability. There are four types of entity: municipal savings and credit banks; MSE development companies, formed from credit-granting non-governmental organizations (NGOs); rural savings and credit banks; and savings and credit cooperatives.⁶¹

115. In Costa Rica, support is provided to MSMEs through initiatives such as the Regional Support Centre for Small and Medium-Sized Enterprises (CREAPYMES), involving government agencies (including state banks) and the Foreign Trade Corporation of Costa Rica (PROCOMER). The Centre has worked with MSMEs to transform them into exporters through the *Creando Exportadores* (Creating Exporters) programme, which provides training and support for their participation in trade fairs. The Government is also endeavouring to ensure that 40 per cent of government procurement is from these enterprises. In addition, it has provided training to strengthen these producers, through PROCOMER, CREAPYMES and the National Learning Institute (INA). It also offers incentives to gain a position in the market.⁶²

⁶¹ ILO: "Small businesses and globalization: The challenge of decent work in Latin America", in ILO: *2008 Labour Overview: Latin America and the Caribbean*, op. cit.

⁶² In July 2010, the Costa Rican Ministry of Economy, Industry and Trade published the "Policy on promotion of SMEs and enterprise, 2010–14", the general objective of which is to enhance the competitiveness of MSMEs in Costa Rica through a strategy of regionalization such that they integrate and improve their productivity within the business environment, taking advantage of opportunities that open up in the local market and the liberalization of trade.

116. In Trinidad and Tobago, the Ministry of Labour and Small and Micro-Enterprise Development is responsible for stimulating the development of small enterprises and cooperatives. The Government launched the Fair Share Programme, which sets aside 10 per cent of public contracts for the development of small enterprises and cooperatives. In addition, since 2002, major companies have been providing management training for these enterprises and training incubator centres have been set up to provide support at the local level. The ILO and its constituents have provided technical support to strengthen the institutional capacity of the Government to create a culture of enterprise.

117. In Jamaica, the Government has created the Micro Investment Development Agency. It also provides additional funding to small enterprises for business development. These enterprises are exempt from the general consumption tax.

Vocational training

118. The DWA for the Hemisphere set the objective of making human resources more competitive and broadening the coverage of vocational training among vulnerable groups. To achieve this, it suggested targets associated with increasing investment in training as a percentage of GDP and increasing returns on investment in the development of human resources, which is to the benefit of both people and companies.

119. Progress in the countries in relation to this objective has been very varied. There has been qualitative progress relating to the strengthening of vocational training institutions and ministries of labour and education, which form part of the network coordinated by CINTERFOR,⁶³ and quantitative progress with respect to coverage and the impact of the expenditure on national GDP.

120. In many countries, considerable progress has been made and constant improvement can be seen with regard to vocational training, although covering the human resources development needs, especially for those working in the informal sector, continues to be a major challenge. The level of institutional development varies; in some cases it is very advanced, but in others it is in need of upgrading.

121. According to the DWA for the Hemisphere,⁶⁴ in order to achieve the proposed targets, countries should consider, in particular, their degree of institutional development, and ensure that vocational education and training programmes form part of a system involving governments and social actors, as set out in the following ILO instruments: the Human Resources Development Recommendation, 2004 (No. 195), the Paid Educational Leave Convention, 1974 (No. 140), and the Human Resources Development Convention, 1975 (No. 142). In this vein, ensuring that workers have access to education systems is a key objective in achieving these targets.

122. The information examined for certain countries in the region gives some idea, albeit incomplete, of the degree of development of these policies.

123. In Argentina, according to Ministry of Labour, Employment and Social Security data,⁶⁵ the total number of people benefiting from training rose from 151,657 in 2006 to 329,642 in 2009. By April 2010, the number of recipients of training had already reached 125,511. The majority of trainees (63.8 per cent in 2005 and 63.4 per cent in 2009), were completing their education (upgrading of studies), while the percentage of trainees in vocational training was 36.4 per cent in 2006 and 36.6 per cent in 2009. In institutional terms, according to the source consulted,⁶⁶ there is the National Directorate of Vocational Guidance and Training, whose role, within the framework of active employment policies, is to design and coordinate actions which contribute to the creation and consolidation of the National Lifelong Learning System, which ensures that workers have equal access to and benefit from quality training throughout their lives. The National Lifelong

⁶³ See: <http://oitcinterfor.org/public/english/region/ampro/cinterfor/index.htm>.

⁶⁴ ILO: *Decent work in the Americas: An agenda for the Hemisphere, 2006–15*, op. cit., Part 4.2.7, “Vocational training”, pp. 61–64.

⁶⁵ Ministry of Labour, Employment and Social Security, Department of Employment: *Informe Mensual Acciones de Formación Continua: Plan Integral para la Promoción del Empleo* [Monthly report on continuous training, Integrated Plan for Employment Promotion], Apr. 2010.

⁶⁶ See: Ministry of Labour, Employment and Social Security, <http://trabajo.gob.ar/capacitacion/> (in Spanish only).

Learning System is based on social dialogue between actors in the world of work. From the point of view of policy direction, as indicated by the Ministry, its principal commitment is to contribute to improving the quality of training institutions, enhance people's employability, improve the quality of employment and have a direct impact on the competitiveness of enterprises, thereby contributing to the country's social and productive growth. It is along these lines that the Ministry of Labour, Employment and Social Security designed a series of programmes that allow it to fulfil the above aims. These include a programme on training for work, a quality vocational training programme, programmes based on sectoral agreements, and many others. In addition, the INNOVAR programme was developed, creating the National Institute of Technological Education with the task of capacity building for enterprise and innovation. The goal, in the immediate future, is to set up through this programme a national centre to support innovation. This set of actions is part of the Integrated Plan for Employment Promotion.

124. In Brazil, in institutional terms, the National Plan for Social and Vocational Skills (PNQSP) was developed as part of the Public Employment, Work and Income System. The plan is made up of sectoral skills plans (PlanSeQs) and complementary instruments at the local level, in the form of local skills plans (PlanTeQs), designed to provide a cross-cutting and coordinated response to emerging or sectoral demand for skills, identified by tripartite state and municipal employment committees. The sectoral skills plans are intended to provide for the integration of development and employment policies (in particular, employment intermediation services, social and vocational skills and vocational certification). These plans are being implemented in various areas and sectors, and relate, among other things, to metallurgy, aeronautics, tourism, oil and gas, family farming, urban domestic work, people of African descent, MSEs, civil engineering, software and shipbuilding. Noteworthy is the *Bolsa Família* PlanSeQ, aimed at the training and insertion in the formal labour market of workers from families who are beneficiaries of the *Bolsa Família* programme. All these actions were organized as part of the Growth Acceleration Plan (PAC). The *Bolsa Família* PlanSeQ is aimed at the civil construction sector, in order to promote the inclusion of its beneficiaries in the infrastructure works carried out under the umbrella of the PAC. From its inception in 2003, the PNSQP has established that women and the black population must be represented among its beneficiaries in a proportion more or less equivalent to their presence in the economically active population.

125. In Chile,⁶⁷ training provided through the tax relief system benefited some 4 million people between 2006 and 2009, through different types and methods of training developed by enterprises in conjunction with specialized institutions. In addition, between 2006 and 2009, some 164,000 individuals benefited from training activities under other programmes covered or promoted by the National Training and Employment Service (SENCE). The following programmes should be mentioned: the Bicentenary Youth Programme; the Youth Professional Training Programme; the Vocational Diagnostic and Guidance Programme; the Occupational Skills Qualification Programme; the Studies Upgrade Programme; the Women Heads of Household Programme; the National Employability Bursary Programme; the Chile Enterprise Programme; and the Microenterprise Support Programme. In institutional terms, SENCE is the institution responsible for coordinating public resources for the development of vocational education and training programmes. It develops programmes on the basis of a 1 per cent tax relief provision, a fiscal tool which allows companies to deduct their expenditure on training from their tax assessment with a cap up to a maximum of 1 per cent of annual payroll expenditure. Tax relief is the country's chief training tool and, between 2006 and 2009, made it possible to provide training to over 4 million participants. With this mechanism, enterprises paying tax in Category I under the Income Act have been motivated to invest in the training of their workers and partners. Training policy in Chile has been focusing as a priority on young people, women heads of household, skills certification, employability, entrepreneurship and micro-enterprises.

⁶⁷ SENCE: *Cuenta Pública: Gestión del Trienio 2007–09* [Public accounts: Management of the triennium 2007–09], November 2009.

126. In Paraguay, according to the National Occupational Training and Skills Scheme (SINAFOCAL),⁶⁸ some 20,000 people received training within the framework of its three main cost-free programmes between 2006 and 2007; between 2007 and 2008, that figure reached 82,493. By December 2008, the institution had designed a programme to train over 15,000 people by means of 600 free courses. According to figures provided in a progress report on the DWA for the Hemisphere targets in Paraguay,⁶⁹ between 2008 and 2009, training was provided to 11,000 beneficiaries through other programmes, notably the Occupational Training and Skills Programme of the Ministry of Justice and Labour. In addition, 26,000 participants were trained by the National Vocational Promotion Service under various programmes. In institutional terms, there are two vocational training bodies under the aegis of the Ministry of Justice and Labour: SINAFOCAL and the National Vocational Promotion Service. The current authorities in Paraguay have taken the decision to merge them, with a view to achieving greater efficiency in the use of resources, increased coverage and improved quality of training. There are three main free training programmes: one for young people seeking their first job; one for small rural producers; and one for micro and small entrepreneurs. Furthermore, various programmes, such as those mentioned above, are being developed in conjunction with other public agencies. The Government plans to carry out a reform of the current scheme and to define strategic objectives for this area.

127. In Uruguay, the institutions responsible for vocational education and training are linked to various public agencies. The budgetary allocation for vocational training, which covers university education and upper secondary technical education, doubled between 2004 and 2008. This occurred in parallel to a strong growth in GDP. For this reason, the ratio of investment to GDP increased moderately, from 0.85 per cent in 2004 to 0.93 per cent in 2008. In terms of content, four of the main programmes implemented in the period 2006–09 are worth highlighting: the Self-employment and Micro-enterprise Programme (PRODAME); the Programme to Promote Equality of Opportunities for Women in Employment and Vocational Training (PROIMUJER); the Productive Skills Programme (PROCAPRO); and the Occupational Training Programme (PROCAL), aimed at enhancing the employability of people who encounter difficulties in obtaining employment.

128. In Central America and the Dominican Republic, in the Caribbean, the most recent initiative at the institutional level was the establishment of the Network of Vocational Training Institutes, which receives technical support from the ILO. Through this network, in the last four years, a subregional training package has been developed offering 158 virtual courses in the countries of the subregion. In terms of focus and content, in the 2008–09 biennium, subregional occupational skills development programmes were promoted, including the approval and adoption of 22 occupational skills standards. In addition, three subregional methodologies were developed for drafting standards, certification and training of trainers, and three information technology training platforms were created, providing training for 17,800 people in the course of the biennium. An agreement was reached with the Aula Mentor programme in Spain to transfer its distance learning methodology to the vocational training institutes. So far, 65 per cent of the training institutions in the subregion have been covered. In addition, a Specialized Advanced Technology Centre was formed in Guatemala serving the subregion.

129. In Mexico, vocational training is provided by a wide range of institutions, all of which are linked to the public sector, whether under the Department of Labour and Social Welfare (STPS) or the Department of Public Education (SEP). According to a 2009 STPS activity report,⁷⁰ a number of vocational education and training activities were carried out within the framework of the department's activities. The Productivity Support Programme started operations in January 2009, with the chief objective of fostering labour productivity in enterprises. Between January and

⁶⁸ Ministry of Justice and Labour–SINAFOCAL: *Cifras 2006–2007*, at: <http://capacitacion.gov.py/cifras%20del%20SINAFOCAL.pdf> (in Spanish only).

⁶⁹ M. Velásquez: *Agenda Hemisférica de Trabajo Decente, Paraguay: Evaluación del Estado de Avance, 2006–09* [Decent Work Agenda for the Hemisphere, Paraguay: Progress report, 2006–09], ILO, 2009.

⁷⁰ Department of Labour and Social Welfare: *Tercer Informe de Labores* [Third Activity Report], Mexico, 2009. See: <http://stps.gob.mx/ANEXOS/TERCER%20INFORME%20STPS.pdf> (in Spanish only).

June 2009, the programme benefited a total of 133,466 workers. In addition, the CONOCER⁷¹ programme was developed as an inter-institutional activity (SEP and STPS). Its objective is to promote the development of work skills and the certification of those skills in line with companies' actual needs. It also seeks to improve the quality of the country's enterprises and educational institutions. It is governed by a board composed of representatives of employers, the trade union sector, the social sector and the public sector. Since 1996, CONOCER has set up some 100 standardization committees in an equal number of occupational centres and has prepared 601 technical standards for labour-related skills. It has also enabled the establishment of 32 certification bodies and 1,273 evaluation centres.

130. In the Andean countries, it is worth noting that business development skills are being strengthened in Colombia through the Innovative Enterprise Creation programme of the National Learning Service (SENA). In addition, several institutions have developed labour skills standards in the area of occupational safety and health as part of their training programmes, as is the case for SENA in Colombia and the National Service of Occupational Training in Industry (SENATI) in Peru.

Employment services

131. The DWA for the Hemisphere set the goal of doubling the number of workers placed through public or private employment services within ten years, starting in 2006. According to the evidence gathered, although considerable progress has been made in the countries of the region, the pace and coverage of the progress are still not sufficient to ensure that the goal will be achieved.

132. In the period 2006–09, policies were developed in many countries in the region that were designed to strengthen employment and labour intermediation services. As is the case in the majority of developing countries, the reform and modernization of labour intermediation systems in Latin America and the Caribbean have been more limited than in the developed countries. The region is dominated by a public-sector model of intermediation that, because of limited resources, is typically very small and serves the lower strata of the workforce.⁷²

133. Of the principal initiatives developed in Latin America and the Caribbean, three are the most widely implemented, although the pace, scale and scope vary widely from country to country:⁷³ the introduction and expansion of normal and Internet-based information systems; the expansion of the role and of partnerships with the private and not-for-profit sectors; and improved performance and expansion of the user base.

134. In Argentina, the Employment Services Network emerged with the creation of municipal offices and comes under the umbrella of the Employment Services Unit of the Ministry of Labour, Employment and Social Security. The network, supported by ILO technical cooperation programmes (the AREA Programme to support employment recovery in Argentina and a programme to strengthen and improve the quality of employment in Argentina), has made considerable progress with regard to the computerization of the system and is seeking to achieve better linkages between its public employment offices and the private and not-for-profit sector employment agencies.

135. In Brazil,⁷⁴ computerization is a key priority for the Public Employment, Work and Income System, which includes the Labour Intermediation System (SINE). In 2009, the Ministry of Labour introduced a Web version of the Employment Actions Programme Management System, which provides free services through the Internet which were previously only available at SINE

⁷¹ ILO–CINTERFOR: *La formación basada en competencias en América Latina y el Caribe. Desarrollo reciente. 4.4. La experiencia del CONOCER de México* [Skills-based training in Latin America and the Caribbean. Recent developments. 4.4. The experience of CONOCER in Mexico] (2009). See: <http://ilo.org/public/english/region/ampro/cinterfor/temas/complab/observ/> (in Spanish only).

⁷² J. Mazza: "Labour intermediation services: Lessons for Latin America and the Caribbean", in *CEPAL Review*, No. 80, August 2003.

⁷³ *ibid.*

⁷⁴ ILO: *Agenda Hemisférica de Trabalho Decente: Um Balanço. Brasil 2006–09* [Decent Work Agenda for the Hemisphere: A review. Brazil 2006–09], advance version, ILO Office in Brazil, 2009.

branches. The new system seeks to contribute to increasing the placement of workers through SINE, which in 2008 reached 18 per cent of those registered.

136. In Chile,⁷⁵ SENCE has established the first electronic employment exchange in the country, known as *Infoempleo*, which contains the curriculum vitae of over 29,000 jobseekers. Local employment offices have been decentralized into a network of over 150 municipal employment agencies. In addition, the Chile Califica skills development programme has been developed, which, through inter-ministerial action, is involved in strengthening labour intermediation services as well as incorporating instruments for the certification of occupations and upgrading of studies.

137. In Paraguay, the aim of the Labour Integration Subprogramme is to promote labour integration through projects for inclusion in productive chains, the development of own businesses and the integration of women into the labour market on equal terms. A labour market observatory has also been created.

138. In Uruguay, the National System of Public Employment Services was launched with ILO support through a project to recover employment through support for the creation and consolidation of MSEs (the REDEL project). The National Employment Directorate was strengthened and 22 public services were created which cover almost all the country's departments.

139. In Colombia a system of occupational skills certification has been developed. With the collaboration of three ministries (the Ministry of Social Protection, the Ministry of National Education and the Ministry of Trade, Industry and Tourism), a system to measure the quality of occupational training was introduced in June 2006. The system of certification, the institutions and programmes subject to certification, the certifying institutions and other provisions were defined. Local Employment Initiatives (ILEs) were also promoted, which are strategies for employment promotion at the municipal level.

140. In Peru, in March 2009, a Special Labour Conversion Programme (PERLAB) known as *Revalora Peru* (Revalue Peru) was created to help tackle the global financial and economic crisis. It provides training services for workers in companies which decide to change their activity, training for personnel selected by the company in the light of new demand for labour and skilled labour to cover the company's labour requirements. In addition, a process to modernize and strengthen the employment exchange is under way, in order to convert it into a National Employment Service (SENEP), with duly equipped regional offices and better trained staff. The Ministry of Labour and Employment Promotion is responsible for the management of this process.

141. In Central America and the Dominican Republic, between 2005 and 2009, the Occupational Training and Labour Insertion Programme (FOIL) was implemented,⁷⁶ with technical cooperation from the ILO and other institutions. This programme, which operates in the framework of the Central American Regional Programme covering the six countries in the area and the Dominican Republic, is a response to an initiative of the Central American Integration System (SICA), the Spanish International Development Cooperation Agency (AECID), the ministries of labour and education and the seven vocational training institutes of the seven beneficiary countries. It seeks to generate mechanisms to facilitate the insertion into the labour market of young people, informal sector workers, adults from literacy programmes and women heads of household. The project produced valuable studies, methodologies and instruments which have played a part in the development of employment services in the subregion, notably the promotion of employment observatories. In Central America and the Dominican Republic, the organizational structure of the public employment services is based on a defined model, which describes how employment services are provided in the territory (delegation and/or decentralization). It includes the principles, targets and objectives which guide the public employment services, the actors involved and the

⁷⁵ SENCE: *Cuenta Pública: Gestión del Trienio 2007–09* [Public accounts: Management of the triennium 2007–09], op. cit.

⁷⁶ Since April 2010, the ILO has been the executing agency for the second phase of this project (FOIL II) which focuses on institutional strengthening of public social/labour administrations in the subregion to provide comprehensive support for job placement for vulnerable persons and groups, strengthening subregional integration.

available instruments, as well as the legal framework for continuity and sustainability. All the countries have improved their structural model. El Salvador has the most developed, best structured and most wide-ranging model with regard to geographical coverage, the definition of the public employment service and the allocation of resources (it has a National Employment Opportunities Network). Costa Rica has 23 branch offices attached to the public employment service. The situation in Guatemala has improved in 2008–09 and the country now has 41 employment offices (it had 16 in 2007). Notwithstanding this progress, the public employment services in these countries need to be developed further with regard to vocational guidance, especially through the creation of decentralized units and improved computer resources which will promote networking with employment offices and agencies.

142. Mexico has made considerable progress and has invested heavily in information systems for the national employment service network, and has endeavoured to strengthen the relationship between the public and private sectors and to improve access to target groups. Measures implemented include employment fairs, technical assistance for micro-enterprises, careers information, training opportunities, the evaluation of jobseekers' skills and introductions to employers.

1.5. Social and labour policies in the face of the 2008 crisis

143. The global financial and economic crisis of late 2008 was, according to the ILO, “preceded by growing imbalances in the way globalization unfolded, notably a protracted aggravation of income inequalities within countries alongside the benefits it produced. Moreover, the crisis occurred in a context of a dominant policy vision that overvalued the capacity of markets to regulate themselves, undervalued the role of the State and devalued the dignity of work, respect for the environment and the delivery of public goods and social protection”.⁷⁷ It has had multiple effects on employment in the countries of the region, which can be summarized as follows:

- The process of improving employment slowed down and, albeit less than forecast, annual average open unemployment in the region rose from 7.3 per cent in 2008 to 8.5 per cent in the first half of 2009. By 2010, the figure had fallen to 8.1 per cent.
- Although unemployment affected men more than women, gender and age inequalities remained.
- There was a slowdown in the growing trend towards paid employment, as had been reflected in the growth in construction and trade and which had led to a rise in formal employment. These sectors were particularly affected by the brake on domestic demand and the fall in exports.
- There were impacts on companies, many of which saw their operating conditions, competitiveness and sustainability affected.
- The rise in real wages was limited and this, albeit moderately, affected inflation rates. However, many countries in the region maintained wage purchasing power, especially that of the minimum wage.
- There was a moderate increase in the rate of informality in the majority of the countries, although in the case of Mexico, the rate was higher than the average for the region. In addition, the level of health-care and pensions coverage remained low.
- In some countries, there were restrictions on workers' rights and their ability to negotiate counter-cyclical agreements was limited, especially with respect to employment.

144. An examination of the policies pursued by the countries of the region in the face of the crisis reflects three characteristics which should be highlighted. They are described below.

⁷⁷ ILO: *Tackling the global jobs crisis: Recovery through decent work policies*, op. cit., p. 1.

(i) The crisis made room for various governments to develop new policies, different from those of the past, which seem to reflect a resurgence of the sustainable development approach.

145. The evidence shows that, in the face of the crisis, governments and social partners (workers and employers) took decisions that were very different from the policies adopted in previous recessions. The policies applied in the past basically consisted of “automatic adjustment” and pro-cyclical measures to restrict public expenditure and domestic demand.

146. Conversely, in the current crisis, the use of a broader package of instruments to tackle the challenges proactively can be observed. Counter-cyclical policies have been adopted, which are often more expansionary than in the past from the point of view of public expenditure, and which are clearly designed to maintain the capacity of the domestic market to operate and the purchasing power of the most vulnerable sectors.

(ii) The crisis showed that many countries aimed to increase state regulation and government action to ensure the continuity of employment and incomes protection policies, and to strengthen relations between the public and private sectors. This points to a new vision of the development policies to be pursued.

147. Most of the countries of the region have adopted measures to minimize the impact of the crisis on their economies and labour markets. Although the initiatives vary, they are characterized by the inclusion of policies with active public involvement and improved concertation between the public and private sectors. Not only governments but also workers and employers participate in the process. In that regard, referring to the Global Jobs Pact adopted by the ILO in 2009, Leroy Trotman, Worker Vice-Chairperson of the Committee of the Whole on Crisis Responses of the 98th Session of the International Labour Conference, said that recovery required a wage-led increase in aggregate demand, social protection, and social dialogue and collective bargaining.⁷⁸

148. While there is broad consensus as to the greater emphasis on and importance of regulatory policies, the issue of their scope and effects is the subject of some debate. At the meeting of G20 Ministers of Labour on 26 March 2010 in Geneva, the employers’ representative to the ILO⁷⁹ suggested that consideration should be given to how government regulation affected business, since it had an impact on its job-creation capacity, and highlighted the need to identify a set of policies that combined job-preservation approaches with business-friendly approaches.

149. In the conclusions of the ACTRAV symposium⁸⁰ held in October 2009, special emphasis was placed on the importance of strengthening regulations relating to collective bargaining and trade union activities in order to enhance the capacity for social dialogue to address social and labour issues at the national and international levels. They also highlighted the impact of legislative and practical restrictions on freedom of association, collective bargaining and the right to strike, which should be a core concern of labour policies in the region.

(iii) New approaches to address the crisis, as well as development and social progress, are seen not only in Latin America and the Caribbean, but globally.

150. This has been pointed out by eminent Latin American economists. In a meeting organized in January 2010 by the ILO Subregional Office for the Southern Cone of Latin America, Ricardo Ffrench Davis⁸¹ maintained that counter-cyclical policies have enabled a more effective crisis response than on other occasions, thanks to vigorous public policies designed to correct the global macroeconomic environment. The correction involved working counter to the predominant model of the passive State and the neutrality of economic policies, taking a decisive counter-cyclical approach, in particular with regard to fiscal policy. In the same vein, Gert Rosenthal,

⁷⁸ ILO: *World of work*, No. 66, August 2009, p. 7.

⁷⁹ D. Funes de Rioja: “Job preservation and job growth”, oral report presented to the Meeting of G20 Ministers, Geneva, 26 March 2010.

⁸⁰ ACTRAV: Conclusions of the symposium “Celebration of the 60th anniversary of Convention No. 98”, Geneva, 12–15 October 2009.

⁸¹ Ffrench-Davis: *Macroeconomía para el empleo decente en América Latina y el Caribe* [Macroeconomics for decent work in Latin America and the Caribbean], op. cit., p. 21.

former Executive Secretary of ECLAC, argued in a recent article examining the impact of the crisis on economic thought⁸² that the crisis appears to mark the end of an era in which a high degree of consensus was possible around an economic model, at least with regard to its general application, to be followed by a period of doubts, questioning and testing alternatives. Similarly, Alicia Bárcena, Executive Secretary of ECLAC, at its 33rd Session, highlighted the need to establish a new fiscal covenant and redefine the State–market–society equation to reposition long-term policies aimed at equality, enabling growth that mitigates volatility, strengthening productivity, closing gaps, ensuring universal access to social rights and services, promoting labour market inclusion and achieving greater geographical convergence.⁸³

151. Evidence presented by the ILO in *Protecting people, promoting jobs*,⁸⁴ which describes the measures taken by governments to deal with the crisis, suggests that the ideas outlined above have a reasonable empirical basis. Many of these policies seem to have considered and assigned importance to the Global Jobs Pact put forward by the ILO in June 2009. The ILO report, Annex 3 of which provides an inventory of the measures taken by the countries covered in the four strategic areas set out in the Global Jobs Pact, highlights a number of considerations which are summarized below.

152. In the area of employment creation and recovery and support for enterprises, policies designed to stimulate labour demand were adopted by 45.1 per cent of the countries, while 30.7 per cent applied policies to support jobseekers, jobs and the unemployed.

153. As regards policies to stimulate labour demand, the sample countries of the region allocated additional public expenditure to infrastructure, 30.8 per cent of them on the basis of employment or green criteria.⁸⁵ As regards targeted employment programmes, the countries focused more on the expansion of programmes⁸⁶ (38.5 per cent) than the introduction of new programmes⁸⁷ (7.7 per cent). In providing support for small and micro-enterprises, 76.9 per cent adopted policies of access to credit for these enterprises.⁸⁸ Most of the countries covered applied subsidies and tax reductions (84.6 per cent).⁸⁹ With respect to employment protection, policies centred on reductions in working time⁹⁰ (38.5 per cent) and part-time employment with training measures (23.1 per cent).⁹¹ As regards protection of the unemployed, 46.2 per cent extended their benefits⁹² and 30.8 per cent adopted additional assistance measures.⁹³ With respect to helping the unemployed to find a job, 61 per cent of the countries provided additional training measures⁹⁴ and 53.8 per cent increased the capacity of their public employment services.⁹⁵ Peru is the only country that applied policies for migrant workers.

154. In the area of strengthening respect for standards and fundamental rights at work, the responses to the crisis in the region were more limited. Only Argentina took additional measures against child labour and two countries increased the capacity of labour inspection (Argentina and Mexico).

⁸² Rosenthal: “The financial and economic crisis of 2008 and its repercussion on economic thought”, op. cit., Ch.VII, “Síntesis y conclusiones” [Summary and conclusions], p. 38.

⁸³ See press release of 31 May 2010, at: <http://eclac.org/cgi-bin/getProd.asp?xml=/brasil/noticias/noticias/0/39720/P39720.xml&xsl=/brasil/tpl/p1f.xsl&base=/brasil/tpl/top-bottom.xsl>.

⁸⁴ ILO: *Protecting people, promoting jobs: A survey of country employment and social protection policy responses to the global economic crisis*, op. cit.

⁸⁵ *ibid.* With employment criteria: Argentina, Peru, United States and Uruguay. With green criteria: Brazil, Canada, Honduras and Peru.

⁸⁶ *ibid.* Costa Rica, Honduras, Mexico, Peru and Uruguay.

⁸⁷ *ibid.* One case in the Caribbean.

⁸⁸ *ibid.* Argentina, Brazil, Costa Rica, Chile, Dominican Republic, Honduras, Mexico, Peru and Uruguay, and the Caribbean countries.

⁸⁹ *ibid.* Argentina, Brazil, Canada, Colombia, Costa Rica, Chile, Dominican Republic, Mexico, Peru, United States and Uruguay.

⁹⁰ *ibid.* Argentina, Canada, Colombia, Dominican Republic and Honduras.

⁹¹ *ibid.* Costa Rica, Chile, Dominican Republic and Uruguay.

⁹² *ibid.* Brazil, Canada, Colombia, Costa Rica, Peru and Uruguay.

⁹³ *ibid.* Canada, Dominican Republic, Honduras and Peru.

⁹⁴ *ibid.* Argentina, Canada, Costa Rica, Chile, Dominican Republic, Mexico and Peru, and Caribbean countries.

⁹⁵ *ibid.* Argentina, Canada, Honduras, Mexico and Peru, and Caribbean countries.

155. In the area of establishing social protection and protecting people, 26 per cent of the countries took measures. Most of them focused on conditional cash transfers⁹⁶ (61.5 per cent), followed by increased access to health benefits,⁹⁷ changes in old-age pensions⁹⁸ and changes to the minimum wage⁹⁹ (30.8 per cent of countries). With respect to food security, the United States and the Dominican Republic introduced new subsidies for agriculture and Peru introduced food subsidies.

156. In the area of strengthening social dialogue, 48.7 per cent of the countries adopted measures. Of these, 46.2 per cent created mechanisms for consultation on crisis responses,¹⁰⁰ 30.8 per cent concluded agreements at the national level and 15 per cent at the sectoral level.¹⁰¹

157. As indicated in the ILO report *Protecting people, promoting jobs*, measures of this kind have been adopted not only in the Americas, but also worldwide, reflecting a global pattern of innovative responses to the economic crisis.

158. This is evidenced by the fact that, for a sample of 28 countries,¹⁰² the most widely adopted policies were those in support of jobseekers and the unemployed. Of these countries, 26 implemented policies aimed at training and 21 provided assistance and guidance in finding a job. A large number of countries adopted measures to support employment through recruitment incentives (15 countries) and work experience programmes (11 countries). A smaller group (eight countries) introduced various types of job-finding and business start-up incentives, while seven countries reduced non-wage labour costs for hiring unemployed workers.

Examples of social and labour policies in the region

159. In Argentina, two main types of programme were implemented. The first, aimed at preserving employment through prevention of lay-offs and retention of workers, includes the Crisis Prevention Programme and the Productive Recovery Programme. The second focuses on the expansion of transfer programmes to improve employability and support vulnerable families in the informal economy, and includes measures such as the Training and Employment Insurance Scheme, the More and Better Jobs for Youth Programme and the Universal Child Allowance (UCA). In terms of its impact and scale, the UCA is a vital means of alleviating extreme poverty and improving the inclusion of families with children who are not covered by the contributory social security scheme. The first studies on the UCA, which has 3.7 million beneficiaries, suggest that poverty among under 18-year-olds has decreased from 21.6 per cent to 10.3 per cent, i.e. by 11.3 percentage points. In addition, a major collective bargaining policy has been developed and wage rises have been used as an instrument to strengthen the labour market.

160. In Brazil, in addition to extending lines of credit to enterprises and resources of the Growth Acceleration Programme for public infrastructure investment, the Government has maintained its policy of reviewing the minimum wage, as agreed with the trade union confederations in 2006, granting an increase in real terms of 6 per cent in February 2009. It also extended coverage of the *Bolsa Família* conditional cash transfer programme launched in 2003, and increased the number of unemployment benefits for those most affected by the crisis.

161. In Chile, in 2009, a National Tripartite Agreement on Employment, Training and Job Protection was signed, under which the parties committed to implementing different job-protection measures in enterprises (including hours banks, short-time working and training) to keep workers in employment. In addition, initiatives such as the Youth Employment Subsidy Programme provided enterprises with resources to cover part of the cost of recruiting young people.

⁹⁶ ILO: *Protecting people, promoting jobs: A survey of country employment and social protection policy responses to the global economic crisis*, op. cit. Argentina, Brazil, Costa Rica, Chile, Dominican Republic, Mexico, United States and Uruguay.

⁹⁷ *ibid.* Argentina, Peru and United States, and Caribbean countries.

⁹⁸ *ibid.* Costa Rica, Dominican Republic and Uruguay, and Caribbean countries.

⁹⁹ *ibid.* Brazil, Honduras, United States and Uruguay.

¹⁰⁰ *ibid.* Argentina, Brazil, Colombia, Dominican Republic and United States, and Caribbean countries.

¹⁰¹ *ibid.* At national level: Brazil, Colombia, Costa Rica and Honduras; at sectoral level: Colombia and Peru.

¹⁰² *ibid.* Australia, Austria, Belgium, Canada, Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Republic of Korea, Mexico, Netherlands, Norway, New Zealand, Poland, Portugal, Slovakia, Spain, Sweden, Switzerland, Turkey, United Kingdom and United States.

162. In Paraguay, under the Strategic Development Plan 2008–13, an economic recovery plan was developed to preserve employment through public works and loans to the private sector, protect the most vulnerable groups through a system of conditional transfers to increase resources for education and health, provide financial support to family farms and micro-, small and medium-sized enterprises (MSMEs), and secure liquidity for the proper functioning of the financial system.

163. In Uruguay, the Job Preservation Programme focused on the reduction of working hours, together with training measures. Through the unemployment insurance scheme, combined with training tools, a programme was designed to prevent enterprises from laying off workers or forcing them to go on unemployment benefit.

164. In Colombia, the Youth Training Programme: 250,000 Plan combined retention of young people with training and apprenticeship schemes. In Peru, the Special Reskilling Programme launched in February 2009 includes the Government Economic Stimulus Plan, also known as the “Anti-Crisis Plan”.

165. In Costa Rica, the *Avancemos* (Let’s Move Forward) programme was launched to keep young people from poor backgrounds in the education system, through direct transfers to beneficiaries. In El Salvador, in June 2009, the Global Anti-Crisis Plan was developed, including support for production, income generation and jobs, universal social protection and the convocation of an Economic and Social Council. In Nicaragua, a Tripartite Committee on Free Zones was set up, and in March 2009, a tripartite Emergency Economic and Labour Agreement was signed to preserve jobs and employment stability in enterprises in free zones and promote investment to generate more and better jobs. It also provided for an increase in the minimum wage and conditions to facilitate collective bargaining.

166. In the Dominican Republic, employment-intensive investment programmes were implemented and active labour market policies were strengthened, with an increase in the number of employment offices and their decentralization throughout the regions of the country. In the Caribbean, the Bahamas grants benefits under the National Insurance Scheme to support laid-off workers. In 2009, a retraining programme was introduced to provide training to workers under the National Training Programme. In Jamaica, a National Jobs Pact was launched in 2010.

167. Mexico implemented emergency employment programmes, an instrument that has been little used in other countries during the crisis, given the insignificant increases in unemployment in many cases. Mexico appears to have been more successful in focusing on groups living in poverty or extreme poverty, increasing resources and extending geographical coverage. The scope of the Extended Temporary Employment Programme (PETA), designed to provide temporary income support for beneficiaries in periods of low labour demand in rural areas, was extended to cover urban areas. The Government hopes to assist at least 250,000 workers through this programme.

168. In several countries, governments took on board proposals from trade unions and employers, which helped to ensure more successful outcomes of the measures taken.

2. Ensuring effective application of the fundamental principles and rights at work

169. The DWA for the Hemisphere set the objective for 2015 of achieving substantial progress with regard to the effective respect for the fundamental principles and rights at work. These are a minimum, universally accepted set of rights at work which, by that year, should be incorporated in the legislation of all the countries and applied in practice. To achieve this, the DWA for the Hemisphere sought to promote policies to complete the ratification of the eight Conventions on fundamental rights at work and set in motion a strategy of effective application of legislation on fundamental rights. In addition, it aimed to stimulate measures that would: (i) strengthen and promote freedom of association and collective bargaining; (ii) eliminate discrimination and inequality; (iii) eradicate the worst forms of child labour; and (iv) eliminate forced labour.

170. This Report shows that the countries of the region have made progress with respect to this target of the DWA for the Hemisphere, bringing ratifications of the eight fundamental Conventions up from 93 to 97 per cent. However, this has not prevented continuing violations of these and other Conventions, affecting both workers and employers. Thus, in 2010, 14 countries have been the subject of observations by the ILO supervisory bodies with respect to 18 Conventions. These bodies have highlighted the need for technical assistance to resolve the problems identified in those countries.

171. As regards freedom of association and collective bargaining, the evidence contained in this document points to very limited up to date statistical information on the subject. However, two ILO studies show that in the period covered, with the exception of Argentina and Brazil, which have a high level of trade union coverage and collective bargaining, unionization rates and collective bargaining are tending to stagnate at around 15 per cent and 8 to 10 per cent, respectively. In many countries, such as Colombia and Costa Rica, there has even been a decline in trade union membership and collective bargaining. This tendency is more marked in small and medium-sized enterprises and in countries where collective bargaining is conducted only at the enterprise level. On the other hand, in the public sector, in countries where the right to organize and collective bargaining is granted and effectively exercised, as is the case where collective bargaining takes place at the sectoral or national level, both rates show a more positive trend.

172. The Report also indicates that there are considerable deficits in terms of promotion of freedom of association and collective bargaining by some governments, and that there are cases in which trade unionists and workers have to face hostile attitudes to the exercise of these rights. National and regional trade union organizations, with ACTRAV support, have developed an intensive programme of activities to strengthen respect for these rights. Nevertheless, restrictions on these rights continue to be a serious problem in some countries; accordingly, the ILO, through ACTRAV, and trade union organizations are implementing proactive measures to remedy the situation. In addition, ACT/EMP has focused on promoting the rights of freedom of association and independence of the social partners and, along with the IOE, has denounced situations in which the right of employers to organize has been restricted in several countries. It has also supported collective bargaining in conditions of parity and institutional and legal certainty. These principles were laid down, among others, in the Declaration of the 20th Meeting of Presidents of Ibero-American Employers' Organizations in November 2009.

173. The Report records progress on the objective of gender equality, continuing a trend that started before the DWA for the Hemisphere was developed. However, it is clear that proactive efforts of governments and the social partners are still required in order to achieve fully the targets set by the DWA for the Hemisphere in this regard. Despite the progress made, considerable gender equality gaps still persist in the region in terms of labour participation, incomes, informal labour, decision-making and positions of influence, and the distribution of unpaid care work.

174. As regards the objectives related to the elimination of the worst forms of child labour and child labour in general, the Report finds that these issues feature prominently on the social and labour agendas of the countries of the region. Many of them have established institutionalized tripartite bodies, which receive systematic support from the International Programme on the Elimination of Child Labour (IPEC) of the ILO. According to the ILO, between 2004 and 2008, for the 5–14 age group, activity rates were reduced only slightly, from 10 to 9 per cent, in Latin America and the Caribbean.

175. Thus, although some progress can be seen, the issue of child labour remains an unsolved problem in the region, the extent of which varies from country to country. In Colombia and the Bolivarian Republic of Venezuela, it is estimated that working boys and girls aged between 7 and 14 years account for 4 and 5 per cent, respectively, of the total child population in this age group. On the other hand, in the Plurinational State of Bolivia and Peru, they represent 32 and 42 per cent, respectively. To achieve progress in this area, attention must be given to the importance of providing decent job opportunities to adults.

176. As regards the elimination of forced labour, this Report finds that progress has been fairly limited between 2005 and 2010. According to the ILO, over 1.3 million people in the region

are in forced labour, which is a grave violation of human rights and fundamental rights at work. However, subsequent ILO data point to a systematic and organized effort to tackle the problem in some countries of the region.

177. In most of the countries of the region, indigenous people and those of African descent continue to suffer from marked inequalities and forms of discrimination on the labour market. These two groups, which account for between 8 and 15 per cent (indigenous people) and around 30 per cent (people of African descent) of the population of the region, show the worst socio-economic and labour indicators. The number of migrant workers in the region rose from 2.5 to 3.2 million between 2000 and 2010, representing between 2.5 and 3 per cent of the total population. One in two of these workers are women. The ILO estimates that, despite some progress in this area, most of the objectives set by the DWA for the Hemisphere have registered scant results.

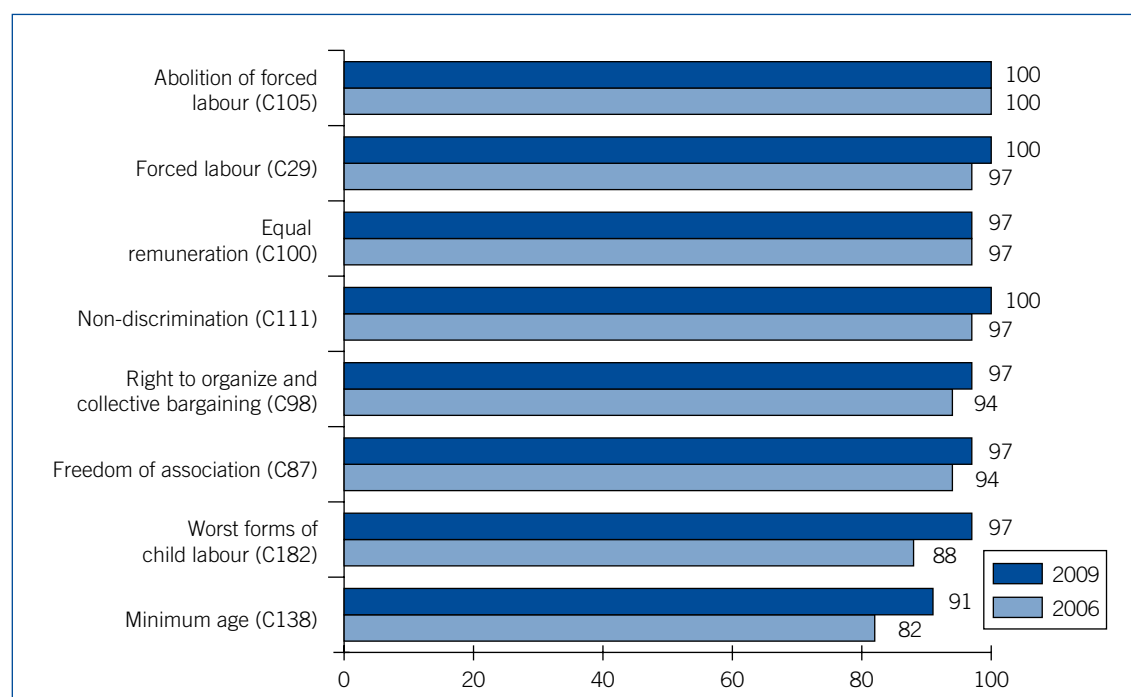
178. As regards the objectives concerning the work-related aspects of HIV/AIDS, according to the regional report on the Millennium Development Goals for 2010, most of these would appear to be likely to be achieved, at least to an extent approximating the target.

179. In short, in this strategic area, the region has registered progress in the ratification of Conventions and in regard to institutional aspects. However, in most of the areas covered by the DWA for the Hemisphere, the progress made by countries with respect to the targets set is still insufficient.

2.1. Ratification of Conventions

180. Between 2006 and 2009, the share of countries which have ratified the eight fundamental Conventions in Latin America and the Caribbean rose from 93 to 97 per cent (figure 7).

Figure 7. Latin America and the Caribbean: Ratification of fundamental Conventions
(percentage of all countries)



Source: Based on ILOLEX (ILO database on international labour standards).

Table 10. Ratification of Conventions on fundamental rights, by region (percentage)

	Freedom of association and collective bargaining		Elimination of forced or compulsory labour		Elimination of discrimination in employment and occupation		Abolition of child labour	
	C87	C98	C29	C105	C100	C111	C138	C182
Africa	91	98	100	100	94	100	89	94
Americas^a	94	91	94	100	94	94	86	97
Asia	43	57	84	73	75	73	61	84
Europe	98	100	100	100	100	100	98	98
Total	82	87	95	93	91	92	84	93

^a Including the United States and Canada.

Source: Based on APPLIS (ILO database on the application of standards), updated as at 13 July 2010.

181. Latin America ranks more or less equally with Europe and Africa, and above Asia, with respect to ratification of the fundamental Conventions (table 10). In the Caribbean, 11 of the 13 English- or Dutch-speaking countries have ratified all the fundamental Conventions. All of the countries are revising and updating their legislation along the lines of CARICOM model legislation and in conformity with international labour standards, under the Decent Work Country Programmes or the subregional decent work programme for the Eastern Caribbean States.

182. The DWA for the Hemisphere maintained that in 2006 many countries in the Americas faced “problems with regard to the observance and effective application of fundamental principles and rights at work and of labour legislation in general. This applies not only to fundamental rights, but also to other individual and collective rights”.¹⁰³ In general, this observation refers to the action of governments and the limitations of legal frameworks, but also to violations affecting trade unions and employers, which have given rise to complaints to the ILO.

183. Although the majority of countries in the region had already ratified the eight fundamental Conventions, the DWA for the Hemisphere indicates that a large number of observations were issued by the ILO Committee of Experts on the Application of Conventions and Recommendations (CEACR). While this situation seems to have improved since 2006, in 2010 a total of 16 countries in Latin America and the Caribbean were highlighted as cases in which technical assistance would be particularly useful in helping member States to address gaps in law and in practice in the implementation of ratified Conventions. These cases relate to 18 Conventions (Nos 1, 26, 30, 87, 94, 98, 100, 102, 106, 107, 115, 119, 120, 133, 148, 154, 155 and 169).¹⁰⁴

184. According to information contained in the ILOLEX database of the ILO for 2008–10,¹⁰⁵ different violations of the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), have been registered in 24 countries of the region. These include not only situations involving workers, but also violations of freedom of association affecting employers. According to the ILO’s LibSynd database containing the reports of the cases examined by the Committee on Freedom of Association and comments from the CEACR, most of the complaints currently before the Committee on Freedom of Association come from Latin America.¹⁰⁶

185. According to the conclusions of the ACTRAV Symposium on collective bargaining in October 2009, and those of the High-level Tripartite Meeting on Collective Bargaining, held in the framework of the Governing Body in 2009, special importance should be attached, in addition to ratification of the fundamental Conventions, to the need to promote other international Conventions

¹⁰³ ILO: *Decent work in the Americas: An agenda for the Hemisphere 2006–15*, op. cit., p. 10.

¹⁰⁴ See ILO: *Application of International Labour Standards 2010(I)*, Report of the Committee of Experts on the Application of Conventions and Recommendations, Report III(Part 1A), International Labour Conference, 99th Session, Geneva, 2010, p. 25.

¹⁰⁵ ILOLEX, database on international labour standards, 2008–10.

¹⁰⁶ Of the 114 active cases listed in the LibSynd database as at 16 July 2010, 70 came from Latin American countries. See: <http://webfusion.ilo.org/public/db/standards/normes/libsynd/index.cfm?Lang=EN&hdreff=1>.

and Recommendations of the ILO. The Global Jobs Pact points out that several international labour Conventions and Recommendations are relevant to its objectives, such as those relating to employment policy, wages, social security, the employment relationship, termination of employment, labour administration and inspection, migrant workers, labour clauses in public contracts, occupational safety and health, working hours and social dialogue mechanisms.

2.2. Freedom of association and collective bargaining

186. The DWA for the Hemisphere set the objective of strengthening observance of fundamental rights by improving safeguards for the various components of freedom of association, a fundamental principle of the ILO, in particular the prevention of anti-union discrimination, and by increasing the scope of collective bargaining in terms of workers and issues covered. To that end, it set the target of improving legislative provision for trade union protection, in particular with regard to effective and speedy administrative and judicial appeals and procedures in cases of violation of those rights; improving the quality of accords and agreements in terms of the number of workers covered (to rise by at least 10 per cent at national level) and extension of their scope (for example including clauses on productivity), and independent dispute settlement.

187. Empirical evidence on unionization and collective bargaining in Latin America and the Caribbean is somewhat sparse, unlike that for Canada and the United States. This report thus does not have adequate information to assess the coverage of both of these labour institutions in the region during the period under review. It will therefore confine itself to highlighting certain trends based on partial information produced by the ILO.

188. For the period prior to the presentation of the DWA for the Hemisphere, the *World of Work Report 2008*¹⁰⁷ shows that in Latin America and the Caribbean, in the period 1989–2005, levels of unionization tended to stagnate or decline. They were already low in most of the countries of the region, with the exception of Argentina, Brazil and Uruguay.

189. For 2005 onwards, the most recent ILO statistical information is contained in the document *Collective bargaining: Negotiating for social justice* of 2009¹⁰⁸ and the report *Social dialogue indicators: Trade union density and collective bargaining coverage international statistical inquiry 2008–09*.¹⁰⁹ Both documents contain partial statistics on trade union density and collective bargaining coverage, and only for some countries of the region and the world.

190. According to the data from these studies,¹¹⁰ if one looks at the nine countries of Latin America and the Caribbean, with the exception of Argentina and Brazil, which have high unionization rates (37.6 and 20.9 per cent, respectively) and collective bargaining coverage (both 60 per cent), the simple average for this set of countries is around 15 per cent for the unionization rate and 9 per cent for collective bargaining coverage. This estimate, obviously, is only indicative, since it refers to a limited number of countries. The unionization rate and collective bargaining coverage for the whole of Latin America and the Caribbean may be lower than the estimate based on the above data.

191. According to the same study, Canada has a unionization rate of 31.4 per cent and 29.3 per cent collective bargaining coverage. In other words, the level is higher than the average for Latin America. Unionization in the United States, however, is lower, at 11.4 per cent, than the estimated average based on the eight Latin American and Caribbean countries covered. Collective

¹⁰⁷ ILO: *World of Work Report, 2008: Income inequalities in the age of financial globalization*, available at <http://ilo.int/public/english/bureau/inst/download/world08.pdf>.

¹⁰⁸ ILO: *Collective bargaining: Negotiating for social justice*. Introductory note, High-level Tripartite Meeting on Collective Bargaining, Geneva, 19–20 November 2009, document TMCB/2009/1, Industrial and Employment Relations Department, 2009.

¹⁰⁹ S. Hayter and V. Stoevska: *Social dialogue indicators: Trade union density and collective bargaining coverage international statistical inquiry 2008–09, Technical Brief*, Industrial and Employment Relations Department, Department of Statistics (ILO, 2010).

¹¹⁰ ILO: *Collective bargaining: Negotiating for social justice*, op. cit., Annexes I and II, Unionization rates: Argentina (37.6 per cent); Brazil (20.9 per cent); Canada (31.4 per cent); Chile (11.5 per cent); Colombia (28.7 per cent); El Salvador (11.9 per cent); Guatemala (12.9 per cent); Mexico (17 per cent); Nicaragua (4.1 per cent); United States (11.4 per cent); Uruguay (19 per cent). Collective bargaining coverage: Argentina (60 per cent); Brazil (60 per cent); Canada (29.3 per cent); Chile (9.6 per cent); Costa Rica (16.2 per cent); El Salvador (4.1 per cent); Honduras (5.6 per cent); Mexico (10.5 per cent); Nicaragua (3.9 per cent); United States (12.9 per cent).

bargaining coverage, on the other hand, is higher than the average for the eight countries, at 12.9 per cent.

192. The low rates of unionization and collective bargaining coverage have been registered despite the fact that Conventions Nos 87 and 98 on freedom of association and collective bargaining have been ratified by 97 per cent of the countries of the region, and despite major efforts by national and regional trade union organizations to promote the development of unionization and collective bargaining. In this respect, special mention should be made of the Trade Union Self-Reform process which is being driven by the Trade Union Confederation of the Americas (TUCA/CSA), with support from the FSAL/ACTRAV project, “Strengthening trade unions to meet the new challenges of integration in Latin America”.

193. Nevertheless, as pointed out in the ILO document *Collective bargaining: Negotiating for social justice*,¹¹¹ there has been some progress in the context of limited expansion of unionization and collective bargaining. As the document states: “There have also been a number of legal and institutional developments in the Americas and the Caribbean. ... there are attempts to strengthen union recognition and bargaining rights in the United States in a new Bill. In Canada, the Supreme Court ruled that Canada’s Charter of Rights and Freedoms protects the right of union members to engage in collective bargaining. A number of countries in the Caribbean reformed or enacted new procedures promoting collective bargaining and introduced a duty to bargain in good faith (e.g. Jamaica, Bermuda and Grenada). In South America, trade-related concerns sometimes created the impetus for legal reforms aimed at bringing legislation into conformity with international standards. ... Some countries have strengthened organizational rights, for example by enabling trade union federations to be recognized in Brazil, thus ensuring their financial stability. A few countries reformed or enacted new procedures promoting collective bargaining. Uruguay adopted a number of regulations strengthening collective bargaining rights and passed legislation that expands collective bargaining in the public sector. Argentina has broadened the scope of the duty to bargain ‘in good faith’, strengthened the right to information and restored bargaining at different levels”. However, “Collective bargaining remains underdeveloped in much of South America. With the exception of Uruguay and Argentina”, as well as Brazil, in this subregion, most collective bargaining takes place in the public sector.

194. According to the conclusions of the 2010 technical brief *Social dialogue indicators*: “Where statistics are available, these show that in general, trade union density and collective bargaining coverage in developing countries are considerably lower than those of higher-income countries. In developing countries with highly segmented labour markets, there is also a significant difference between trade union density and collective bargaining coverage rates for wage earners and salaried employees and the rates for total employment”.¹¹² In the latter case, both indicators are declining. The report adds that the results of the inquiry confirm evidence to date on the interaction between collective bargaining, administrative regulations and labour law. For example, countries with multi-employer bargaining systems and extension mechanisms have higher collective bargaining coverage rates than those where bargaining essentially takes place at enterprise level.

195. According to the ILO,¹¹³ the tendency of unionization and collective bargaining to stagnate or decline is linked to changes in the economic and business structure of the countries in the region. Subcontracting and other forms of fragmentation of former major corporate conglomerates have led to the disappearance of many trade unions, for reasons of legal coverage or simply because they can no longer sustain the previous trade union organization. In some countries, fear of dismissal is also a factor.

196. Although it has declined, collective bargaining has tended to remain stable, albeit at fairly low levels in most countries. As mentioned in *Social dialogue indicators*, in countries with a more centralized bargaining structure, at national or sectoral level, as is the case of Argentina,

¹¹¹ ILO: *Collective bargaining: Negotiating for social justice*, op.cit., pp. 4–5.

¹¹² Hayter and Stoevska: *Social dialogue indicators: Trade union density and collective bargaining coverage*, op. cit., p. 7.

¹¹³ ILO: *Freedom of association in practice: Lessons learned*, Global Report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work, Report I(B), International Labour Conference, 97th Session, Geneva, 2008.

Uruguay and to some extent Mexico, or at an intermediate level, as in Brazil, where bargaining is chiefly by branch of activity at municipal or regional level, collective bargaining coverage is still fairly high compared with the majority of countries which do not have this form of bargaining. Likewise, in the public sector, in countries where collective bargaining is authorized or occurs in practice, coverage is higher and fairly stable. On the other hand, in most of the other countries in the region where, as a rule, collective bargaining is decentralized, i.e. practically at enterprise or establishment level, the trend seems to have been for coverage to decrease.

197. Among the reasons for these modest rates of both unionization and collective bargaining coverage in the region, apart from those arising from structural changes in the economy and new forms of organization of work, is the lack of efforts by some States to promote an increase in trade union membership and collective bargaining. Uruguay is one of the countries that have made such efforts, with excellent results.

198. The absence of adequate levels of collective bargaining has an impact on the linkage between wage rises and productivity increases. In general, the trend in the region is for wages and incomes to lag behind average productivity of the economies. This contributes considerably to widening inequality gaps between the different income quintiles in these countries.

199. The effective application of the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144), should be an essential means of generating dialogue between the social partners and governments on the above subjects.

200. In 2010, according to the ILO,¹¹⁴ 22 countries in the region were the subject of observations by employers' and workers' organizations in relation to Conventions Nos 87 and 98. This suggests the need to remedy these situations, both in the legal framework and in industrial relations practice in the private and public sectors.

2.3. Gender equality and decent work

201. Among the ILO's priorities set out in the resolution on gender equality at the heart of decent work, adopted by the International Labour Conference at its 98th Session, and also formulated by the DWA for the Hemisphere, is the promotion of gender equality in all spheres of economic, social, political and cultural life, and combating any direct or indirect form of discrimination. The DWA for the Hemisphere set the target of increasing by 10 per cent over a ten-year period the participation and the employment rates of women, and reducing the gender gap in informal work and wages.

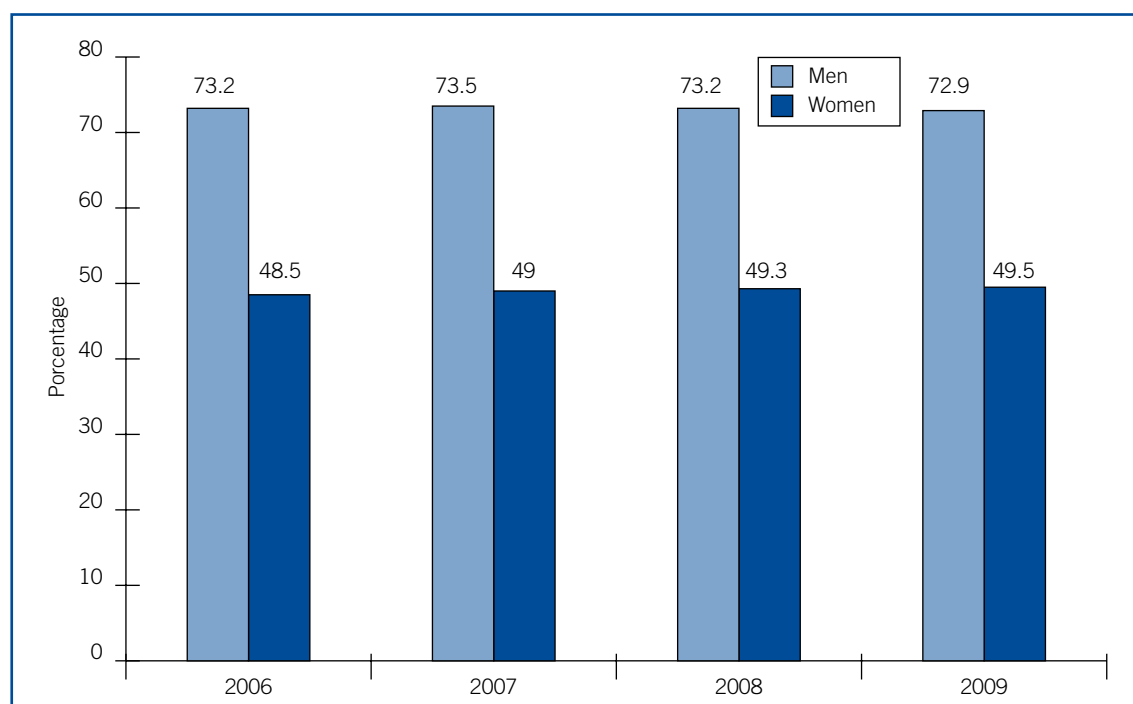
202. Evidence shows that progress on this target has varied from one country to another and across indicators over the period 2006–10. Improvements began before the formulation of the DWA for the Hemisphere, in the context of general advances in women's rights. Nonetheless, it is clear that a considerable proactive effort by governments and the social partners is still needed in order to achieve these targets fully.

203. Over the period, wide gender inequalities persisted in the region in at least five areas: labour participation; incomes; informal work; share of women in positions of decision-making power and influence; and unequal distribution of time spent by men and women on family care and household chores.

204. The rate of women's participation in work has been increasing steadily in the last decades, while that of men has declined slightly. The result has been a narrowing of the participation gap. Estimates for the period 2006–09¹¹⁵ indicate that the rate rose from 48.5 to 49.5 per cent, while the participation gap narrowed by 1.3 percentage points (figure 8). The target set by the DWA for the Hemisphere was to increase the participation rate of women by 10 per cent in ten years. In the first four years, 20 per cent of the target has therefore been achieved. An update of these figures will probably show a higher increase in women's participation in the labour force.

¹¹⁴ ILO: *Report of the Committee of Experts on the Application of Conventions and Recommendations*, op. cit.

¹¹⁵ ILO: Information and Analysis Systems for Latin America and the Caribbean (SIALC) data for 12 countries.

Figure 8. Urban participation (activity) rate by sex, Latin America (12 countries), 2006–09

Source: ILO, based on official information from household surveys (Argentina, Brazil, Colombia, Costa Rica, Chile, Dominican Republic, Ecuador, Mexico, Panama, Peru, Uruguay and Bolivarian Republic of Venezuela).

205. According to the ILO, “Today, more than 100 million women throughout the region work, an unprecedented number ... For women from 20 to 40 years of age, that is, those of childbearing age, this rises to seven out of ten (70 per cent)”.¹¹⁶

206. One of the chief causes of gender inequalities in the labour market is the persistence of the sex-based division of labour which gives women greater responsibility for unpaid reproductive work and affects the distribution of working time of men and women in the productive and reproductive spheres (figure 9). The ILO¹¹⁷ has pointed out that, despite the fact that women increasingly work outside the home and share the breadwinner’s role with men, there has not been any redistribution of family care tasks. Studies on time use in various countries show that women devote much more time than men to unpaid work. As a result, women are at a disadvantage compared with men both in access to employment and within the labour market.

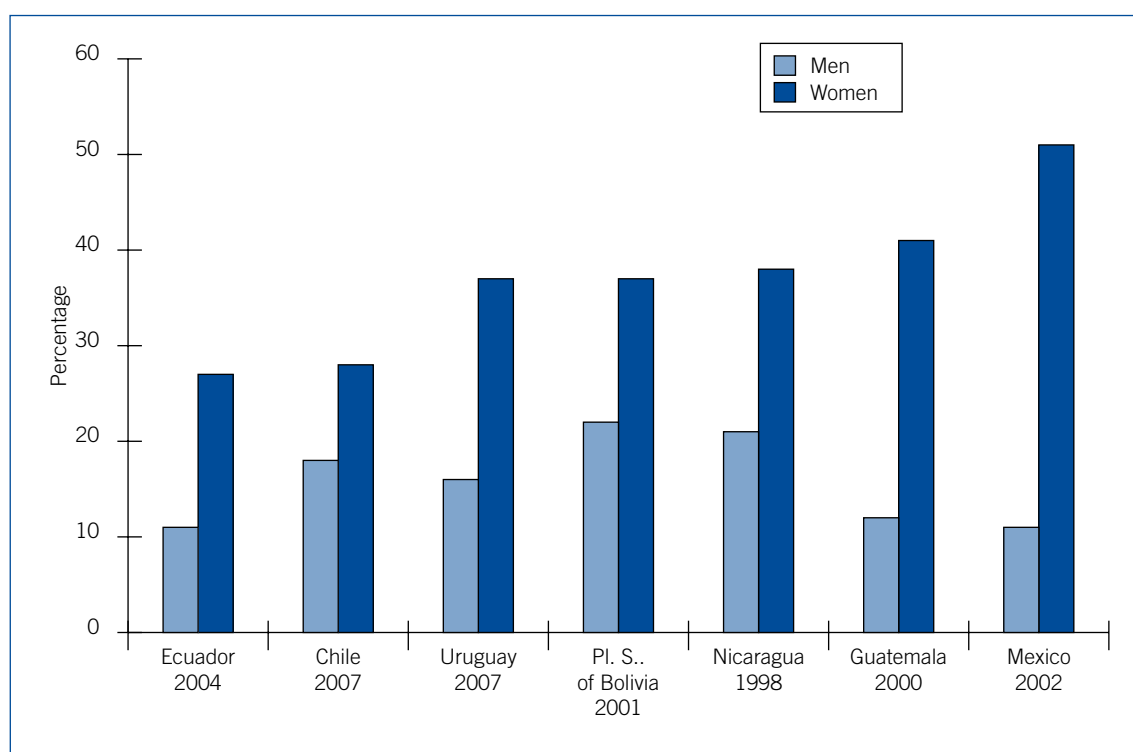
207. With regard to the gap in employment and unemployment rates, the available data show that the urban employment rate for women improved between 2006 and 2009 from 42.5 to 44.1 per cent (figure 10); the increase over the four-year period represents 38 per cent of the target.

208. The unemployment rate, in the same period, shows a favourable trend for the region on average. Unemployment declined more for women than for men, which reduced the gender gap from 4.7 percentage points in 2006 to 3.6 percentage points in 2009. However, female unemployment remains very high, with a double-digit average for the region over the period. Some progress can thus be observed, showing a positive trend, but greater efforts are required to achieve the targets for labour participation, employment and unemployment rates in the region set by the DWA for the Hemisphere (table 11).

¹¹⁶ ILO: “Trabajo y familia”, in *Notas OIT*, No. 1, 2009. This article refers to ILO–UNDP: *Work and family*, op. cit.

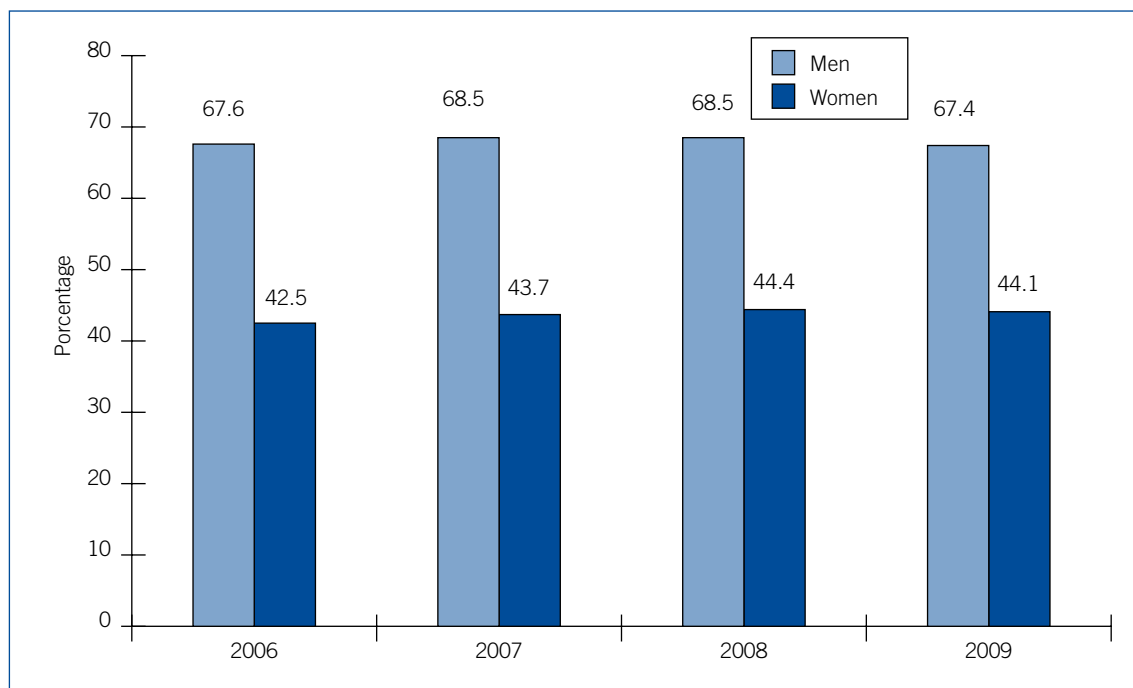
¹¹⁷ ILO–UNDP: *Work and family*, op. cit., Ch. II, section entitled “The tensions between work and family”, p. 57.

Figure 9. Average hours per week spent on household chores, by sex, selected countries, c. 2002



Source: ILO–UNDP.

Figure 10. Urban employment rate, by sex, Latin America (12 countries), 2006–09



Source: ILO, based on official information from household surveys (Argentina, Brazil, Colombia, Costa Rica, Chile, Dominican Republic, Ecuador, Mexico, Panama, Peru, Uruguay and Bolivarian Republic of Venezuela).

Table 11. Urban unemployment rate, Latin America (12 countries), 2006–09 (percentage)^a

Country	Men				Average 2006– 2009	Women				Average 2006– 2009	Gap (percentage points)
	2006	2007	2008	2009		2006	2007	2008	2009		
Argentina ^b	8.4	6.8	6.6	7.8	7.4	12.7	10.9	9.7	9.9	10.8	3.4
Brazil	8.2	7.4	6.2	6.5	7.1	12.2	11.6	10.1	9.9	10.9	3.8
Chile	6.9	6.3	6.8	9.1	7.3	9.5	8.6	9.5	10.7	9.6	2.3
Colombia	10.8	9.7	9.8	11.3	10.4	15.5	13.5	13.5	14.8	14.3	3.9
Costa Rica	4.6	3.4	4.4	6.5	4.7	8.2	6.8	5.5	9.2	7.4	2.7
Dominican Republic	9.2	9.4	8.4	9.8	9.2	26.8	25.5	23.0	23.1	24.6	15.4
Ecuador	6.3	6.0	5.6	7.1	6.2	10.6	9.2	8.7	10.4	9.7	3.5
Mexico	4.4	4.5	4.8	6.7	5.1	4.8	5.2	4.9	6.6	5.4	0.3
Panama	8.4	6.6	5.3	6.2	6.6	12.8	9.5	8.0	9.9	10.0	3.4
Peru	7.1	7.3	6.5	6.7	6.9	10.0	9.9	11.1	10.4	10.3	3.4
Uruguay	8.8	7.1	5.8	5.7	6.8	14.4	12.6	10.1	9.8	11.7	4.9
Venezuela, Bol. Rep. of	9.2	7.9	7.0	7.4	7.9	11.3	9.2	7.8	8.3	9.2	1.3
Latin America and the Caribbean	7.7	6.9	6.4	7.6	7.1	12.4	11.0	10.2	11.1	11.2	4.1

^a In the cases of Chile, Honduras, Jamaica, Dominican Republic and Bolivarian Republic of Venezuela, the national total is taken. The data for Colombia, Dominican Republic, Ecuador, Panama and Bolivarian Republic of Venezuela include clandestine work. ^b Estimated data for 2007.

Source: ILO-SIALC, based on official information from country household surveys.

209. The evidence for the 11 countries for which the ILO has information relating to the incomes gap, for the total employed population, shows that between 2003 and 2007, the trend in wages for women compared with men showed an improvement in five of them (Argentina, Brazil, Chile, Ecuador and Bolivarian Republic of Venezuela), remained unchanged in one (Plurinational State of Bolivia) and worsened in the other five (Costa Rica, Mexico, Panama, Paraguay and Dominican Republic). The disparity in earnings between women and men varies widely across the region, ranging between 61 and 83 per cent in 2003 and 64 and 81 per cent in 2007 (figure 11).

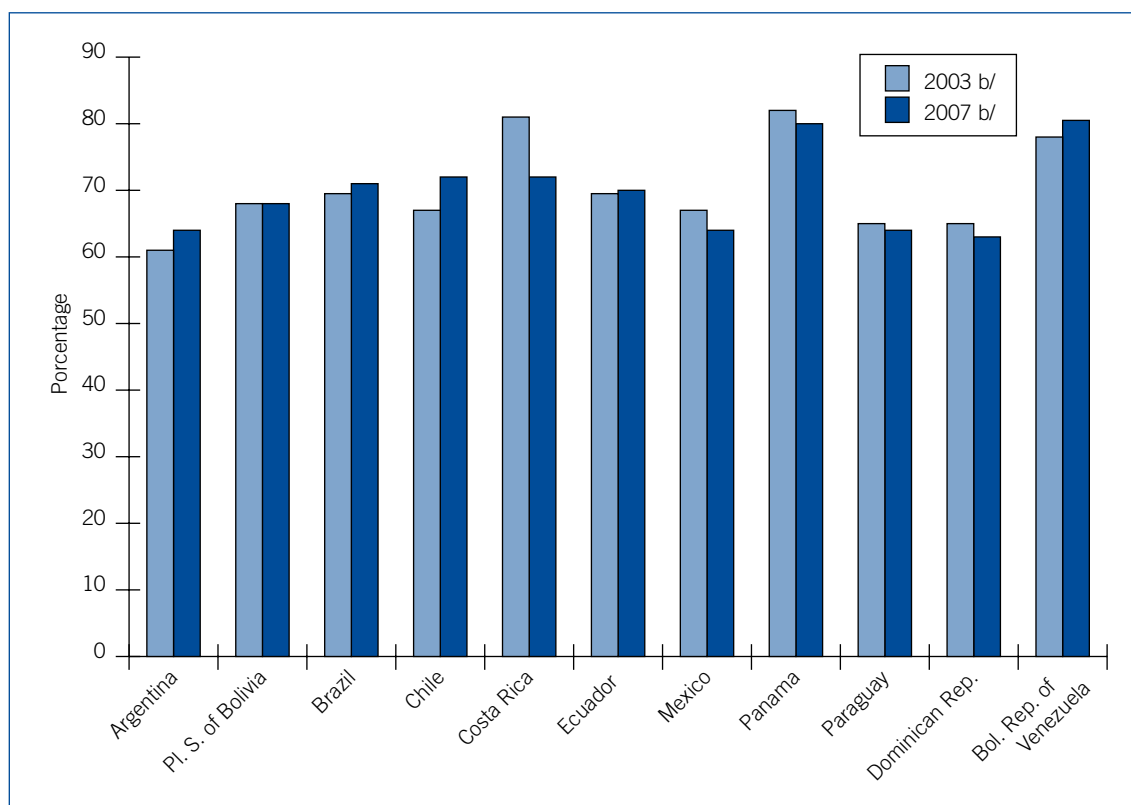
210. With regard to the informality gap, the DWA for the Hemisphere aimed to halve the gap as a means of addressing the over-representation of women in the least productive and least protected work, with little access to adequate and fair remuneration and the exercise of fundamental rights at work. Although there was a slight decline between 2006 and 2008 in the proportion of the employed population working in the informal sector (from 47.5 per cent to 45 per cent), this decrease in informal work mainly benefited men. As a result, the informality gap increased over the same period from 5.7 to 6 percentage points (figure 12).

211. In the informal sector, men's employment has decreased more than that of women, chiefly in the categories of self-employed or employees of micro-enterprises. The rate for women has declined significantly (by 1.2 per cent) only in the category of domestic work, in which they are the great majority.

212. Domestic work today accounts for a large part of the labour force, especially in developing countries. There are over 100 million domestic workers in the world, of whom some 16 million are Latin American women. Most domestic workers are women; their conditions of work are among the most precarious and they suffer from a serious decent work deficit. Paid domestic work also reflects the hierarchies based on socio-economic status, race and ethnicity that are characteristic of the region.¹¹⁸ The ILO estimates that in Latin America, domestic work accounts for 15.8 per cent of female employment.

¹¹⁸ M.E. Valenzuela and C. Mora (eds): *Trabajo doméstico: un largo camino hacia el trabajo decente* [Domestic work: A long way to go to decent work] (Santiago, ILO, 2009).

Figure 11. Ratio of women's earnings to men's in Latin America and the Caribbean*



* Refers to income differences in the total employed population. This difference is calculated as the ratio of average women's incomes to men's multiplied by 100. The data for each of the countries are for dates close to the reference date.

Source: ILO-SIALC.

213. As regards the gap in access to managerial positions and positions of authority, the DWA for the Hemisphere sets the goal of providing women with the same opportunities as men to improve their skills and real opportunities to exercise decision-making power in different social spheres. The evidence shows that, while substantial progress has been made in some countries of the region, opportunities for women to attain positions of authority and exercise that authority in the private and public sectors remain quite limited. A study by the World Economic Forum (WEF) in 2005, entitled *Women's empowerment: Measuring the global gender gap*, maintains that in terms of political empowerment (fair representation of women in decision-making bodies), Latin America ranks in the lower half of the scale used to compare the seven regions of the world (figure 13).

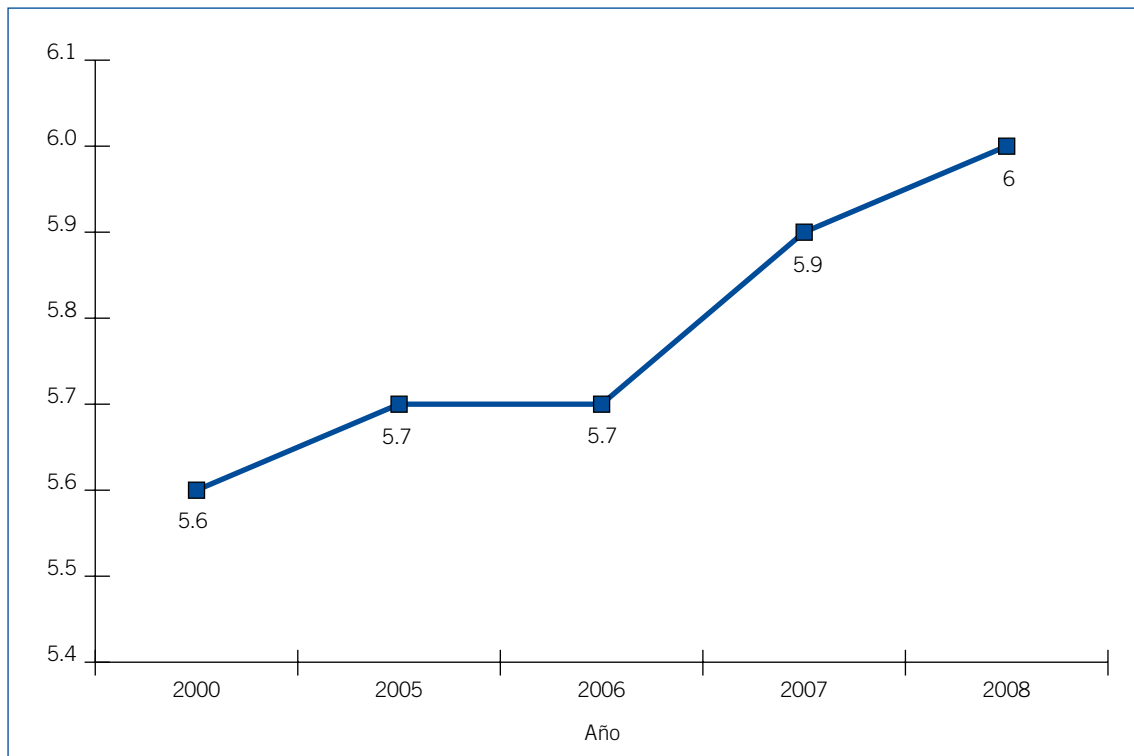
214. Another ILO study¹¹⁹ of 20 countries, five of them in Latin America, found that the participation of women in trade unions was significantly lower than men's in 2008–09 (figure 14). There is a similar difference in the coverage of women by collective bargaining. According to ACTRAV reports, the reconciliation of work, family and trade union organization is highly problematic for women workers. In Canada and the United States, the unionization and collective bargaining coverage rates among women are 50 and 45 per cent, respectively (figure 15).

215. Trade unions are making considerable efforts to improve this situation. According to the ILO,¹²⁰ the Trade Union Confederation of the Americas (TUCA), the regional organization of the International Trade Union Confederation (ITUC), has included among its principal objectives the recognition of gender equality and equity and full participation of women at all levels of the

¹¹⁹ Hayter and Stoevska: *Social dialogue indicators*, op. cit.

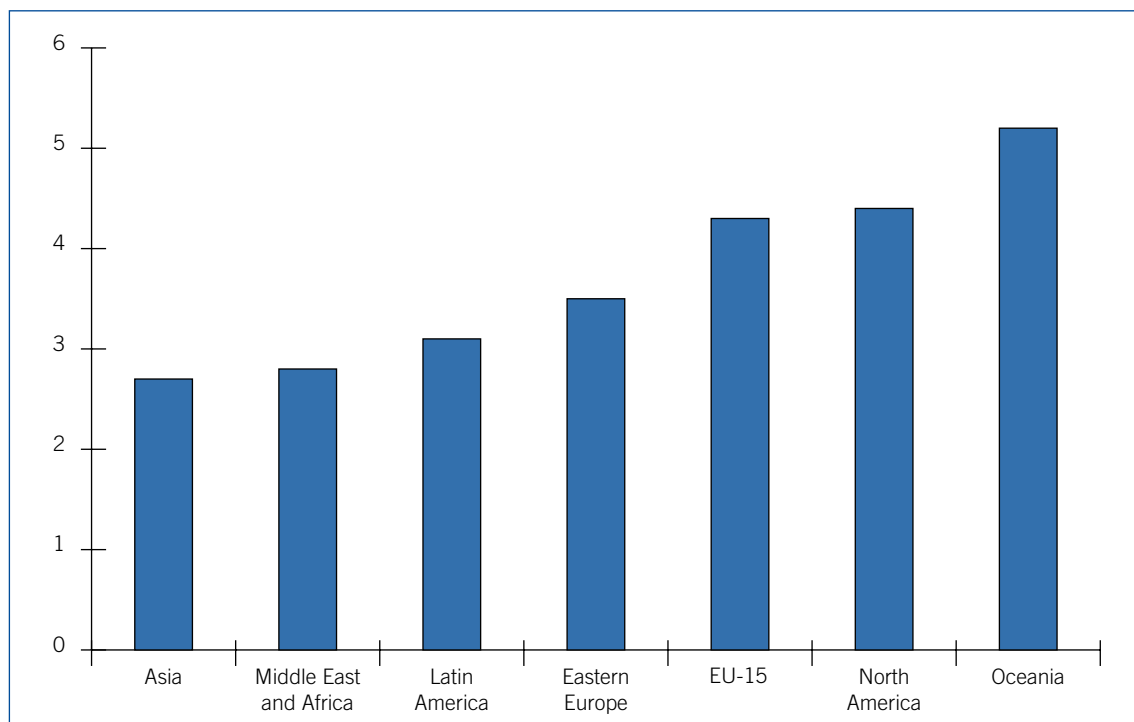
¹²⁰ ILO: "Trabajo y familia", in *Notas OIT*, No. 7, 2009, article referring to ILO-UNDP: *Work and family*, op. cit.

Figure 12. The informality gap between men and women, 2000–08 (percentage points)



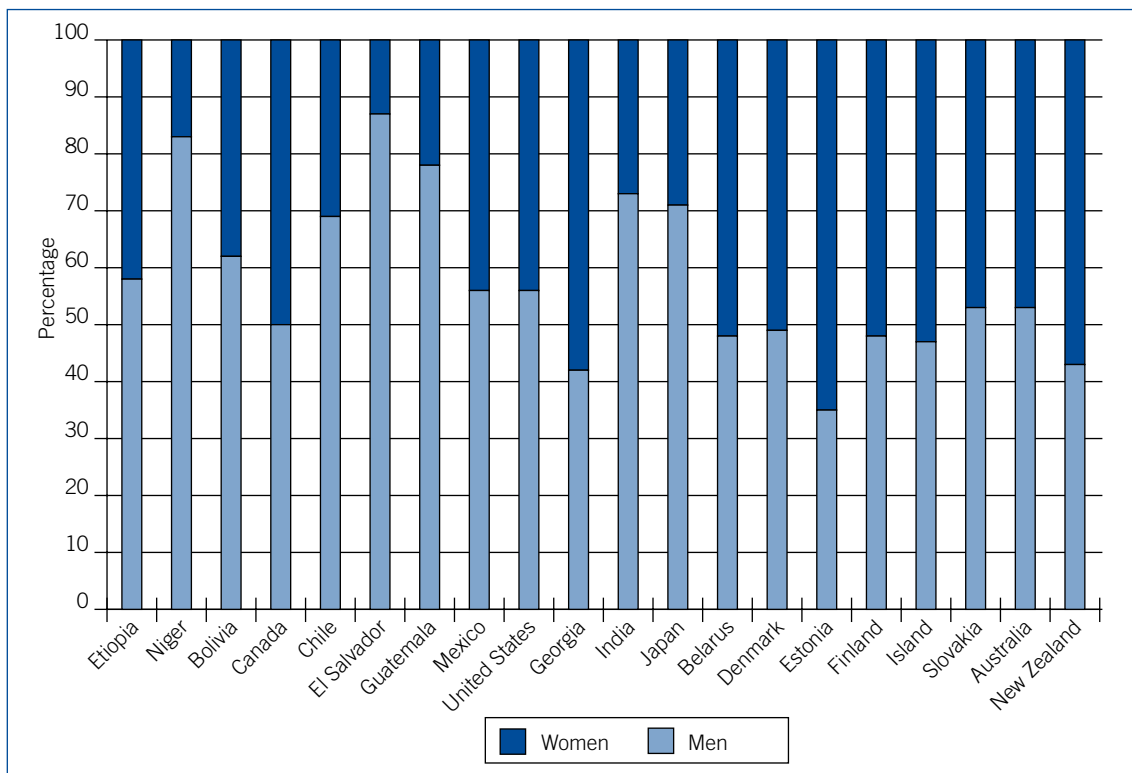
Source: ILO, based on information from country household surveys. The data cover urban areas.

Figure 13. Political empowerment, by region



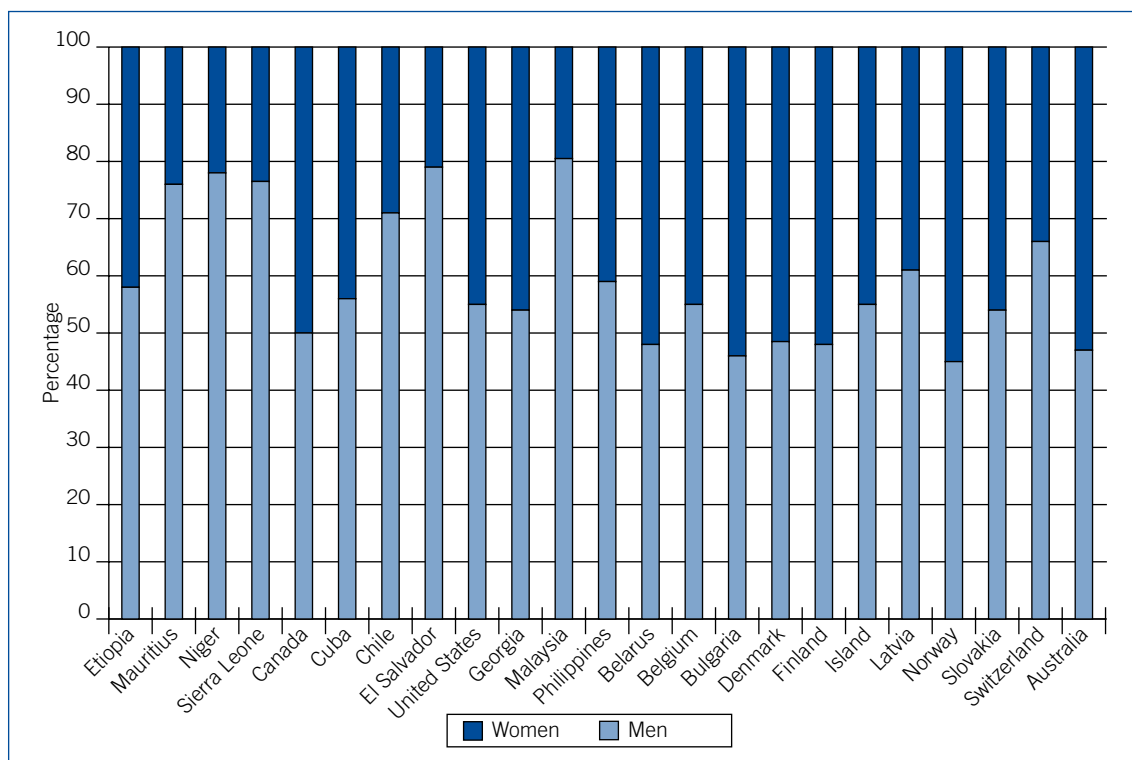
Source: World Economic Forum (WEF): *Women's empowerment: Measuring the global gender gap*, 2005.

Figure 14. Share of trade union membership, by sex, most recent year (percentages)



Source: Hayter and Stoevska: *Social dialogue indicators*, op. cit.

Figure 15. Share of coverage by collective agreements, by sex, most recent year (percentages)



Source: Hayter and Stoevska: *Social dialogue indicators*, op. cit.

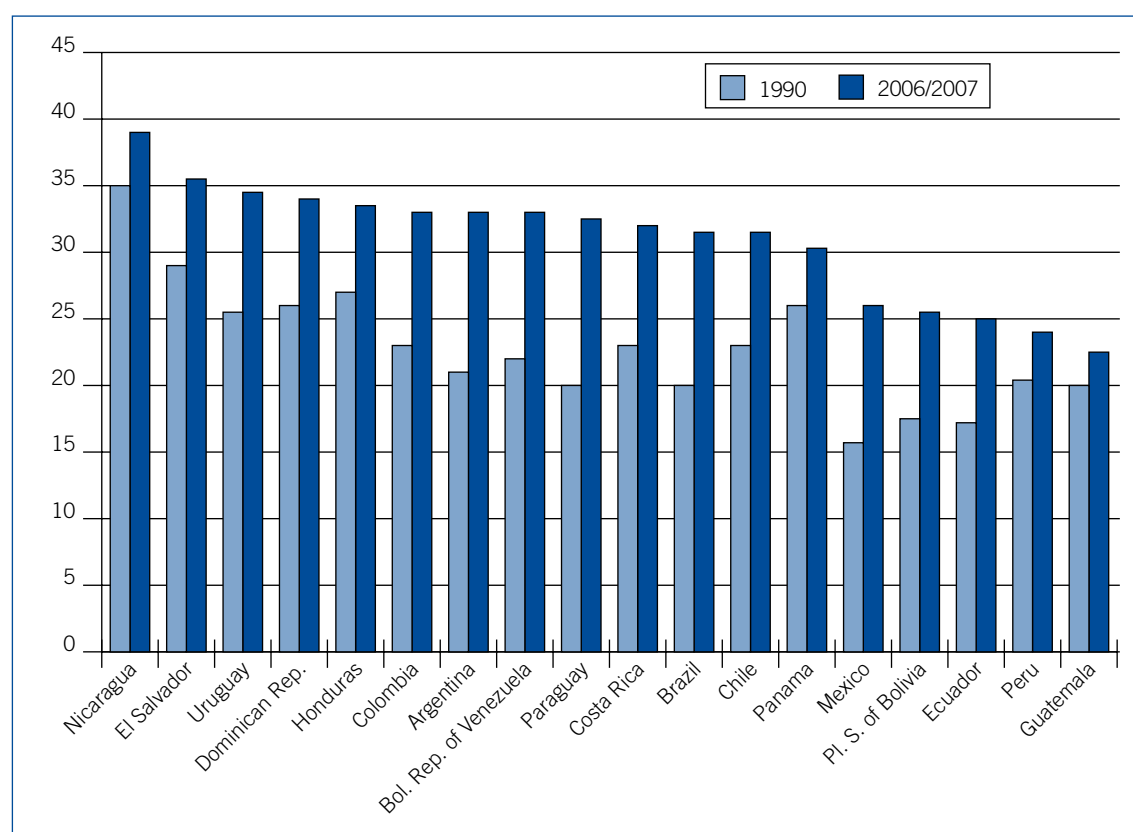
trade union movement, as well as in all spheres of society. The ILO reports similar experiences in Argentina, Brazil, Chile, Honduras, Uruguay and the Caribbean, among others.

216. An Inter-American Development Bank (IADB) report¹²¹ on the Millennium Development Goals in Latin America and the Caribbean highlighted five key areas in which major political, institutional, economic and cultural investment was needed to strengthen that capacity: education; economic and production management skills; promotion of women's leadership; strengthening of women's rights through legal reforms; and combating and preventing domestic violence.

217. As regards the unequal distribution of time spent by men and women in family caregiving and household chores and work/family tensions, several initiatives have been introduced in the countries of the region to expand the infrastructure and coverage of public childcare services (in addition to elder care programmes in some countries) and to involve fathers in family responsibilities. This subject has featured increasingly prominently in the agenda of the trade union movement and corporate strategies to create a more productive work environment.

218. In its report *Work and family*,¹²² the ILO points out that families are diversifying at a dizzying pace, both in their composition and the way they function, as shown by the increase in single-parent families. In addition, the average size of the family unit has shrunk, and there are often two or more breadwinners under the same roof. Women heads of household are at a greater disadvantage because of the structural difficulties they face in combining paid work with family responsibilities.

Figure 16. Latin America (18 countries): Urban households headed by women, from 1990 to 2006–07 (percentages)



Source: ECLAC: *Statistical Yearbook for Latin America and the Caribbean 2007* (Santiago, 2008).

¹²¹ IADB: *Los objetivos de desarrollo del milenio en América Latina y el Caribe: Retos, acciones y compromisos* [The Millennium Development Goals in Latin America and the Caribbean: Challenges, action and commitments] (Washington, DC, Inter-American Development Bank, January 2004).

¹²² ILO-UNDP: *Work and family*, op. cit., Ch. II, section on "The new families", p. 53.

219. Between 1990 and 2006–07, there was a considerable increase in the number of households headed by women, with major repercussions on women’s responsibilities as both economic providers and family caregivers (figure 16). According to the ILO, this has given rise to problems for families; for example, in the absence of other support, workers in low-income families must cope by leaving children or sick or disabled family members at home unattended, or by removing an older daughter from school to do the caring.¹²³ The report also points out that family responsibilities may force women into involuntary unemployment or informal or part-time work, often precarious and poorly paid. For enterprises, this can mean lower productivity and higher labour turnover.

220. The ILO concludes that the tensions caused by the absence of work–life balance measures help to perpetuate gender inequality, as well as poverty, vulnerability and socio-economic inequalities, and also affect countries’ productivity and competitiveness, undermining their growth.

221. The countries of the region are implementing measures to support work–life balance together with social co-responsibility. In 2009, the ILO and UNDP¹²⁴ found that 30 countries of the region had developed maternity protection policies, in particular on maternity leave and benefits. In addition, in 26 of those countries, labour legislation prohibits dismissal of women during pregnancy and the post-partum period (*fuero maternal*) and in 21 of them, there are rules on breastfeeding breaks. Ten countries (Argentina, Brazil, Colombia, Cuba, Chile, Dominican Republic, Ecuador, Guatemala, Bolivarian Republic of Venezuela and Uruguay) have introduced paternity leave.¹²⁵ Collective bargaining has also been an effective means of bringing about changes in legislation on maternity protection and family responsibilities. According to an ILO study,¹²⁶ in six Latin American countries, 91 per cent of the clauses of collective agreements on gender matters referred to maternity protection and family responsibilities. Over half of them were more advanced than the provisions of the legislation. Nevertheless, the challenge remains of increasing awareness that public policies and action on family responsibilities are important for society as a whole, not just women, and must therefore be aimed at all workers, both men and women.

2.4. Child labour

222. The targets of the DWA for the Hemisphere are to eliminate the worst forms of child labour within ten years and eliminate child labour completely within 15 years. Based on the evidence gathered, the elimination of child labour appears to be one of the policies that have been clearly placed on the social and labour agenda of the countries in the region. In 15 countries¹²⁷ there are national tripartite or multipartite commissions or committees carrying out activities and policies in this area that incorporate ILO guidelines. In 19 countries, according to information for 2007, a memorandum of understanding has been signed with IPEC. Five Caribbean countries have become IPEC partners. In Central America and the Dominican Republic, roadmaps are being adopted to achieve the targets set by the DWA for the Hemisphere;¹²⁸ in October 2009, Belize adopted a national policy and programme to eliminate child labour.

223. Significant efforts have been made in the region towards better and more sustainable measurement of child labour (in particular, hazardous work). According to a recent study,¹²⁹ 15 countries in the region had some instrument in place for measuring child labour¹³⁰ in 2010. Five

¹²³ ILO: “Trabajo y familia”, in *Notas OIT*, No. 1, op. cit., pp. 3–4.

¹²⁴ ILO: “Trabajo y familia”, in *Notas OIT*, No. 4, article referring to ILO–UNDP: *Work and family*, op. cit.

¹²⁵ ILO: “Trabajo y familia”, in *Notas OIT*, No. 6, article referring to ILO–UNDP: *Work and family*, op. cit.

¹²⁶ L. Abramo and M. Rangel: *Negociación colectiva y equidad de género* (Santiago, ILO, 2005).

¹²⁷ ILO–IPEC: Fichas resumen de las principales actividades de IPEC en los países de América Latina y el Caribe. 2009–10 [Summary of IPEC’s main activities in Latin America and the Caribbean, by country, 2009–10] (Argentina, Plurinational State of Bolivia, Brazil, Colombia, Costa Rica, Chile, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Paraguay, Peru and Uruguay).

¹²⁸ ILO: *La acción de IPEC contra el trabajo infantil: Hechos sobresalientes 2006* [IPEC’s action against child labour: 2006 highlights], February 2007. (Countries that have signed a memorandum of understanding: Argentina, Plurinational State of Bolivia, Brazil, Colombia, Costa Rica, Chile, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Jamaica, Nicaragua, Panama, Paraguay, Peru, Uruguay and Bolivarian Republic of Venezuela. IPEC partner countries: Bahamas, Barbados, Belize, Guyana, Mexico, Suriname and Trinidad and Tobago.)

¹²⁹ University of Rome: *Trends in children’s employment and child labour in the Latin America and Caribbean region: Regional overview*. Research conducted by the ILO, the World Bank and UNICEF under the Understanding Children’s Work (UCW) project.

¹³⁰ Argentina (2004), Plurinational State of Bolivia (2005), Brazil (2007), Colombia (2001), Dominican Republic (2005), Ecuador (2006), El Salvador (2003), Guatemala (2004), Honduras (2004), Mexico (2004), Nicaragua (2005), Panama (2003), Paraguay (2005), Peru (1994) and Bolivarian Republic of Venezuela (2007).

Table 12. Regional estimates of child labour, 2008 (5–17 age group)

	Total children	Children in employment		Child labourers		Children in hazardous work	
	('000s)	('000s)	%	('000s)	%	('000s)	%
World	1 586 288	305 669	19.3	215 269	13.6	115 314	7.3
Asia and the Pacific	853 895	174 460	20.4	113 607	13.3	48 164	5.6
Latin America and the Caribbean	141 043	18 851	13.4	14 125	10.0	9 436	6.7
Sub-Saharan Africa	257 108	84 229	32.8	65 064	25.3	38 736	15.1
Other regions	334 242	28 129	8.4	22 473	6.7	18 978	5.7

Source: ILO: *Accelerating action against child labour*, op. cit.

of those countries (Brazil, Colombia, Ecuador, El Salvador and Guatemala) have used more than one measurement in order to better monitor the incidence of child labour and provide inputs for policies in this area.

224. Yet these efforts have made only modest headway, considering that the estimated extent of the worst forms of child labour, defined in Article 3(a) to (c) of Convention No. 182, appears to represent just under 5 per cent of total child labour. Thus, in view of the trend and extent of hazardous work, the region is still far from achieving the pace of progress needed to reach the targets set in the Decent Work Agenda.

225. According to the Report of the Director-General of the International Labour Office presented at the 99th Session of the International Labour Conference, *Accelerating action against child labour*,¹³¹ very moderate and uneven progress is being made towards the goal of eliminating the worst forms of child labour around the world. Latin America and Asia and the Pacific are among the regions in which progress has been registered. According to estimates for 2008, 13.4 per cent of children aged 5–17 are involved in employment,¹³² 10 per cent in child labour¹³³ and 6.7 per cent in the worst forms of child labour, specifically in “hazardous work”.¹³⁴

226. A comparison between information from the 2005 ILO–IPEC study,¹³⁵ which estimated that “children in employment” made up 14.7 per cent of the total number of children in the region, and the data in table 12 (13.4 per cent in 2008) show that the figure has declined by slightly over one percentage point.

227. For the 5–14 age group, the share of children in employment also appears to have decreased by one percentage point between 2004 and 2008, since in 2004 the rate was 10 per cent, while in 2008 it was 9 per cent (table 13). As regards the worst forms of child labour, this is the first time that the region has had regional estimates of “hazardous work”, so that it is virtually impossible to draw a comparison with previous periods. However, the share of children involved in this form of child labour is clearly substantial (6.7 per cent in 2008; see table 12). If this is added to the share of children in the worst forms of child labour, as defined in Article 3(a) to (c) of Convention No. 182, the figures for Latin America may be even higher.

¹³¹ ILO: *Accelerating action against child labour*, Global Report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work, Report I(B), International Labour Conference, 99th Session, Geneva, June 2010.

¹³² This refers to children aged 5–17 who are doing some kind of work.

¹³³ This corresponds to those “children in employment” who are classified as child labourers because they are either under the minimum age for work or above that age and engaged in hazardous work which, by its nature or the conditions in which it is performed, poses a threat to their health, safety or morals.

¹³⁴ This refers to child labourers engaged in hazardous work as indicated above.

¹³⁵ ILO–IPEC: *Construir futuro, invertir en la infancia: Estudio económico de los costos y beneficios de erradicar el trabajo infantil en Iberoamérica* [Building a future, investing in children: Economic study of the costs and benefits of eradicating child labour in Ibero-America], 2005. This study estimated that in 2005, one year before the DWA for the Hemisphere was presented, 19.7 million girls, boys and adolescents aged 5–17 were engaged in economic activities in the 19 countries covered (Argentina, Belize, Plurinational State of Bolivia, Brazil, Colombia, Costa Rica, Chile, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Bolivarian Republic of Venezuela and Uruguay), which represents 14.7 per cent of the total 133.7 million children in that age group living in those countries. The estimate is based mainly on the results of specific surveys of child labour or special modules within broader surveys, carried out at the end of the 1990s and the beginning of the 2000s, mostly with the sponsorship of ILO–IPEC.

Table 13. Global trends in children's economic activity by region, 2004 and 2008 (5–14 age group)

	Child population ('000s)		Children in employment ('000s)		Activity rate (%)	
	2004	2008	2004	2008	2004	2008
Asia and the Pacific	650 000	651 815	122 300	96 397	18.8	14.8
Latin America and the Caribbean	111 000	110 566	11 047	10 002	10.0	9.0
Sub-Saharan Africa	186 800	205 319	49 300	58 212	26.4	28.4
Other regions	258 800	249 154	13 400	10 700	5.2	4.3
World	1 206 500	1 216 854	196 047	176 452	16.2	14.5

Source: ILO: *Accelerating action against child labour*, op cit.

228. Thus, according to the evidence, the region has made very slight progress in reducing child labour, both in the 5–17 age group and in the more vulnerable 5–14 age group. Therefore, although a certain amount of progress may be seen, child labour continues to be an unresolved problem in the region, varying in intensity from one country to another. According to a recent study in which the ILO participated,¹³⁶ the proportion of all children in the 7–14 age group (the most vulnerable group) who are child labourers ranges from 4 and 5 per cent in Colombia and the Bolivarian Republic of Venezuela, respectively, to 32 per cent in the Plurinational State of Bolivia and 42 per cent in Peru. The study, which covered 15 countries in the region between 2004 and 2007,¹³⁷ revealed that in Latin America, child labour is fundamentally a rural phenomenon. Brazil shows a clear declining trend in child labour figures, while Colombia and Argentina registered a more moderate decrease at certain times.

229. The foregoing is confirmed by a recent study of child labour trends carried out under the Understanding Children's Work project. The study, conducted under the supervision of the ILO Regional Office for Latin America and the Caribbean (hereinafter, the Regional Office), shows that over the past ten years, fairly moderate progress has been made in combating child labour in Latin America, with important differences between countries.

230. With regard to gender distribution, the study shows that boys are exposed to child labour to a greater extent. However, it points out that surveys tend to exclude household chores, which, as the evidence shows, are performed predominantly by girls. If this dimension were included in measuring instruments, the percentage of girl labourers could be far higher. Most children who work do so for their families in unremunerated labour; in most countries, child labour tends to be intensive in terms of working hours, and the latter tend to correlate negatively with school attendance: children who work and do not study spend more hours per week working than those who both study and work.

231. At the regional level, the ILO has examined the possible impact of the financial and economic crisis on child labour since the end of 2008.¹³⁸ Its conclusions indicate that in all likelihood, as a result of reduced growth and increasing poverty, the activity rate of the child population in Latin America increased by between 0.21 and 0.36 percentage points for the 10–14 age group and between 0.58 and 1 percentage point for the 15–17 age group.

232. The diagnosis in the region thus shows the need for even greater focus according to the incidence of child labour in each country, with account being taken of each country's specific characteristics in designing interventions, in particular the institutional environment and the

¹³⁶ University of Rome: *Trends in children's employment and child labour in the Latin America and Caribbean region: Regional overview*, op. cit.

¹³⁷ Argentina, Plurinational State of Bolivia, Brazil, Colombia, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru and Bolivarian Republic of Venezuela.

¹³⁸ ILO: *Impacto de la crisis económica mundial en el trabajo infantil en América Latina y recomendaciones para su mitigación* [Impact of the global economic crisis on child labour in Latin America and recommendations for mitigating it] (Lima, ILO Regional Office for Latin America and the Caribbean, September 2009), p. 12.

availability of material and human resources. It is also imperative to continue reducing the information gaps that exist with regard to the worst forms of child labour and to continue improving the measurement of child labour, in particular hazardous work.

233. The lessons learned from the implementation of the child labour surveys conducted by the IPEC Statistical Information and Monitoring Programme on Child Labour (SIMPOC) have made it possible to transfer the knowledge gained through new measurements in order to help improve countries' official statistics. The new methodologies for measuring the worst forms of child labour that SIMPOC is testing experimentally at the global level will, in the short term, make it possible to have a statistical tool in place for making such estimates.

2.5. Non-discrimination on ethnic and racial grounds and equality at work

234. The DWA for the Hemisphere set the objective of progressively eradicating ethnic and racial discrimination mechanisms on the labour market, with the target of a 50 per cent reduction in segregation indices and of the earnings gap by ethnic and racial origin within ten years. According to the evidence gathered in this area, the situation in Latin America and the Caribbean shows limited progress towards these objectives. This is probably a matter that requires vigorous action by governments and employers' and workers' organizations, with the active cooperation of the ILO.

235. Although the majority of countries in the region have ratified the Discrimination (Employment and Occupation) Convention, 1958 (No. 111),¹³⁹ and, to a lesser extent, the Indigenous and Tribal Peoples Convention, 1989 (No. 169),¹⁴⁰ the situation of indigenous peoples and people of African descent is precarious in most countries of the region, with persistent glaring inequalities in nearly all of the key labour market indicators. According to various studies,¹⁴¹ indigenous peoples represent between 8 and 15 per cent of the total population of the region, while people of African descent make up around 30 per cent.

236. A 2007 ILO study¹⁴² of eight countries shows that, while the labour force participation rate of indigenous peoples and people of African descent appears high in countries in which these groups are strongly represented, it is concentrated in the more vulnerable and precarious occupations, especially in rural areas. This participation rate does not imply access to quality jobs; rather, given their pressing need to work and to seek employment, these ethnic groups accept employment in the sectors with the lowest incomes. Thus, in most of the countries covered, the unemployment rate is lower among indigenous groups or people of African descent than in the white population.

237. The 14 countries in the region that have ratified Convention No. 169 report several difficulties in implementing it in a coordinated and systematic fashion with the participation of indigenous peoples. In view of these difficulties, the Committee of Experts on the Application of Conventions and Recommendations, in its 2010 Report, requested early reports on the application of the Convention from seven countries in the region. According to the ILO,¹⁴³ one of the most serious problems is that inconsistent or even contradictory actions of the public institutions often impede the proper application of the Convention. Political instability among the government institutions responsible for indigenous policies also frequently poses a problem.

¹³⁹ Antigua and Barbuda, Argentina, Bahamas, Barbados, Belize, Plurinational State of Bolivia, Brazil, Colombia, Costa Rica, Cuba, Chile, Dominica, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Trinidad and Tobago, Uruguay and Bolivarian Republic of Venezuela.

¹⁴⁰ Argentina, Plurinational State of Bolivia, Brazil, Colombia, Costa Rica, Chile, Dominica, Ecuador, Guatemala, Honduras, Mexico, Paraguay, Peru and Bolivarian Republic of Venezuela.

¹⁴¹ ILO: Subregional Office for the Andean Countries, 2010.

¹⁴² ILO: "Indigenous people and people of African descent in the region: Towards equal opportunity and decent work", in *2007 Labour overview: Latin America and the Caribbean* (Lima, ILO Regional Office for Latin America and the Caribbean, 2007); based on information from household surveys of the following countries: Plurinational State of Bolivia, Brazil, Cuba, Chile, Ecuador, Guatemala, Peru and Uruguay.

¹⁴³ ILO: *Newsletter: Indigenous and Tribal Peoples: Traditional occupations* (2008).

238. Moreover, in its 2009 general observation on Convention No. 169, the Committee of Experts emphasized the need for ratifying countries to develop appropriate legislation and practice with regard to prior consultation and participation of indigenous peoples in making decisions which may affect them directly.

239. Some countries, such as Brazil, have included in their government programmes objectives designed to promote equality and improve opportunities for the different ethnic groups. Those objectives comprise six strategic areas: formulating sectoral policies for the promotion of affirmative action leading to racial equality, with special attention to educational inclusiveness; accelerating the implementation of the National Policy for the Promotion of Racial Equality; monitoring the University for All Programme (PROUNI) guaranteeing low-income students access to private universities through scholarships, especially for students of African descent; enforcing the law requiring that African history be taught in basic and secondary education, both public and private; promoting cross-cutting action under educational, cultural, employment and income policies for a more direct impact on quality of life and efforts to eliminate racial violence; and accelerating the implementation of the *Brasil Quilombola* programme in order to address the historical and social demands of the remaining Quilombo communities.¹⁴⁴ Since 2003 there has also been a government mechanism directly linked to the Office of the President of the Republic (the Secretariat on Policies for the Promotion of Racial Equality), tasked with mainstreaming the objective of promoting racial equality into all public policies.

240. Other countries, such as the Plurinational State of Bolivia, have incorporated the plurinational, pluri-ethnic and multilingual character of the State and society into their political constitutions in order to ensure conditions of equality among the different ethnic groups making up the country. Ecuador has developed policies along the same lines. Relevant policies in this area are also being developed in Guatemala and Peru.

2.6 Migrant workers

241. The DWA for the Hemisphere set the objective of enhancing the level of protection for migrant workers by promoting strategies enabling countries to address this issue under the best possible circumstances. This means putting in place, by 2010, an appropriate system of statistical data for policy formulation; making progress, by 2015, on ILO action; achieving ratification of the Migration for Employment Convention (Revised), 1949 (No. 97), and the Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143); and ensuring, by 2010, that all migration origin and destination countries have in place a strategy and plan of action for the orderly management of migration. In general, scant progress has been made towards these objectives in most countries of the region.

242. In the Andean subregion, through the ILO's MIGRANDINA project, significant progress has been made in labour migration management with the establishment of the Labour Migration Directorate within the Ministry of Labour and Employment Promotion of Peru and the Ministry of Labour, Employment and Social Welfare of the Plurinational State of Bolivia. Within the Andean Community, progress is also expected on migration statistics and data, as well as the ratification of Conventions Nos 97 and 143, which are being examined by the countries of the subregion. In Ecuador, the National Institute of Statistics and Censuses (INEC), with support from the ILO, implemented a module comprising questions on the country's international labour migration, with the focus on return migrants, as part of the National Urban Household Survey of September 2007. The ILO was responsible for analysing the methodology and results of the application of the module, as set forth in the report on international labour migration in Ecuador.¹⁴⁵ One of the proposals was a module comprising questions covering the complete migration cycle.

¹⁴⁴ ILO: *Agenda Hemisférica de Trabalho Decente: Um balanço*, op. cit.

¹⁴⁵ ILO: *Análisis de la metodología y resultados del Módulo sobre migraciones laborales internacionales (MLI) en la Encuesta Nacional de Empleo y Desempleo Urbano de Ecuador de septiembre 2007* [Analysis of the methodology and results of the international labour migration module in Ecuador's National Survey of Urban Employment and Unemployment of September 2007] (Subregional Office for the Andean Countries, 2009).

Table 14. Estimates of total migrant workers by region, 2000 and 2010

Region ^a	Migrants				Migrant workers			
	2000 ^b		2010 ^c		2000 ^d		2010 ^e	
	(millions)	%	(millions)	%	(millions)	%	(millions)	%
Africa	16.3	9.3	19.3	9.0	7.1	8.0	8.4	8.0
Asia	49.9	18.5	61.3	28.7	25.0	29.0	30.7	29.0
Europe	56.1	32.1	69.3	32.6	28.2	33.0	35.1	33.0
Latin America and the Caribbean	5.9	3.4	7.5	3.5	2.5	3.0	3.2	3.0
North America	40.8	23.3	50.0	23.4	20.5	24.0	25.1	24.0
Oceania	5.8	3.3	6.0	2.8	2.9	3.0	3.0	3.0
Total	174.8	100.0	213.9	100.0	86.2	100.0	105.5	100.0

^a Regions as defined by the UN Statistics Division. ^b UN Population Division estimates of stock of migrants. The 2005 Revision indicates minor differences from the earlier estimate for the year 2000, but we have reported the earlier figures for consistency with the estimate of migrant workers. ^c UNDP. ^d ILO estimates based on UN estimates of migrant stocks (2000) and country-specific economic activity rates and available country data on economically active foreigners and/or foreign-born persons. ^e Provisional estimate based on extrapolation from the 2000 estimates.

The aim is to help countries to improve data collection on such migration patterns and to obtain results that can be compared to those of other countries.

243. A recent ILO report points out that:

International migration is going to increase, not decrease, in the twenty-first century. ... Labour migration today is characterized by diversity ... in the forms, statuses, directions and durations of the migration experience. Whereas most participants in previous streams of migration were embarking on relatively long-term or permanent emigration and immigration, temporary forms of migration are now becoming more popular.¹⁴⁶

The document adds that today, in 2010, there are 214 million international migrants in the world, equivalent to 3 per cent of the world's population; around 50 per cent of them are women, and nine out of ten migrants are seeking work (table 14).

244. According to the ILO, the proportion of women migrants has grown more in the countries of Latin America and Caribbean than in other parts of the world (table 15).¹⁴⁷ While most have migrated outside the region, mainly to the United States and Europe, there has also been a tendency to migrate within the region. Most of these women are part of the global care chain and are involved in housework and caregiving in higher-income countries. Their main goal in migrating is to generate income in order to support and educate their children, who remain in the country of origin in the care of other women, usually their grandmothers. This “transnationalization” of the labour force thus has a social and economic impact.

245. In addition, there has been an increase in irregular or undocumented migration in Latin America. It is estimated, however, that irregular migrants are a minority among immigrant workers, although the lack of reliable statistics means that the exact number cannot be determined. It should be borne in mind that recent regulation processes in some countries, such as Argentina, Brazil and Chile, have led to a sharp decrease in this type of migration.

246. The developed countries receiving Latin American migrants pursue policies that favour the entry of skilled workers and bar access to low-skilled workers. This has resulted in large numbers of irregular immigrants, who have only very recently begun to be regularized. However, in countries such as Belgium, France, Spain and the United Kingdom, large-scale campaigns for the regularization of irregular immigrants have been carried out since the beginning of the decade.

¹⁴⁶ ILO: *International labour migration: A rights-based approach* (Geneva, 2010).

¹⁴⁷ *ibid.*, Executive summary, p. 1.

Table 15. Proportion of female migrants among total international migrants, by region, 1960–2010

Area or region	Female migrants as a percentage of all international migrants				
	1960	1980	1995	2005	2010
World	47.0	47.7	49.3	49.2	49.0
More developed regions	39.1	50.4	52.0	51.8	51.6
Less developed regions	45.4	50.5	45.2	44.7	44.6
Africa	42.8	44.6	47.1	46.7	46.8
Asia	46.5	44.9	43.5	43.6	43.5
Europe	48.7	49.2	49.8	50.3	50.3
Latin America and the Caribbean	44.2	45.2	49.9	50.1	50.1
North America	50.5	52.0	50.8	50.4	50.1
Oceania	44.4	48.1	49.7	50.7	51.2
Former USSR	47.9	48.2	56.5	57.0	57.0

Source: ILO: *International labour migration: A rights-based approach*, op. cit., p. 27.

247. The past 20 years have seen a sharp increase worldwide in the remittances sent by migrants to their countries of origin in order to cover housing, food, education and health needs. According to the World Bank, the flow of remittances to developing countries reached US\$328,000 million in 2008 – more than the previous estimates of \$305,000 million. Remittances grew rapidly during 2007–08, but have decreased since the last quarter of that year. In its studies on global economic growth, the World Bank lowered its forecasts of remittance flows to developing countries to –7.3 per cent in 2009 from the earlier forecast of –5 per cent.¹⁴⁸ The fact that other types of financial transfers, from public funds or foreign investment, have been used in some countries would appear to be influencing this situation.

248. Nevertheless, remittances are the main source of foreign currency income for many countries. According to the World Bank, they are “an important and stable source of development finance”.¹⁴⁹ A recent study on Latin America found that remittances put large sums of money into circulation in Latin American countries for the purchase of goods and services, boosting the economy. In this way, remittance flows have a positive impact on economic development.¹⁵⁰ In Latin America, on average, for high-migration countries, remittances provide around US\$200 per month to the families receiving them. This is vital in countries with low per capita incomes and wide inequality gaps. The financial and economic crisis of 2008 has affected this source of income, and its recovery will depend more on developments in the industrialized economies than on the situation in the region.

249. Low-income rural areas provide a large number of migrants, and therefore receive a substantial share of remittances. Nevertheless, investment programmes using remittances are hampered by the fact that these communities are populated largely by elderly people and children. Another important pool of migrants comes from the urban middle class with educational levels above the average in the country of origin.¹⁵¹

250. According to the ILO,¹⁵² migrant workers face difficulties in the field of social security when agreements have not been concluded allowing periods of contribution in different countries of employment to be added up. Difficulties also arise in regard to residency in destination countries. The study notes progress in some countries of the region which have concluded social security agreements aimed at improving the situation of migrant workers. The Caribbean Community

¹⁴⁸ See D. Ratha, S. Mohapatra and A. Silwal: “Outlook for Remittance Flows 2009–11: Remittances expected to fall by 7–10 per cent in 2009”, in *Migration and Development Brief* No. 10, 13 July 2009, World Bank Development Prospects Group, Migration and Remittances Team.

¹⁴⁹ Cited in ILO: *International labour migration: A rights-based approach*, op. cit.

¹⁵⁰ *ibid.*, p. 45.

¹⁵¹ E. Rhyne: *Inter-American Dialogue*, 2007.

¹⁵² ILO: *International labour migration: A rights-based approach*, op. cit.

(CARICOM) member countries signed a social security agreement to coordinate their legislation in this area. This agreement closely follows the ILO Maintenance of Social Security Rights Recommendation, 1983 (No. 167). In 2003, the Plurinational State of Bolivia, Ecuador, Peru and the Bolivarian Republic of Venezuela signed the Andean Social Security Instrument. Two other multilateral agreements on social security have been concluded in the region: the Multilateral Social Security Agreement of the Southern Common Market, of 2005 (Argentina, Brazil, Paraguay and Uruguay) and the Ibero–American Multilateral Social Security Agreement, signed by 22 countries in Latin America and the Caribbean. Some countries, such as Chile, have also signed social security agreements with European countries, and Brazil has concluded agreements with Germany and Japan. Argentina and Uruguay have also added to their agreements signed with countries outside the Americas.

251. The trade union movement is contributing to the development of migration policy. In Colombia and Ecuador, the trade union confederations provide information, guidance and administrative services to migrant workers. Peruvian confederations have embarked on a joint effort to set up an inter-trade union programme on migration.

2.7. Forced labour

252. In the context of ensuring effective application of fundamental rights, the DWA for the Hemisphere set the objective of the progressive eradication of forced labour, with the target of reducing the number of workers in forced labour in the region by between 20 and 35 per cent within ten years (by 2015). Based on the evidence, and especially the data contained in the 2009 Global Report,¹⁵³ it may be said that the eradication of forced labour is a goal that is within reach, provided that social and political actors make a sustained effort and commit themselves as an international community, in a common endeavour involving governments and employers' and workers' organizations.

253. The DWA for the Hemisphere indicated that in 2005 the number of workers in forced labour in the region was around 1,320,000 (10.7 per cent of the world total). According to the 2009 Global Report, the lack of up to date information makes it impossible to capture trends over the four subsequent years, and therefore it cites the same data as for 2005. Notwithstanding the inherent difficulties in enhancing the capacity to develop more and better statistics enabling an accurate assessment of the current extent of forced labour and the results of efforts to eradicate it, such action must be a priority for governments and the social partners. Some countries (Brazil and Peru) have created databases to that end.

254. According to the 2009 Global Report, Latin American countries are among those making more efforts to combat forced labour, especially the Plurinational State of Bolivia, Brazil, Paraguay and Peru. The Report also notes that forced labour is a global phenomenon, which is increasing in the context of globalization, and that it occurs in different sectors of the economy, including the production chains of large, modern national and multinational enterprises, and not only in the informal enterprises of developing countries. According to the same Global Report, forced labour is especially widespread in rural areas, particularly those inhabited by indigenous peoples, where it might even be termed slave labour.

255. The experience of the Latin American countries that have officially recognized the existence of forced labour in their territories points to the importance of establishing institutional mechanisms (committees or task forces) and of formulating plans of action that are subject to systematic monitoring and evaluation. The *Input for the Global Report 2009*¹⁵⁴ shows that such initiatives have been adopted in several countries of the region, including the Plurinational State of Bolivia, Paraguay, Peru and Brazil, which since 2003 has put in place a National Commission for the Eradication of Forced Labour (CONATRAE) and a National Plan which is in its second

¹⁵³ ILO: *The cost of coercion*, Global Report under the follow-up to the ILO Declaration on Fundamental Principles and Rights at Work, Report I(B), International Labour Conference, 98th Session, Geneva, June 2009.

¹⁵⁴ ILO: *Input for the Global Report 2009. Successes and challenges of the fight against forced labour in Latin America*, 2009.

revised version. The 2009 Global Report singles out Brazil, where forced labour has been a criminal offence for more than half a century, as the country with the most successful track record in this effort.

256. The eradication of forced labour is one of the priorities of Brazil's and Paraguay's national decent work plans. Some countries are initiating activities at the local level. In Brazil, forced labour is also a priority issue in the state decent work agendas of the states of Bahía and Mato Grosso, which have also put in place state committees and plans to address the problem. In Peru, activities have been carried out in Ucayali province, and in the Plurinational State of Bolivia similar efforts were made in 2008 in the Chaco region, inhabited by Guaraní indigenous people.

257. In addition, measures have been taken in Brazil (on a very wide scale), the Plurinational State of Bolivia and Paraguay to enhance the capacity of the labour inspectorates to combat forced labour, especially in the areas where it is most prevalent. According to the 2009 Global Report, exchanges of experience in strengthening the role of labour inspectorates in the fight against forced labour, involving Argentina, the Plurinational State of Bolivia, Brazil, Paraguay and Peru, have been held since 2008 with ILO support. Similar activities were requested in countries such as Colombia, the Dominican Republic, Guatemala and Mexico, where interest has been expressed by governments, employers and workers in this regard.

258. The abovementioned countries are currently developing an intervention protocol for cases of forced labour that would enable other actors besides those in the labour sector, such as the police and prosecutors, to become involved. Initiatives are also being taken by employers and the private sector, for example in Brazil, where a National Pact to Eradicate Slave Labour has been in place since 2005. The Pact has been signed by some 150 enterprises and institutions, which have pledged to make efforts to prevent and eradicate forced labour in their production chains.

259. The trade unions have also taken initiatives to combat forced labour. For example, the Building and Wood Workers' International has included this issue in its agenda of activities in Latin America and developed projects in this regard. For instance, the confederation has signed an agreement with the ILO, with a contribution from the Confederation of German Trade Unions.

260. Better forms of coordination within countries are also being put in place to combat forced labour. Brazil has made the greatest headway in this area, although progress has also been registered in Peru, with improved coordination between the Ministry of Labour and the Ministry of the Interior. In Peru, a National Plan for the Eradication of Forced Labour was approved with the Ministry of Labour and Employment Promotion, and an Intersectoral Committee set up to that end. Brazil and Peru established bilateral cooperation in combating forced labour, and Canada has signed cooperation agreements in this field with Peru and Colombia. Prevention campaigns on forced labour were carried out in Argentina and Brazil, in particular through the education system. In Colombia and Brazil, the issue was addressed in television programmes. Lastly, legislation is being revised to facilitate the prosecution of forced labour and to establish heavier penalties for this offence. Argentina, Brazil, Mexico and Peru have made progress in this area.

2.8. HIV/AIDS

261. In the context of ensuring respect and effective application of fundamental rights at work, the DWA for the Hemisphere identifies non-discrimination and equal opportunities for workers living with HIV/AIDS as one of its relevant objectives. In line with this objective, the Agenda suggests that countries revise their regulatory frameworks so that they comply with the principle of non-discrimination at work; strengthen mechanisms and procedures to improve their efficiency in applying the laws regarding non-discrimination and equality; and include clauses on non-discrimination and promotion of equal opportunities in collective agreements, among other measures.

262. This proposal is also consistent with the Millennium Development Goals established by the United Nations (UN) in September 2000, which set two major targets regarding HIV/AIDS: to have halted by 2015 and begun to reverse the spread of HIV/AIDS, and to achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it. Based on the available evidence, the

targets set in the Millennium Development Goals in this regard would appear to have a chance of being achieved, if not completely, at least to an extent approximating the level aimed for.

263. An ILO document published in 2003¹⁵⁵ estimates that, in the Latin American and Caribbean region, there were 1.9 million adults and children living with HIV on that date. According to the Joint UN Programme on HIV/AIDS (UNAIDS), 220,000 of them were in the Caribbean in 2001. In 2008, according to the same source, the number of people living with HIV rose to 2.2 million throughout the region, and 240,000 in the Caribbean. Haiti and the Dominican Republic have the largest number of people living with HIV. The Caribbean has been hit hard by the pandemic, second only to sub-Saharan Africa.

264. The United Nations¹⁵⁶ stated in 2009 that the number of new HIV infections in the world, which had been growing since 1990, had decreased since 1996, reaching its lowest level in 2007. This positive trend is due mainly to the reduction in the annual number of new cases in some countries of Latin America, sub-Saharan Africa and Asia. It also shows a decline after 2005 in the number of deaths due to AIDS. At the same time, the number of people living with HIV has tended to stabilize since 2002 (figure 17).

265. Instruments that contribute to non-discrimination and equal opportunities for workers living with HIV/AIDS are the ILO Discrimination (Employment and Occupation) Convention, 1958 (No. 111), ratified by nearly all the countries in the region except Suriname, and the new HIV and AIDS Recommendation, 2010 (No. 200), adopted at the 99th Session of the International Labour Conference in June 2010.

266. According to the available evidence,¹⁵⁷ governments in the region are paying more and more attention to these issues. In Barbados, the national response to HIV/AIDS has been coordinated through the Office of the Prime Minister since 2000, and the Ministry of Labour has been identified as a key line ministry. The Barbados Policy on HIV/AIDS in the Workplace was developed in consultation with the social partners, and embraces the philosophy of respect and equal treatment for workers with HIV/AIDS, incorporating the ILO's practical recommendations. In the Bahamas, in consultation with the tripartite partners, a law was promulgated on HIV/AIDS at work (Employment Act No. 27, 2001), which prohibits discrimination against employees or job applicants on grounds of HIV/AIDS and bans systematic HIV screening.

267. In Brazil, a national policy to combat sexually transmitted diseases and AIDS has been implemented since 1990. It has introduced an integrated approach comprising prevention, treatment and care and support through public policy. Coordinated by the Ministry of Health, this initiative also promotes education on prevention, training, and communication through a broad range of media. It also provides anti-retroviral drugs through the single health system to all persons residing in the national territory, including foreigners who need treatment, negotiates special prices, and/or offers affordable generics. This policy has provided a basic framework for Brazilian employers and for the organization of the National Business Council on HIV/AIDS Prevention, which carries out preventive activities on a personal level. It also addresses discrimination, helps vulnerable people and cooperates with non-governmental organizations and people living with HIV/AIDS on the basis of respect for fundamental human rights.

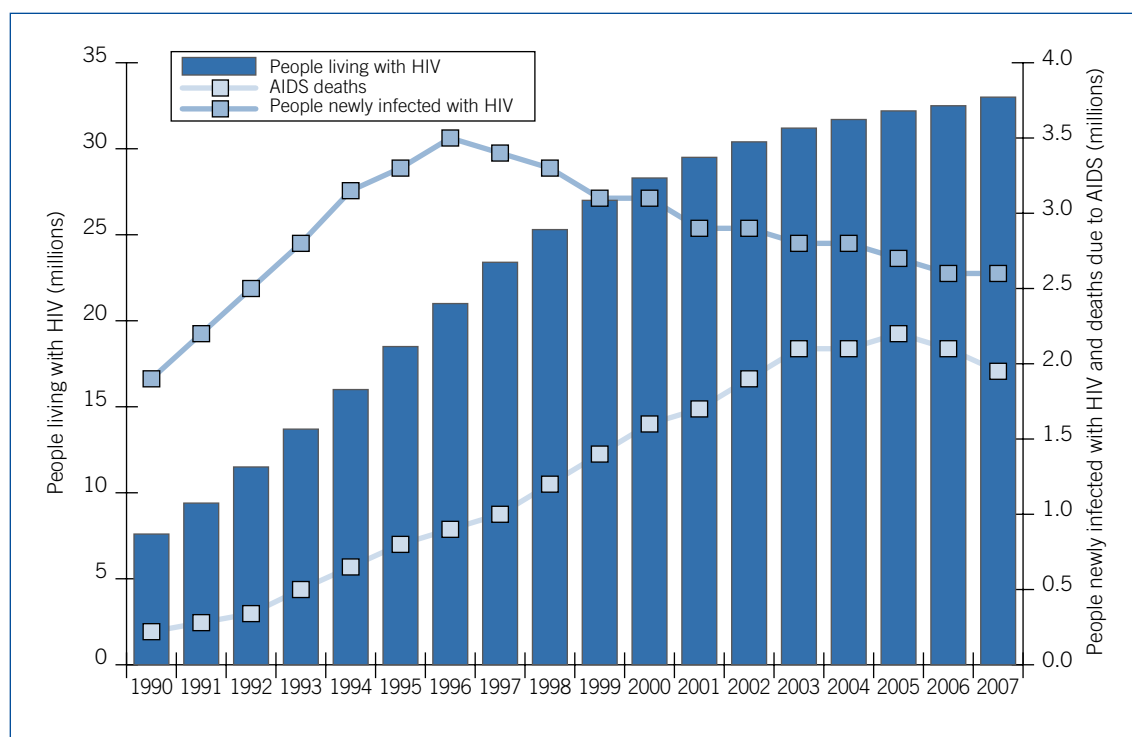
268. In other countries, such as the Plurinational State of Bolivia, Chile, Honduras, Nicaragua and Paraguay, projects are under way at the national level, based on policies linked to prevention of and protection against HIV/AIDS. Specific projects are being implemented at the regional and subregional levels with the participation of Argentina, Brazil, Chile and Paraguay.

269. In Peru, the Ministry of Labour and Employment Promotion and employers have continued to carry out activities under the HIV/AIDS project that ended in 2009, in accordance with Ministerial Resolution No. 376-2008 entitled "National measures to address HIV/AIDS in

¹⁵⁵ ILO: *Workplace action on HIV/AIDS: Identifying and sharing best practice*, Background report for the Tripartite Inter-regional Meeting on Best Practices in HIV/AIDS Workplace Policies and Programmes, Geneva, 15–17 December 2003.

¹⁵⁶ United Nations: *Millennium Development Goals Report 2009* (New York, 2009).

¹⁵⁷ ILO: *Workplace action on HIV/AIDS: Identifying and sharing best practice*, op. cit.

Figure 17. People living with HIV, people newly infected with HIV and AIDS deaths worldwide, 1990–2007 (millions)

Source: United Nations: *Millennium Development Goals Report 2009*, op. cit.

the workplace” and of the Peruvian Business Council on HIV, which meets once a month and has a workplan with indicators and focal points.

3. Enhanced coverage and effectiveness of social protection

270. The DWA for the Hemisphere suggests that social protection should be based on “a modern approach with three basic pillars: (a) promotion of opportunities; (b) access to essential goods and services; and (c) traditional prevention and protection”. Accordingly, it proposes that coverage should be increased and enhanced with regard to the number of workers and family members protected, the range of risks covered and the quality of the protection itself. The objective for the region is to extend and strengthen the various social protection systems for workers, in line with the third strategic objective, and the target is to increase social security coverage by 20 per cent within ten years, starting in 2006.

271. According to the evidence presented in this Report, many countries in the region are having difficulty in achieving the proposed target. Disparities in level of the development of social protection systems in Latin America mean that there is a high degree of diversity in the results these systems produce and in the type of policies being implemented. Therefore, the policies suggested in the DWA for the Hemisphere could be gradually implemented and its targets achieved by 2015, but within different time frames and to varying degrees, depending on the characteristics of the country or subregion.

272. With regard to the achievement of the targets, this Report also indicates that basing measurements primarily on the number of contributors to pension and health systems leads to the conclusion that the 20 per cent target for social security coverage in the formal labour market might not be achieved in many countries. However, if other elements existing in various countries of the region are taken into account, such as the so-called universal health programmes, conditional income transfers and other social services, which form part of what the United Nations and the

ILO have called the “social protection floor”, among other variables, then results showing enhanced social security coverage could well be attained.

273. Furthermore, it is suggested in this Report that there are situations in which the target of 20 per cent or more is being achieved in certain areas of social security, as a result, for example, of amendments to the rules, design innovations and improved management, but that this is not being replicated system-wide. Consequently, the Report underlines the importance of carrying out a comprehensive review to determine which methodology and which components will be able to provide the best possible measurements of the progress made by countries towards the targets set out in the DWA for the Hemisphere.

274. This Report attempts to take into account a wide range of variables in order to provide a truly comprehensive review of the progress made by the countries with regard to social protection, given that it is a broad concept and not merely limited to the variables traditionally considered when this type of analysis is carried out.

275. According to the data collected as part of this study, Argentina, Brazil, Chile and Uruguay are likely to be among the countries that achieve the target set with regard to old-age social insurance. Moreover, these countries might even achieve the target relating to the substantial improvement of monetary transfers for children. For example, in 2009, Argentina introduced the Universal Child Benefit for Social Protection programme. In terms of GDP, this is the most important initiative in the region with regard to direct income transfers for children and adolescents. Likewise, some countries are working towards the establishment of a social protection floor and consider that a strategy to expand coverage should include not only guarantees of monetary transfers for all age groups, but also a set of essential goods and services.

276. A number of countries in the region have started to implement policies aimed at strengthening or re-orienting their social protection systems. Universal health programmes, non-contributory benefits and conditional income transfer programmes are among the policies which have been implemented and which are contributing to the gradual reduction of the social protection deficit affecting those excluded from contributory schemes. This Report notes that the pensions systems of Argentina, Chile, Colombia and Uruguay have all undergone a process of reform, as have the health systems of Chile, Colombia, Honduras, Mexico and Peru. Brazil and Mexico have implemented conditional income transfer programmes which have had a major impact in terms of the reduction of poverty and, in the case of Brazil, of social inequality. Ecuador recently amended its Constitution, with the new version focusing on universal social security. The Government has also proposed reforms to the pension and health sub-systems. In addition, the coverage provided by the Family Health Insurance Scheme has been extended to the children of those insured up to the age of 6 years (who were formerly excluded). In Peru, in 2009, the Social Health Insurance Scheme (ESSALUD) and the National Coffee Board signed an inter-institutional cooperation agreement extending coverage to 42,000 families, with over 200,000 individuals benefiting as a result.

277. However, the lack of employment opportunities and decent working conditions, together with a continued high rate of informality in many countries, in particular among women and young people, and the other forms of exclusion identified in this report, are problems which affect the lowest income quintiles in particular. Consequently, the coverage provided by contributory programmes is very poor for these social groups.

278. Self-employment is one of the social protection issues that continues to be a cause of particular concern. According to the ILO, one in four employed persons falls into this category, a figure that did not vary significantly over the period in which the study was carried out. In Argentina, coverage is around 22.5 per cent; in Chile it is 24 per cent and in Uruguay it stands at 29 per cent. The ILO has suggested that, in order to resolve this issue, consideration must be given to whether or not contributions to any future system are to be compulsory, whether the system is to be special or part of the general regime, which contingencies are to be covered and which benefits are to be taken into consideration.

279. There has been little progress in the region in terms of ratification of the ten ILO Conventions considered to be the most relevant and up to date with regard to social security

(Conventions Nos 102, 103, 118, 121, 128, 130, 156, 157, 168 and 183). The instrument with the highest number of ratifications (nine countries) is the Equality of Treatment (Social Security) Convention, 1962 (No. 118). Furthermore, Brazil and Uruguay recently ratified the Social Security (Minimum Standards) Convention, 1952 (No. 102), and Argentina is currently at an advanced stage in the process of its ratification.

280. The evidence available suggests that moderate progress has been made with regard to health and pensions coverage in the countries of the region but that gaps persist concerning women, non-employees and the self-employed. Based on ILO data, health and pensions coverage for the employed urban population rose between 2000 and 2008. Health coverage increased from 52.1 per cent to 58.4 per cent, while pensions coverage went up from 50.1 per cent to 52.8 per cent. The results for women were slightly lower in overall terms, although they were considerably poorer for self-employed and domestic workers.

281. The Report also highlights the current and future importance of certain policies implemented by governments in the wake of the 2008 global financial and economic crisis. Such policies included conditional transfers, adjustments to unemployment insurance schemes and the expansion of non-contributory programmes. Furthermore, wage policies that protected minimum income purchasing power while sustaining domestic demand also had a role to play. Taking all these elements into account may give a more optimistic overview of the progress made with regard to social protection instruments in general.

282. Workers and employers contributed to counter-cyclical and proactive policies in different ways, for example, through bipartite and even tripartite agreements in some countries and at the enterprise level.

3.1. Social protection in Latin America and the Caribbean

283. According to the document prepared for the ILO tripartite Regional Meeting held in Chile in 2007,¹⁵⁸ Latin America is one of the most diverse and unequal regions in terms of social protection. In some countries, spending on social protection is insufficient. In others, a reasonable level of coverage has been achieved, although there is still a coverage deficit, in particular with regard to workers living in poverty or employed in the informal sector. In the period 2000–10, the level of contributory coverage of the employed population has risen slightly compared to the situation in the 1980s and 1990s. This was mainly because of the recovery of paid employment as a result of an improved international context and better performance in the region. A clearer indicator of the decent work deficit is the contributory coverage of employed persons by income quintile, which indicates that access to social protection in the region is unequal and inequitable. It is the lower income quintiles that are most affected by the lack of employment opportunities, the lack of decent working conditions in the informal economy and exclusion. Consequently, the coverage of contributory programmes is more limited with regard to these social groups.

284. A number of countries have launched policies aimed at strengthening or reorienting their social protection systems and at designing programmes to address any identified shortcomings and gaps. The aforementioned document for the ILO tripartite Regional Meeting of 2007 refers to a number of policies which have contributed to reducing the number of gaps in social protection, including universal health programmes, non-contributory benefits and conditional transfer programmes. The pensions systems of Argentina, Chile, Colombia and Uruguay have undergone a process of reform, as have the health systems of Chile, Colombia, Honduras, Mexico and Peru. Work has also been carried out in Brazil and Mexico, as in much of the region, to develop major conditional transfer policies.¹⁵⁹ Several Caribbean countries have designed legal and policy measures to expand and strengthen their social security schemes, with a view to including categories of workers that were previously excluded.

¹⁵⁸ ILO: *Reunión Regional Tripartita sobre el futuro de la protección social en América Latina* [Regional Tripartite Meeting on the Future of Social Protection in Latin America], Social Security Policy Briefings, Paper 4, Social Security Department, Geneva, 2008.

¹⁵⁹ *ibid.*

285. Self-employment is a social security issue of particular concern. According to a recent ILO publication, “given the large proportion of self-employed workers in the economies of Latin America, together with the situation of informality and consequent vulnerability in which many members of this group find themselves” (approximately one in four workers is self-employed), “a number of countries in the region have expressed both their interest and concern with regard to encouraging the participation and the integration of these workers into the social security systems with the aim of offering them better levels of social and labour protection in the face of the various risks that they may encounter during their lifetimes”.¹⁶⁰

286. The same source states that, in order to reduce the differences in social protection coverage between employees and the self-employed and to extend coverage to the latter, certain elements would need to be included in the process. These include the definition of: (i) whether or not contributions to the social protection system should be compulsory for the self-employed; (ii) whether the system that is to cover self-employed workers will be part of the general regime or a special regime designed to take into account the specific characteristics of the group of workers concerned; (iii) the contingencies to be covered by the social protection system; and (iv) the benefits to be paid to the beneficiaries in the short and the long term.

287. Various formulas for offering protection to self-employed workers are being implemented in a number of countries in the region that have introduced reforms to their social security systems. Such is the case in Argentina, Brazil, Chile and Uruguay. An agreement on social security has been in place in the Caribbean Community (CARICOM) since 1997. During the 2006–10 period, a number of Caribbean countries (including Bahamas, Barbados, Grenada, Jamaica and Trinidad and Tobago) implemented legal and public policy measures aimed at expanding and strengthening their social security structures in order to include the various categories of excluded workers, such as self-employed persons and those working in the informal economy.

Ratification of social security Conventions in Latin America and the Caribbean

288. According to ILO data,¹⁶¹ the level of ratification by the countries of the region of what some consider to be the ten most relevant and up to date¹⁶² of the 17 existing Conventions on social security is low. Table 16 shows the level of ratification of each of these ten Conventions.

3.2. Health and pension coverage

289. According to the *2009 Labour Overview*, based on data gathered from 12 countries,¹⁶³ between 2000 and 2008 more progress was made overall in the region with regard to health protection than to pensions, with the situation for men and women being relatively similar in both areas. However, although average coverage for the region, as defined by the ILO, was 58 per cent and 52 per cent for health and pensions respectively in 2008, public sector employees and those of large private sector enterprises enjoyed the highest levels of coverage (93 per cent and 82 per cent coverage respectively for health; 90 per cent and 79 per cent for pensions). Non-employees, including employers, had a lower level of coverage in the same year (27 per cent and 24 per cent for health and pensions respectively), and coverage for self-employed workers and domestic workers stood at between 20 and 30 per cent for health and between 18 and 24 per cent for pensions respectively. In the latter two categories, women find themselves in a more precarious situation than men, in particular with regard to domestic work, where the difference in terms of pension coverage is up to 10 percentage points lower.¹⁶⁴

¹⁶⁰ F. Bertranou (ed.): *Trabajadores independientes y protección social en América Latina* [Self-employed workers and social protection in Latin America], Santiago, 2009, p. 17 (translated from Spanish).

¹⁶¹ ILOLEX database, consulted on 15 May 2010.

¹⁶² ILO: Up to date instruments list. See: www.ilo.org/normes.

¹⁶³ ILO: *2009 Labour Overview: Latin America and the Caribbean*, op. cit.

¹⁶⁴ *ibid.*, Statistical annex, table 8.

Table 16. Countries which have ratified the Conventions on social security^a

	Social Security (Minimum Standards) Convention, 1952 (No. 102)	Maternity Protection Convention (Revised), 1952 (No. 103)	Equality of Treatment (Social Security) Convention, 1962 (No. 118)	Employment Injury Benefits Convention, 1964 [Schedule I amended in 1980] (No. 121)	Invalidity, Old-Age and Survivors' Benefits Convention, 1967 (No. 128)	Medical Care and Sickness Benefits Convention, 1969 (No. 130)	Workers with Family Responsibilities Convention, 1981 (No. 156)	Maintenance of Social Security Rights Convention, 1982 (No. 157)	Employment Promotion and Protection against Unemployment, 1988 (No. 168)	Maternity Protection Convention, 2000 (No. 183)
Countries of the Americas	9	7	8	5	5	5	10	0	1	2

^a Convention No. 102 (Barbados, Plurinational State of Bolivia, Brazil, Costa Rica, Ecuador, Mexico, Peru, Uruguay and Bolivarian Republic of Venezuela); Convention No. 103 (Bahamas, Plurinational State of Bolivia, Brazil, Chile, Ecuador, Guatemala, Uruguay); Convention No. 118 (Plurinational State of Bolivia, Brazil, Ecuador, Guatemala, Mexico, Suriname, Uruguay and Bolivarian Republic of Venezuela); Convention No. 121 (Plurinational State of Bolivia, Chile, Ecuador, Uruguay and Bolivarian Republic of Venezuela); Convention No. 128 (Barbados, Plurinational State of Bolivia, Ecuador, Uruguay and Bolivarian Republic of Venezuela); Convention No. 130 (Plurinational State of Bolivia, Costa Rica, Ecuador, Uruguay and Bolivarian Republic of Venezuela); Convention No. 156 (Argentina, Belize, Plurinational State of Bolivia, Chile, El Salvador, Guatemala, Paraguay, Peru, Uruguay, Bolivarian Republic of Venezuela); Convention No. 168 (Brazil); Convention No. 183 (Belize and Cuba).

Source: ILOLEX database, consulted on 15 May 2010.

Table 17. Latin America: Urban employed population with health and/or pension coverage, 2000–08

Year and sex	Total	Wage and salaried workers			Non-wage workers			Domestic service			
		Total	Public	Private Establishments with a maximum of five workers	Establishments with six or more workers	Total	Employers		Independent unpaid family workers		
2000	Health coverage	TOTAL	52.1	70.8	88.8	31.5	79.7	22.0	46.0	15.5	27.5
		Men	52.2	67.6	86.9	27.3	79.2	22.4	44.7	16.0	37.1
		Women	52.0	76.4	90.5	41.8	80.7	20.9	49.9	14.3	27.1
		TOTAL	56.8	73.3	90.6	38.2	80.6	30.6	53.3	23.7	30.8
		Men	56.8	70.4	89.7	33.8	80.1	29.4	51.6	22.8	37.1
		Women	57.0	78.1	91.4	47.9	81.4	32.7	56.8	25.1	30.9
2006	TOTAL	58.3	74.4	91.4	38.5	81.4	32.1	54.1	25.0	31.9	
		Men	58.3	71.6	90.6	35.3	80.8	30.9	52.1	24.0	38.9
		Women	58.4	78.8	92.1	48.2	82.5	34.1	58.4	26.4	32.2
		TOTAL	57.8	75.1	91.9	39.5	82.3	27.8	49.1	21.6	31.6
		Men	57.6	72.0	89.9	35.1	81.4	26.8	46.7	21.1	40.6
		Women	58.2	79.9	93.8	48.2	83.7	28.9	54.2	22.1	32.1
2008	TOTAL	58.4	75.6	93.4	39.2	82.5	27.5	47.5	20.8	30.9	
	Men	58.6	73.2	92.3	35.3	82.4	26.5	45.6	20.2	37.6	
	Women	58.1	79.3	94.3	46.6	82.6	28.7	50.9	21.6	31.6	
	TOTAL	50.1	67.6	86.1	28.4	76.2	22.8	43.6	16.4	23.3	
2000	Pension coverage	Men	50.3	64.6	83.9	24.4	75.9	22.8	42.8	16.6	35.1
		Women	50.2	73.2	88.4	38.8	77.0	23.6	46.8	16.5	23.4
		TOTAL	49.7	68.0	87.8	29.6	75.9	21.0	38.5	15.5	22.0
		Men	50.0	65.1	86.6	25.7	75.4	20.7	37.7	15.5	31.8
		Women	49.4	72.7	88.9	38.4	76.6	21.5	39.6	15.7	21.8
		TOTAL	51.0	69.1	88.4	30.5	76.9	21.6	39.2	16.0	22.7
2006	Men	51.5	66.5	87.1	26.8	76.6	21.5	38.2	16.2	33.2	
	Women	50.3	73.1	89.5	38.2	77.4	21.7	41.1	15.8	22.6	

Year and sex	Total	Wage and salaried workers			Non-wage workers			Domestic service	
		Total	Public	Private Establishments with a maximum of five workers	Establishments with six or more workers	Total	Employers		Independent unpaid family workers
2007	TOTAL	51.9	88.3	31.5	78.1	23.4	42.1	17.8	23.7
	Men	52.2	86.2	27.7	77.3	23.2	40.8	18.1	34.8
2008	Women	51.6	90.3	39.1	79.3	23.7	44.4	17.5	23.7
	TOTAL	52.8	90.2	31.2	78.6	24.0	41.0	18.2	24.0
2000	Men	53.3	88.7	27.7	78.3	23.6	40.1	18.0	35.9
	Women	52.1	91.4	38.1	79.0	24.8	42.2	18.5	24.0
Health and/ or pension coverage	TOTAL	54.5	90.4	32.9	79.8	28.4	48.8	21.7	30.8
2005	Men	54.3	88.8	28.5	79.2	27.7	47.4	21.4	40.7
	Women	55.1	91.8	43.8	81.2	30.0	53.0	22.4	30.6
2006	TOTAL	59.2	91.4	39.6	81.0	36.9	55.7	30.0	34.1
	Men	58.7	90.6	34.9	80.3	34.5	54.0	28.0	40.3
2007	Women	59.9	92.0	50.1	82.1	41.2	59.1	32.9	34.2
	TOTAL	60.7	92.1	41.0	81.9	38.5	56.6	31.4	35.2
2008	Men	60.3	91.1	36.4	81.2	36.3	54.7	29.7	43.1
	Women	61.3	92.9	50.4	83.2	42.3	60.4	34.1	35.5
2009	TOTAL	61.4	92.7	40.9	85.1	35.1	52.3	28.8	35.4
	Men	59.7	90.8	36.2	81.5	32.9	49.9	27.3	44.7
2010	Women	63.6	94.5	50.2	90.5	38.6	57.0	31.0	35.8
	TOTAL	60.8	93.7	40.5	82.7	35.1	50.7	28.5	34.9
2011	Men	60.5	92.8	36.3	82.3	32.7	48.9	26.6	42.5
	Women	61.2	94.4	48.5	83.4	38.8	54.0	31.1	35.5

Source: ILO estimates based on information from country household surveys. Data encompass urban coverage.

290. With regard to health in the workplace, various countries benefited from the ILO's SafeWork programme, which was developed at a regional level. In the countries of the Caribbean, the tripartite constituents of CARICOM have made occupational safety and health a priority, with common legislation being drawn up for this group of countries, including Belize, Guyana, Suriname and Trinidad and Tobago.

3.3. *Social protection is also a political economy decision*

291. The ILO has pointed out that countries can grow in an equitable way and can offer some kind of social protection from the earliest stages of national economic development.¹⁶⁵ There is clear evidence that inequitable and unequal economic growth is unsustainable in the long term. This position has been supported by national and regional trade union organizations and has been well received by many employers' associations. This overall view, which links growth to social protection, could be considered to be a "political economy" approach in that it points to a synergy between social, labour and human outcomes and growth processes and is mainly inspired by political (referring to the common public good) rather than technocratic reasoning.

292. It has been noted in many developing countries that, if basic health and direct transfer systems are properly structured, they can have a positive impact with regard to reducing poverty and child labour and improving the health, nutrition, education and social condition of the beneficiaries, and on economic activity. Access to these benefits and the results they produce depends on the willingness of society to finance social transfers through taxation and contributions. This access depends not only on the fiscal situation and macroeconomic balances but also, crucially, on political decisions and priorities. Social dialogue, tripartism and the actions of the social actors play a fundamental role in this respect.

293. In this regard, the important work carried out by trade unions, with the support of ACTRAV, on social security during the 2006–09 period, merits particular attention. Trade union organizations participated in a very real sense in the process of extending coverage. In the case of Uruguay, mention should be made of the role played by the Uruguayan Inter-Union Assembly of Workers' National Convention (PIT–CNT) in the reforms affecting health, pensions and family allowances. Moreover, in Peru, an important initiative was taken in 2008 by the four trade union confederations to develop a single proposal for the reform of the social security system, with ILO technical cooperation. Another case in point is that of Honduras, where the trade union organizations actively pushed for the abolition of caps on social security contributions. The ILO's Social Security for Trade Union Organizations (SSOS) project, involving regional-level strategic trade union action, made it possible to provide education and training for over 500 trade unionists in 11 countries and to lay the foundations for improving the conditions in which the participants carry out their technical and trade union functions. Those taking part formed inter-union technical teams to assist their organizations, in providing support during social dialogue processes aimed at formulating proposals (for example, in Peru and Uruguay), in the formation of inter-confederation committees (for example, in the Dominican Republic and Honduras) and in the launching of information-sharing and decentralized advisory processes for workers (Argentina).¹⁶⁶ At a regional level, with the support of ACTRAV, the Trade Union Confederation of the Americas (TUCA) developed the Continental Trade Union Platform on Social Security, which provides guidance to national trade union confederations with regard to extending social protection coverage and promotes full compliance with the principles of social security and the ratification of and compliance with the Social Security (Minimum Standards) Convention, 1952 (No. 102).

¹⁶⁵ ILO: *World Social Security Report 2010/11: Providing coverage in times of crisis and beyond* (Geneva, forthcoming); ILO: *ILO Declaration on Social Justice for a Fair Globalization*, op. cit.

¹⁶⁶ ILO: ACTRAV progress report on the situation regarding the DWA for the Hemisphere, 2010.

3.4. The financial and economic crisis and social protection policies

294. In a report submitted to the G20 Labour and Employment Ministers' Meeting in Washington, DC, in April 2010,¹⁶⁷ the ILO indicates that, in contrast to the economic crises of the 1990s during which restrictive fiscal policies led to substantial cuts in social spending, most of the G20 countries responded to the recent financial and economic crisis by focusing their policies on the promotion of social protection programmes, including pensions, family benefits, food security, education and investment in health and accommodation. The report also points out that, while developed countries applied these measures in a more temporary and discretionary fashion, certain developing countries adopted structural measures to improve social protection coverage. The document suggests that these crisis responses show that social protection has three major benefits: it protects those faced with the risk of being plunged further into poverty; it creates more opportunities to stay in or gain access to the labour market; and it contributes to maintaining or improving aggregate demand.

295. The report adds that the lower the level of social protection coverage, the higher the impact of the crisis on vulnerable groups. This is an essential point given that between 75 and 80 per cent of the world's population do not have access to adequate pensions or health protection. The adoption of a package of financial transfers, together with access to basic services as a social protection policy, creates a basic floor that is of benefit to the economy and society as a whole. The report maintains that, despite signs of recovery from the crisis, many governments have stated their intention to continue to implement both policies to stimulate social protection and fiscal measures designed to achieve this aim, while taking into consideration the need for stability and sustained growth.

3.5. The crisis and performance in terms of social protection in the countries of the region

296. With regard to the social protection policies adopted by the countries of Latin America and the Caribbean during the 2008 global financial and economic crisis, the ILO *2009 Labour Overview*¹⁶⁸ stresses that conditioned transfer programmes are particularly important, as are modifications to unemployment insurance programmes in the countries that offer this insurance. In addition, initiatives were launched to improve other components of the transfer system, such as the modifications some countries made to their social security and pension systems. In the latter case, initiatives sought to make access to benefits more flexible in response to the difficulties older workers face in the labour market (Uruguay) or to expand non-contributive programmes (Chile). Whereas these two countries planned reforms before the crisis, the crisis accelerated the modification or implementation of these programmes. In addition, other countries strengthened or expanded transfer programmes more directly linked to the labour market. For example, Argentina expanded its Training and Employment Insurance Scheme and its More and Better Jobs for Youth Programme.

297. With respect to unemployment insurance schemes, the *2009 Labour Overview* states that several countries made “modifications to expand coverage and improve benefits, such as Chile and Uruguay, which were already reviewing this instrument before the crisis hit. In addition, Brazil, Chile and Uruguay made different changes in the implementation of their unemployment insurance programmes during the crisis, given that during an economic downturn, the duration of unemployment rises while possibilities for finding a job diminish”.

298. The *2009 Labour Overview* also points out that Brazil extended unemployment insurance by two additional months. This measure was aimed mainly at workers in those sectors most affected by the crisis (including mining and the iron and steel industry). In Chile, an option was also introduced whereby benefits could be extended by two additional months when the unemployment rate exceeded the average for the past four years, plus one percentage point. This

¹⁶⁷ See ILO: *Employment and social protection policies from crisis to recovery and beyond: A review of experience*. An ILO report to the G20 Labour and Employment Ministers' Meeting, Washington, DC, 20–21 April 2010.

¹⁶⁸ ILO: *2009 Labour Overview: Latin America and the Caribbean*, op. cit., p. 68.

was applied as a general rule to workers in all sectors rather than specifically targeting workers of a particular sector. In Uruguay, as a part of social security reforms, a measure was adopted allowing for the extension of the payment of unemployment benefits in the event of an economic recession in the country (defined as two consecutive quarters of negative growth). As Uruguay showed no sign of entering a recession, the mechanism was not activated. As in Chile, this initiative encompasses all economic sectors. Furthermore, enterprises in Uruguay are permitted to apply for unemployment insurance benefits for their workers for a maximum of six months when they are experiencing difficulties, without having to end the labour relationship. This instrument, which in many cases has been applied through agreements between employers and workers, appears to have been quite effective.

299. Unemployment insurance schemes are a counter-cyclical instrument that is activated automatically. Not all the countries of the region have implemented unemployment insurance schemes, and in those countries where this measure has been taken coverage is usually low. Therefore, other policies have been implemented which play a part in overcoming economic recession or slowdown. The programmes that stand out include the emergency employment programmes and conditional transfer programmes, which help to extend coverage. According to the *2009 Labour Overview*, “several countries have implemented these transfer programmes to correct structural problems, with an emphasis on promoting education and avoiding school desertion”. These policies help ensure that young people have more opportunities for satisfactory entry into the labour market, in particular if they stay at school longer, or, if possible, complete their schooling. Consequently “transfer programmes requiring youths’ enrolment in school is a strategic decision to increase labour competitiveness of these future workers, as well as that of the country as a whole”.¹⁶⁹

300. According to the ILO,¹⁷⁰ the evidence indicates that, in crises, it makes sense to strengthen these programmes as a way of protecting the incomes of the poorest members of society. El Salvador and Paraguay recently introduced income support programmes that are conditional upon children remaining in school which, in an incipient way, has enabled beneficiary families to become better prepared to confront the crisis. In Brazil, the coverage of the *Bolsa Família* (family support grant) programme was extended to an additional 1.3 million families. In Costa Rica, the *Avancemos* (Let’s Move Forward) programme seeks to reduce school drop-out rates in secondary school. Implemented before the crisis, this last programme extended coverage to an additional 20,000 families in situations of risk, reaching a total of 150,000 families. In Peru,¹⁷¹ by December 2008, the National Programme for Direct Support to the Most Needy (the *Juntos* Programme), which targets the poorest districts, had provided a monthly conditional allowance of 100 soles to over 420,000 households with a pregnant woman or children under the age of 14, as compared to the 353,000 households that received the allowance up to December 2007.

301. The crisis has highlighted the importance of establishing unemployment insurance schemes and broadening their coverage and benefits in those countries where they have already been set up. It has also become clear that conditional transfer programmes are complementary policy lines, in particular with regard to informal workers who are not covered by social security systems or unemployment insurance schemes. Likewise, it is essential to protect workers when pension funds lose their value, as occurred in certain countries during the 2008–09 period as a consequence of the global economic and financial crisis.¹⁷²

3.6. Protecting wages during the crisis

302. According to the ILO in the *2009 Labour Overview*, it is clear from the actions of the countries of Latin America and the Caribbean, as well as of those of the employers and trade unions, that employment and social protection policies should be coordinated with the wage

¹⁶⁹ ILO: *2009 Labour Overview: Latin America and the Caribbean*, op. cit., p. 68.

¹⁷⁰ *ibid.*

¹⁷¹ Presidency of the Council of Ministers of Peru: www.pcm.gob.pe (in Spanish only).

¹⁷² International Association of Pension Fund Supervisory Bodies (AIOS): Bulletin No. 20, December 2008 and Bulletin No. 21, June 2009. See: http://aiosfp.org/estadisticas/estadisticas_boletin_estadistico.shtml (in Spanish only).

measures adopted. When exports are affected, it is vital to maintain levels of domestic consumption. For this reason, many governments in the region developed counter-cyclical policies aimed at sustaining employment and incomes. This has meant that job losses were not as heavy as those in previous crises.

303. The case of Brazil stands out in this regard.¹⁷³ As well as maintaining the policy of increasing the minimum wage, agreed on in 2006, Brazil decided in February 2009 to bring forward by two months the readjustment scheduled for April of that year. This decision was taken in order to stimulate the domestic market and mitigate the effects of the crisis. The minimum wage was increased by 12 per cent (6 per cent in real terms), representing an injection of 21 billion Brazilian reais into the Brazilian economy (0.7 per cent of the GDP). Brazil's response implied a rise in income not only for workers but also for pensioners and the unemployed, whose guarantee of minimum social security benefits is linked to the level of the minimum wage. In turn, the readjustment affected a large percentage of informal workers, given that many workers without contracts and their employers tend to refer to the minimum wage when negotiating levels of pay.

304. The Brazilian example clearly shows the change in direction in policies on minimum wage increases in times of economic crisis. During the 1980s and 1990s, the tendency in Brazil was to lower the minimum wage significantly in the face of the economic crises. The policy adopted during the recent 2008 financial and economic crisis, however, was one of a counter-cyclical adjustment of the minimum wage. The results of this measure were the opposite of those obtained in previous decades, when cuts in the minimum wage contributed to an increase in poverty and inequality. Likewise, Argentina¹⁷⁴ adopted a similar approach towards average remuneration and the minimum wage. With regard to registered employees, the average remuneration (real wage) increased by 58 per cent between 2002 and 2009. As for the minimum wage, this rose by 14 per cent over the same period, becoming one of the highest in the region in dollar terms.

305. In general, according to the ILO,¹⁷⁵ the governments of the region have maintained their position with regard to setting minimum wages because collective bargaining still only enjoys limited coverage, making it difficult to take measures concerning wages as a whole. Most of the countries in the region adjusted minimum wages to maintain their purchasing power. A minority took measures to increase the purchasing power of wages. The aim was probably to take pressure off enterprises with a view to safeguarding jobs, by favouring the real level of the minimum wage.

306. As has been pointed out, this crisis has shown that wage policies, and in particular minimum wage policies, are important instruments of distributive policy during periods of stability. There may well be a need to administer these policies in such a way as to balance the maintenance of domestic consumption and the level of employment, two factors that are necessary to ensure that the results obtained are equitable. Likewise, the expansion of collective bargaining would allow for action to be taken regarding average wages and the various kinds of wages in general in the same counter-cyclical fashion. The promotion of collective bargaining and social dialogue, together with the other policies mentioned above, are therefore crucial.

4. Promoting social dialogue and tripartism

307. The DWA for the Hemisphere set the strategic objective of promoting the institutionalization of social dialogue on a voluntary basis and the target of encouraging all the countries of the region to have dialogue mechanisms in place within a maximum of ten years (by around 2015). In order to achieve this, the Agenda suggested adopting policies designed to: develop collective bargaining at different levels; broaden the contents of collective bargaining processes;

¹⁷³ J. Berg: "Brazil: The minimum wage as a response to the crisis", in *Notes on the crisis*, ILO Regional Office for Latin America and the Caribbean, Lima, October 2009.

¹⁷⁴ Ministry of Labour, Employment and Social Security, Office of the Under-Secretary for Technical Programming and Labour Studies, 2010.

¹⁷⁵ A. Marinakis and M. Velásquez: "Wages in crisis and in recovery", in *Notes on the crisis*, ILO Regional Office for Latin America and the Caribbean, Lima, 2010.

strengthen the role of the trade unions, employers and social actors; promote the State's capacity to participate in dialogue processes and encourage such processes; and promote institutional and non-institutional bodies for tripartite, bipartite or multipartite social dialogue.

308. According to the available evidence, gradual progress is being made towards this target with varying degrees of continuity and in different fields of activity, in accordance with the institutional, social and political diversity of the countries. The ILO has indicated that a number of significant, although isolated, social dialogue processes took place during the 1990s, in particular during the first half of that decade. In the second half of the decade, social actors and governments showed increasing interest in the institutionalization of social dialogue.

309. During the decade 2000–10, the trend has been, it would seem, moving back towards the establishment of multiple dialogue entities, the majority of which are not institutionalized; these are often established for fixed periods to address specific issues. The period 2009–10 has seen the emergence, in particular in the countries of Central America, but also in other subregions, of significant initiatives aimed at establishing tripartite economic and social councils, which are advisory in nature, as in El Salvador, for example. In some cases, this process is linked to the issue of the global financial and economic crisis and, in others, to the consolidation of recent democratic systems, as in a number of Central American countries which, up until only two decades ago, were affected by high levels of political and social turmoil.

310. The action of workers and employers has played an increasingly important role in achieving the progress made in 2010. However, in a number of cases, the tripartite bodies, as well as those established to address specific issues, have not always functioned smoothly and, on occasion, have failed to produce the results hoped for by their constituents (in particular, workers and employers), with the quality of dialogue and its effectiveness being affected as a consequence.

311. However, in several countries, such as Argentina, Chile, Uruguay and the Andean countries, various forms of informal social dialogue have developed at the national or the local levels, which have provided useful experience for the countries of the region. Likewise, at the subregional level, MERCOSUR has a Social–Labour Commission, and a social dialogue process is being developed at the regional level by the Inter-American Conference of Ministers of Labor of the Organization of American States (IACML–OAS).

Social dialogue entities in the region

312. According to the ILO,¹⁷⁶ and as seen in table 18 (prepared in collaboration with ACTRAV and ACT/EMP based on official data provided by the governments), by 2010 a total of 20 countries in the region had some kind of social dialogue entity or agreement in place. There is a fair amount of variation in terms of activity and continuity over time, depending on the case. Tripartite agreements on the development of decent work programmes exist under different names in 11 of the countries. In the others, there are a range of bipartite and tripartite activities aimed at implementing specific policies.

313. In Argentina, a tripartite memorandum of understanding for the implementation of the 2008–11 Decent Work Programme for Argentina was signed in 2008 and, in 2010, agreement was reached on a National Decent Work Programme by the Government, workers and employers at the 99th Session of the International Labour Conference, held in Geneva.¹⁷⁷ In Brazil, a National Decent Work Agenda was introduced in 2006. It was prepared by an inter-ministerial committee coordinated by the Ministry of Labour and Employment and submitted for consultation to the Tripartite Committee on International Relations (CTRI). Beginning in 2007, significant social dialogue processes aimed at establishing subnational decent work agendas were launched, in particular in the states of Bahía and Mato Grosso. In 2009, the CTRI agreed on the priorities and

¹⁷⁶ See ILO: *Programmes by country*, Geneva, 2010, at: <http://ilo.org/public/english/bureau/program/dwcp/countries/index.htm>; and ILO: *2008 Labour Overview: Latin America and the Caribbean*, op. cit.

¹⁷⁷ Argentina, Ministry of Labour, Employment and Social Security, 2010.

results of the National Decent Work Programme.¹⁷⁸ Tripartite national decent work agreements were signed in Chile in 2008 and in Paraguay in 2009. Tripartite agreements to adopt the National Decent Work Programme have been reached in five countries in Central America and the Caribbean (Dominican Republic, El Salvador, Honduras, Nicaragua and Panama). Decent Work Country Programmes were signed in the Bahamas in 2008 and in Belize in 2007. According to the ILO Regional Office, some of these entities are currently finding it difficult to maintain their activities and, consequently, in some countries they are operating less smoothly than expected.

314. Moreover, various other kinds of tripartite or bipartite social dialogue entities have been established, aimed at carrying out specific action in the area of decent work. With regard to Argentina, various experiences are worth mentioning, including the “Tackling the decent work challenges of the Argentine crisis” project, and the establishment of institutionalized national entities with the ability to address a broad range of topical issues, such as the National Council for Employment, Productivity and the Minimum Wage, the National Agricultural Labour Committee, the National Committee for the Elimination of Child Labour, the Tripartite Committee on Equal Treatment and Opportunities for Men and Women in the World of Work, among others. In Colombia, a process was launched in 2009 to reactivate tripartite committees in the country’s 32 departments. Many English, and Dutch-speaking countries in the Caribbean have developed mechanisms for consultation on labour legislation and other socio-economic issues. In several of these, the tripartite constituents have actively participated in the development and implementation of programmes linked to decent work issues. In addition, the Organisation of Eastern Caribbean States (OECS) runs a programme under which social dialogue has been developed between different actors in the countries. Social dialogue mechanisms have been strengthened to deal with the consequences of the recent financial and economic crisis, in particular in Bahamas, Barbados, Belize, Jamaica and Suriname.

315. The tripartite committees for equal employment opportunities between men and women were set up in the mid-1990s in Argentina, Brazil, Chile, Paraguay and Uruguay and since then have made significant progress in promoting gender equality in labour policies. That experience has started to be replicated in other countries. In 2009, an equal opportunities committee was set up in the Plurinational State of Bolivia and various agreements were concluded with the governments and social actors to create similar entities in Costa Rica, Dominican Republic and Ecuador.

316. Table 18, drawn up by the ILO in collaboration with ACTRAV and ACT/EMP for 2008, was the only systematically compiled source of information available on which this report could be based. Although it has not been updated and does not include all the aforementioned experiences (gathered from other sources), it is important to include it, given that it was officially prepared by the ILO and gives a clear and comprehensive overview of the social dialogue entities in the region. According to the ILO Subregional Office for the Caribbean (Port of Spain), several countries of the subregion have reactivated and strengthened their tripartite institutions and have reinforced national tripartite consultations within the framework of the Decent Work Country Programmes, in particular to assess the consequences of the global financial and economic crisis and post-crisis recovery.

317. Considering the range of information examined,¹⁷⁹ these examples of progress are important in that they constitute significant steps towards strengthening the social actors (workers and employers) as much in the exercise of their rights, as in the strengthening of collective bargaining, which is one of the main forms of social dialogue. The workers’ organizations of the region have, with the support of ACTRAV, taken important action in this regard. Moreover, it is important to bear in mind that there is still a long way to go before constituents take real ownership of the decent work programmes and begin to participate actively in the design of and follow-up to such programmes, a point that was made clear during the discussions which took place at the

¹⁷⁸ ILO: *Agenda Hemisférica de Trabajo Decente: Un balance*, op. cit.

¹⁷⁹ ACTRAV and ACT/EMP notes referring to comments on the first draft (January 2010) of the report (forthcoming) *Trabajo Decente en las Américas 2006–09: Un balance de las tendencias fundamentales de la política sociolaboral: La Agenda Hemisférica y la acción de la OIT* [Decent Work in the Americas 2006–09: A review of the key trends of socio-labour policies: The Agenda for the Hemisphere and ILO action].

Table 18. Social dialogue entities and agreements in Latin America and the Caribbean

Country	Year	Entity	Agreement
Argentina	2008	Ministry of Labour, Employment and Social Security, Industrial Union of Argentina (UIA) and General Labour Confederation (CGT)	Memorandum of Understanding for the implementation of the 2008–11 Decent Work Programme for Argentina
Barbados	2007	Government, Barbados Employers' Confederation and Congress of Trade Unions and Staff Associations of Barbados	Protocol Five of the Social Partnership
Belize	2006	Ministry of Labour, Belize Chamber of Commerce and Industry, National Trade Union Congress of Belize, National AIDS Commission and key non-governmental organizations	Belize Policy on HIV/AIDS and the World of Work
Brazil	2006	Tripartite Commission on International Relations (CTRI)	National Decent Work Agenda received tripartite approval from the CTRI
Chile	2008	Government, Central Workers' Union (CUT) and Confederation of Production and Trade (CPC)	Tripartite decent work agreement to implement the National Decent Work Programme
Dominican Republic	2007	Ministry of Labour, Confederation of Employers of the Dominican Republic and labour unions	Tripartite agreement on the National Decent Work Programme of the Dominican Republic
Ecuador	2005	National Labour Council of Ecuador	Tripartite agreement on social dialogue and consensus
El Salvador	2007	Ministry of Labour and Social Protection, National Association of Private Enterprise (ANEP) and workers' organizations	Tripartite agreement to adopt the National Decent Work Programme of El Salvador
Guatemala	2008	Tripartite Committee on International Labour Affairs	Tripartite agreement for the development of projects for reforms or guidelines to improve the application of ILO Conventions Nos 87 and 98
Guyana	2008	Ministry of Labour, Consultative Association of Guyanese Industry and Guyana Trades Union Congress	National Tripartite HIV/AIDS Workplace Policy
Honduras	2007	Department of Labour and Social Security, Honduras Council of Private Enterprise (COHEP) and workers' organizations	Tripartite agreement to adopt the National Decent Work Programme of Honduras
Jamaica	2005	Ministry of Labour and Social Security, Jamaica Employers' Federation, Jamaica Confederation of Trade Unions and Youth Employment Network on behalf of the local youth organizations	Memorandum of Understanding for the Establishment of a Jamaica Youth Employment Network (JYEN)
Mexico	2004	Council for Dialogue with the Productive Sectors of Mexico	Commitment to competitiveness for employment and social justice
Nicaragua	2008	Ministry of Labour, Committee for Labour Union Relations and the Superior Private Enterprise Council (COSEP)	Tripartite agreement to adopt the National Decent Work Programme of Nicaragua
Panama	2007	Ministry of Labour and Labour Development, National Council of Private Enterprise (CONEP) and the Council of Organized Workers (CONATO)	Tripartite agreement to adopt the National Decent Work Programme of Panama

Country	Year	Entity	Agreement
Paraguay	2009	Government, employers' organizations, workers' organizations	National Decent Work Programme
Peru	2007	National Inter-sectoral Committee for the Elimination of Forced Labour and National Council for Labour and Employment Promotion (CNTPE)	National Action Plan for the Elimination of Forced Labour Tripartite agreement: 2007–11 Institutional Strategic Plan
Trinidad and Tobago	2008	Ministry of Labour and Small and Micro-Enterprise Development, Ministry of Health, Ministry of Education, Employers' Consultative Association, National Trade Union Centre and a non-governmental organization for people living with HIV	Cabinet-approved National Workplace Policy for HIV/AIDS
Uruguay	2008	Sectoral Social Security Committee made up of the ministries of the economy, labour, social development and public health, the Office of Planning and Budget and the Social Security Fund, with support from the University of the Republic, the United Nations and the Government of Spain	Final conclusions on the process of dialogue, prepared by the Executive Committee for National Dialogue on Social Security in Uruguay

Source: ILO: *2008 Labour Overview*, op. cit., p. 26.

workshop organized by ACT/EMP, in collaboration with the International Training Centre of the ILO in Turin in June 2009, for the employers' organizations of the Andean and Central American subregions. According to the analysis carried out at that event, there are still major challenges ahead in terms of creating a culture of trust, recognizing and ensuring respect for the legitimate actors and creating and facilitating appropriate and substantial consultation processes prior to the adoption of broad social and labour policies. The conclusions of the meeting of social partners held by the ILO in Lisbon in November 2009 in the framework of the Ibero–American Summit serve as an important reference in this regard.¹⁸⁰

318. As has been pointed out, in 2010, 24 Latin American and Caribbean countries have been cited in observations received from employers' or workers' organizations in connection with unionization and collective bargaining.¹⁸¹ This demonstrates that there are still obstacles to overcome with regard to strengthening social dialogue.

319. According to the sources consulted, a review of the quality of dialogue and its effectiveness shows that, in many countries, this process – which is a fundamental instrument in the actions of the ILO and its constituents – is not sufficiently effective to achieve its aims and frequently lacks public and private support to train and increase the capacity of the actors and thus develop more sound experiences of social dialogue.

¹⁸⁰ *Declaración de la X Cumbre Sindical Iberoamericana* [Declaration of the Tenth Ibero-American Trade Union Summit], section entitled "Democracia, Diálogo Social Tripartito y Negociación Colectiva" ["Democracy, Tripartite Social Dialogue and Collective Bargaining"], Lisbon, 23–24 November 2009, p. 5.

¹⁸¹ ILO: *Report of the Committee of Experts on the Application of Conventions and Recommendations*, op. cit.

III. ILO action in Latin America and the Caribbean

320. The proposals of the DWA for the Hemisphere, designed to guide ILO action between 2006 and 2010, were based on an analysis which took into account the conceptual issues and empirical background formulated by various analysts and institutions studying development processes in the region. Consequently, the suggestions contained in the Agenda regarding the four strategic areas defined were suitably linked to the discussions taking place both in the countries and in the region prior to 2005.

321. Because of constraints in terms of human and material resources, the ILO has not always been in a position to develop programmes and follow up, in all the subregions to a similar extent, the policy areas developed by the governments. However, the ILO has carried out ongoing actions in the four strategic areas covered by the DWA for the Hemisphere, in some cases through technical cooperation and, in others, through collaboration on short-, medium- and long-term projects.

322. The notion of decent work has become an important part of the socio-labour debate in the countries of the region and is growing in significance. Numerous international and regional tripartite meetings, as well as meetings at the government level and at the level of workers' and employers' organizations, have adopted this concept, which has labour, human development and social justice at its very heart. Decent work has also been integrated into the United Nations Development Assistance Framework (UNDAF).

323. The Report highlights the implementation in 20 of the region's countries of a range of different tripartite social dialogue entities. In 11 of these countries, the entities (which bear a variety of names) fall within the framework of the Decent Work Country Programmes or National Decent Work Programmes, with attention in the remaining nine countries being focused on specific agendas, some of which are short- or medium-term in nature.

324. During the period 2006–10, the ILO Regional Office designed a raft of institutional policies aimed at promoting, in the most effective way possible, the objectives of the DWA for the Hemisphere, and at generating expertise and instruments to strengthen the capacity of constituents to participate in national discussions and formulate policies. Accordingly, it produced various publications containing material on the issues of youth, labour and the family. During the period under review, *Labour Overview*, the ILO's annual report on the region, devoted special chapters, with materials and analysis, to the issues covered by the four strategic areas of the DWA for the Hemisphere. The publications of the Regional Office in 2010 include a regional report on the promotion of sustainable enterprises in Latin America, an update of its report on youth and a study on labour market and rural poverty policies, prepared in collaboration with ECLAC and the Food and Agriculture Organization of the United Nations (FAO). Furthermore, the Regional Office also set up the Labour Analysis and Information System for Latin America and the Caribbean (SIALC) and designed a strategic plan for CINTERFOR. It has also promoted meetings and dialogue processes with the constituents with regard to almost all the issues covered by the DWA for the Hemisphere.

325. With regard to employment, the ILO has developed technical cooperation activities aimed at improving conditions of employment and employability, focusing on the promotion of decent employment for youth and women. It has also contributed to the promotion of labour market intermediation mechanisms and vocational education and training. In a number of countries, the ILO is promoting so-called "green jobs", which requires adjusting productivity and employment guidelines, making workplaces more environmentally friendly and creating various types of employment in the field of conservation. All this involves increasing protection of and respect for basic human rights.

326. The subregions, offices and programmes of the ILO in the countries promoted actions to: bring national labour policy into line with other policies which have an impact on the quantity and quality of employment; improve the quality of employment, in particular for young people and women; eliminate child labour; contribute to studies and activities aimed at broadening social protection coverage; promote social dialogue; collaborate in the reduction of the informal economy and unregistered employment.

327. With regard to gender policies, the Regional Programme on Gender and Decent Work produced a regional report and various national reports on labour and the family, as well as a report on domestic work in Latin America. Furthermore, this programme closely monitored the impact of the crisis on women's employment and gender equality and set up tripartite round tables on gender equality and non-discrimination in several countries. In the Andean area and in Central America, work was carried out with trade union confederations to develop a programme to promote freedom of association and gender equality.

328. Moreover, social dialogue was promoted through the Regional Social Dialogue Programme, with the active contribution of the ACTRAV project "Strengthening trade unions to meet the new challenges of integration in Latin America" (FSAL/ACTRAV) and also the "Social security for trade union organizations" (SSOS) project, also run by ACTRAV. Both ACTRAV and ACT/EMP have made numerous contributions, especially with regard to issues relating to employment, by incorporating a focus on rights and sustainable enterprises.

329. In 2009, the ILO drew up the Global Jobs Pact, which sets out lines of action for tackling the global financial and economic crisis experienced at the end of 2008 and preparing for the economic recovery. The Pact places decent work at the centre of policies for overcoming the crisis. As is pointed out in this Report, at least 12 countries in the region implemented counter-cyclical policies involving a proactive public sector which are similar or close to those suggested by the Pact. It is noted that there is now a real possibility of renewing the debate on concepts and strategies for achieving sustained and sustainable development and that the ILO is in a position to contribute to this process. The ILO has systematically circulated reports that allow governments and constituents to examine the impact of the crisis, as well as new proposals that have since been developed by many countries for the adoption of innovative concepts and strategies aimed at addressing the crisis and the recovery through policies that display greater synergy between growth, equity and social protection and a rights-based approach. By mid-2010, 20 such reports (known as *ILO Notes on the crisis*) had been published relating to the situation of the countries and general issues and strategies concerning the crisis.

330. With regard to the effective application and exercise of fundamental rights at work, the area where progress has been most significant is the ratification of the fundamental Conventions and various other Conventions. In this regard, the advances made by IPEC, as well as those achieved in the sphere of gender equality, among others, are worthy of note. The ILO continues to make a highly effective contribution in the area of standards. However, with regard to the effective application of the Conventions and Recommendations, there are still numerous shortcomings, which the ILO has addressed through the activities of the Committee of Experts on the Application of Conventions and Recommendations (CEACR) and the Committee on Freedom of Association (CFA). In 2010, the CEACR issued important observations based on submissions made by workers and employers concerning at least 13 countries of the region, referring to 20 of the main Conventions. As for the elimination of forced labour, significant activities have been undertaken in the Plurinational State of Bolivia, Brazil, Paraguay and Peru, with other actions being promoted in order to improve the statistics available regarding this issue.

331. Supported by the *MIGRANDINA* subregional project, the constituents have been working since 2009 to create and strengthen their capacity to manage labour migration, with positive results being achieved in the Plurinational State of Bolivia and Peru.

332. With regard to the quality and coverage of social protection, the ILO, among various other activities, has supported the social security reform processes in countries such as Argentina, Chile and Uruguay. In Brazil, a cooperation agreement was signed to achieve the objectives of the DWA for the Hemisphere in this respect. In 2009, a cooperation project was launched in the

Andean area aimed at extending social protection in the Plurinational State of Bolivia, Ecuador and Peru, countries which have displayed low levels of coverage in the context of the region. At the same time, the ILO has taken action to promote policies aimed at introducing the concept of the “basic social protection floor for all”, which can be defined as the basic rights to which all citizens must have access, within the framework of the level of socio-economic development of their countries. Likewise, over the last five years, the ILO has provided technical assistance to its tripartite constituents, promoting the ten fundamental principles of the ILO code of practice on HIV/AIDS and the world of work.

333. The ILO has been extremely proactive with regard to social dialogue and tripartism and is gradually achieving more effective results. Although social dialogue has become more common, in most countries it does not take place through institutionalized mechanisms. Moreover, in a number of countries it has yet to produce what the ILO constituents would consider to be adequate results. However, economic and social councils are being set up on a trial basis in a number of Central American countries, including El Salvador. The ILO has collaborated, both directly and indirectly, in the drawing up of tripartite agreements relating to policies to mitigate the effects on employment of the financial and economic crisis of late 2008. Countries involved in this effort include Costa Rica, Chile, Nicaragua and other Central American countries linked to free zones. The ILO also collaborated in the “Promotion of social dialogue” project in Central America and the Dominican Republic, in the “Social dialogue on social security” project in Uruguay, in various projects to strengthen social dialogue in Colombia and, through ACTRAV and ACT/EMP, in the development of a tripartite dialogue at the level of the Organization of American States (OAS), within the framework of the Summits of the Americas. Since 2007, the ILO has also been promoting bipartite dialogue between the social partners in preparation for the Ibero-American Summits of Heads of State and Government.

334. In summary, the ILO has been extremely proactive in the region with regard to the lines of action and targets of the DWA for the Hemisphere and has contributed, with varying levels of impact, to ensuring that the labour policies of the countries take these guidelines and proposals into consideration when designing some of their most important labour policies.

The pillars of ILO action

335. ILO activities at the global and regional levels, and its action under the DWA for the Hemisphere during the period under review (2006–10), are underpinned by the conceptual and strategic contributions that have been formulated and adopted through a tripartite process at the sessions of the International Labour Conference held since the end of the 1990s. The following contributions are worth noting: the *ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up* (1998); the Report of the Director-General entitled *Decent work* (1999); the *ILO Declaration on Social Justice for a Fair Globalization* (2008); the Global Jobs Pact (2009); and the Report of the Director-General to the 99th Session of the Conference, entitled *Recovery and growth with decent work* (2010). These and other relevant documents form the context in which the Decent Work Agenda for the Hemisphere, 2006–15, presented at the 16th American Regional Meeting (Brasilia, May 2006), was formulated and developed.

336. The concept of decent work – which is a cross-cutting theme in all these documents – has become the strongest framework for setting the objectives of a sustained and sustainable development strategy. The aim is to develop policies embodying the four dimensions of decent work, as the essential prerequisite for long-term development built on growth with equity and social protection and a rights-based approach.¹⁸²

¹⁸² The decent work approaches to development have been endorsed by many international meetings, including the 13th Inter-American Conference of Ministers of Labour (Brazil, 2003); the 13th Ibero-American Summit of Heads of State and Government (Plurinational State of Bolivia, 2003); the Declaration of Nuevo León, the Extraordinary Summit of the Americas (Mexico, 2004); the Declaration of Guadalajara, the Third European Union – Latin America and the Caribbean Summit (Mexico, 2004); the Regional Employment Conference of MERCOSUR (Argentina, 2004); the 14th Ibero-American Summit (Costa Rica, 2004); the Andean Regional Conference on Employment (Peru, 2004); the Subregional Tripartite Forum on Employment – Central America, Panama and Dominican Republic (Honduras, 2005); the 14th Inter-American Conference of Ministers of Labour (Mexico, 2005); the 15th Ibero-American Summit (Spain, 2005); the Fourth Summit of the Americas (Argentina, 2005); the G8 Declaration of June 2009, in L’Aquila, Italy, in support of the Global Jobs Pact; the commitment made by the G20 in Pittsburgh in September 2009 to “implementing recovery plans that support decent work”; and the G20 Toronto Summit Declaration (2010), which agreed to seek a balance that favours economic growth and is consistent with the circumstances of each country.

337. On the basis of this concept, the ILO has formulated a set of fundamental development principles which have been incorporated in the DWA for the Hemisphere to put work, human development and social justice at the heart of development. To that end, the four strategic objectives put forward by the DWA for the Hemisphere – economic growth as a generator of employment, the promotion and realization of fundamental rights at work, enhanced effectiveness and coverage of social protection, and the promotion of social dialogue and tripartism – are defined as mutually reinforcing, interrelated elements. The efforts undertaken to promote them are part of the ILO’s global integrated strategy to achieve decent work.

The action strategy

338. The Report of the Director-General to the 16th American Regional Meeting in 2006, at which the DWA for the Hemisphere was presented,¹⁸³ designated the Decent Work Country Programmes as the framework for the ILO’s contribution to advancing the Agenda. The purpose of the Decent Work Country Programmes is to promote, together with the constituents, decent work as an objective of the development strategies of countries in the region, contribute to the development of a national action plan for decent work, and conduct a specific ILO programme of action in each country to support implementation of the national plan.

339. The strategic objectives formulated by the DWA for the Hemisphere are reflected in the Programme and Budget proposals for 2010–11, presented by the Director-General in 2009. The document points out that, in the current global socio-economic situation, marked by the economic and financial crisis of the end of 2008, “four priorities have been identified. They respond to the Decent Work Country Programmes in the region and to the Social Justice Declaration and reflect the decisions of the Governing Body and the International Labour Conference”.¹⁸⁴ For Latin America and the Caribbean these priorities are: productive employment and the integration of social and economic policies to overcome social inequity; the promotion of fundamental rights and international labour standards, in particular, the eradication of the worst forms of child labour and the promotion of youth employment; social dialogue with a view to applying the Decent Work Country Programmes in the region; and social protection for all. Accordingly, the ILO is prepared over the next biennium to continue and strengthen its policies, in which the strategic components of the DWA for the Hemisphere are clearly incorporated. In this regard, freedom of association and collective bargaining constitute core objectives underpinning all the goals set by the DWA for the Hemisphere.

Policies of the ILO Regional Office for Latin America and the Caribbean

340. In August 2006, the Regional Office¹⁸⁵ established the Regional Management Team, composed of the directors of the offices in the region and of the Inter-American Centre for Knowledge Development in Vocational Training (CINTERFOR), as a regional decision-making and institutional coordinating body. In December of the same year and in synergy with the initiative launched from Geneva as a result of the global Decent Work Team meeting, the Regional Decent Work Team, composed of the directors, specialists of the offices in the region and project coordinators, was set up to ensure the institutional strengthening of the ILO in the region and promote the DWA for the Hemisphere. To that end, a regional missions fund was created to facilitate the specialists’ travel between subregions and the transmission of knowledge from the region to headquarters and other regions. This was implemented through the first Regional Meeting of Employment Specialists, held in 2007. In order to provide the necessary information for action on the policies recommended by the DWA for the Hemisphere, two regional reports were produced

¹⁸³ ILO: *Decent work in the Americas: An agenda for the hemisphere, 2006–15*, op. cit.

¹⁸⁴ ILO: Document GB.304/PFA/3, presented at the ILO Governing Body in March 2009, para. 94.

¹⁸⁵ ILO: *Avances en la Agenda de Trabajo Decente en América Latina y el Caribe* [Progress in the Decent Work Agenda for the Hemisphere in Latin America and the Caribbean], Regional Office Performance Report 2006–10 (Lima, Regional Office for Latin America and the Caribbean, 2010).

and three specific issues were addressed, all of which were covered in the 2007, 2008 and 2009 issues of the *Labour Overview of Latin America and the Caribbean*.

341. In the period 2006–07, a study on decent work and youth in Latin America was produced, which contains a number of proposals on the subject. In the period 2008–09, in collaboration with UNDP, the report *Work and family: Towards new forms of conciliation with social co-responsibility* was published, which contributed to the discussion on the item on gender at the heart of decent work at the 98th Session of the International Labour Conference in June 2009.

342. The 2007, 2008 and 2009 issues of the *Labour Overview* for Latin America and the Caribbean contained the following special studies: “Indigenous people and people of African descent in the region: Towards equal opportunity and decent work”; “Small businesses and globalization: The challenge of decent work in Latin America”; “Challenges for decent work in the crisis: Underemployment and informal employment”; “Decent work and human development in Central America and the Dominican Republic”; and “Recent economic and labour market trends in the Caribbean”.

343. For 2010, a regional report on the promotion of sustainable enterprises in Latin America and the Caribbean, a new issue of the report on decent work and youth in Latin America and the Caribbean and a study on labour market policies and rural poverty were produced in collaboration with ECLAC and the Food and Agriculture Organization of the United Nations (FAO). In 2006, work began on developing a new strategic plan to reorient CINTERFOR’s activities and redefine its role and its complementarity with other ILO means of action. The year 2008 saw the creation of the Labour Analysis and Information System for Latin America and the Caribbean (SIALC), headquartered in Panama.

344. The ILO Regional Office has organized meetings and dialogue processes with the constituents on various issues. To promote the formulation and implementation of the Decent Work Country Programmes, in the framework of the policies recommended by the DWA for the Hemisphere for 2006–15 and country priorities to ensure more effective ILO assistance, a regional workshop for government representatives was carried out on the subject of “Public administration and implementation of the Decent Work Agenda for the Hemisphere in the Decent Work Country Programmes”.

345. As a follow-up to the decisions taken by the Governing Body in March 2007 to promote the strengthening of the sectoral dimension of the Decent Work Country Programmes, the Regional Office, together with the Sectoral Activities Department, organized the Regional Meeting on Strengthening the Sectoral Dimension of the Decent Work Country Programmes. In addition, a regional tripartite meeting was held on “The future of social protection in Latin America”. In 2007, a dialogue forum was set up with the Ibero–American General Secretariat (SEGIB), in which the ILO plays a key role. The ILO’s contribution to this forum lies in its capacity to provide information to its constituents for analysis and action. To that end, in 2007 it prepared a background document entitled *Social cohesion, tripartism and social dialogue*, and in 2009 two reports were produced, *Social dialogue and collective bargaining* and *Employment creation in the context of the economic crisis: SMEs and the formalization of work*.

346. In the context of the financial and economic crisis, in November 2008 the Regional Office launched a process of dialogue with the social partners and governments, which resulted in a document entitled *Latin America and the Caribbean and the financial crisis: ILO recommendations and country initiatives*.¹⁸⁶ This report was presented in several countries as an input towards the adoption of measures to help mitigate the effects of the crisis. In January 2009, government representatives of Argentina, Brazil, Chile and Mexico were invited to take part in a dialogue with the Director-General on the subject of “Responding to the crisis: Growth, decent work and stability”. The meeting assessed the impact of the crisis on economic growth and employment and of the measures taken by governments and examined the Regional Office’s proposals to mitigate

¹⁸⁶ ILO: *América Latina y el Caribe frente a la crisis financiera: Recomendaciones de la OIT e iniciativas de los países*, Subregional Office for the South Cone of Latin America, 2009, available at: www.ilo.org/public/english/support/lib/financiacrisis/featurestories/story3.htm.

the adverse effects of the crisis. In February 2009, a dialogue with the social partners was conducted on the subject of “Responding to the crisis: Growth, decent work and stability”; on that occasion, the document containing the Regional Office’s proposals for responding to the crisis was also examined. In January 2010, the Ministers of Labour of the G20 countries and of Chile were invited to take part in a preparatory meeting on “growth and employment” for the G20 meeting in April 2010. In collaboration with ECLAC, work was carried out on the biannual bulletin *The employment situation in Latin America and the Caribbean*. An additional crisis response tool was also developed, entitled *Notes on the crisis*. Ongoing measures include the promotion of the Global Jobs Pact as a guide to ensure that economic recovery also generates jobs; its implementation was piloted in Argentina and El Salvador.

347. With regard to cooperation with UN agencies and multilateral organizations, as a contribution towards achieving the targets set by the Millennium Development Goals (MDGs), the Regional Office developed a vast action programme and joint agreements in the fields covered by each agency. In this respect, it is worth noting the joint inter-agency programmes for the achievement of the MDGs, which have been carried out with substantial UNDP-managed funding from Spain. These programmes have been developed in the framework of the youth employment and private sector and development windows, which are being implemented in the Plurinational State of Bolivia, Ecuador, Paraguay, Peru and several countries of Central America.

348. To meet future challenges, during the 2008–09 biennium, the posts of Deputy Regional Director for Policy and Programme Coordination and Deputy Regional Director for Management Support were created. Together with the Regional Director, these constitute the Senior Management Team of the ILO Regional Office for the Americas.

1. ILO action in Latin America and the Caribbean in the strategic area of economic growth as a generator of employment, 2006–10

1.1. The pre-crisis phase, 2006–08

349. As regards employment, prior to the crisis the ILO focused its efforts in the region and subregions on helping to coordinate national labour policies with those affecting the quantity and quality of employment, and improving employment conditions and employability, with the emphasis on promotion of decent work for youth and women. It also provided assistance in regard to labour market intermediation systems and to vocational training and education through CINTERFOR.

350. The ILO also contributed to an integrated approach to employment issues through action under the International Programme on the Elimination of Child Labour (IPEC), and to gender policies, in particular through the Work and Family Programme, the report on domestic labour in Latin America and the establishment of tripartite committees on gender equality and non-discrimination.

351. The Regional Office and the Promoting Youth Employment in Latin America (PREJAL) project placed the issues of youth and decent work on countries’ labour agendas; the regional report on decent work and youth in Latin America was published in 2007. The Global Jobs Pact included the issue of youth among the key elements of the policies to be implemented. Through the SafeWork Programme, safety at work was incorporated in employment policies of countries in the region, and studies were carried out which strengthened the empirical basis for such policies. The ILO also promoted social dialogue on labour and employment issues through its Regional Programme for Social Dialogue in Latin America and the Caribbean and set up tripartite and bipartite bodies for this purpose. The FSAL–ACTRAV project and the Social Security for Trade Union Organizations (SSOS) project, also an ACTRAV project, among others, contributed significantly to these activities, as did employers, with the support of ACT/EMP.

352. The Decent Work Country Programmes and National Decent Work Programmes are promoting low-carbon production in several countries. The ILO has undertaken to promote “green jobs”, which implies adjusting productivity and employment patterns and “greening” the

workplace.¹⁸⁷ The ILO office in Brazil produced a study¹⁸⁸ on the country's potential to generate green jobs and has been providing technical assistance for incorporating this approach in Decent Work Agendas in the Brazilian states. A number of initiatives have also been implemented in several sectors in Guyana.

353. Workers' and employers' organizations have contributed significantly to ILO technical assistance in implementing the policies described above. According to information from ACTRAV, between 2008 and 2010, in 20 countries of the region, 73 national trade union confederations or organizations had contributed to the development of the Decent Work Country Programmes in their countries. ACTRAV also developed numerous training campaigns on these issues and established a TUCA legal team, a Continental Human Rights Network and a Continental Social Security Network. ACT/EMP¹⁸⁹ organized a number of meetings and produced publications on employment, work and family, gender equality, SMEs, international labour standards and other subjects, in support of ILO action in the region. Through these activities, the ILO has played an important role as regards growth and employment issues in the countries and subregions of Latin America and the Caribbean.¹⁹⁰

354. In Argentina, the Decent Work Country Programmes 2005–07 focused on two main dimensions: the first relating to the integration of economic and social policies to ensure that priority is given to the creation of decent jobs, and the second relating to the policies of the Ministry of Labour, Employment and Social Security in six priority areas. For 2008–11, a new Decent Work Country Programme was formulated in a tripartite process, with six priorities: (i) coordinating national labour policy with other policies with an impact on the quantity and quality of employment; (ii) improving employment conditions and employability, with an emphasis on the promotion of decent jobs for youth and local economic development; (iii) contributing to the prevention and eradication of child labour; (iv) extending the coverage of social protection; (v) strengthening effective social dialogue to enable the constituents to promote decent work dimensions in social and labour policies; and (vi) contributing to the reduction of informality and unregistered employment.

355. In Brazil, the ILO developed actions to support its constituents in strategic areas of the DWA for the Hemisphere. In particular, it provided ongoing technical assistance to the Ministry of Labour and Employment and intergovernmental and tripartite bodies responsible for formulating and implementing the National Decent Work Agenda and Plan, the National Decent Work Agenda for Youth, and the state and municipal Decent Work Agendas (for example, the States of Bahía and Mato Grosso). It carried out dissemination and technical assistance activities in the areas of small enterprises, informal labour and the promotion of green jobs. It also assessed decent work trends in the country, based on the ten dimensions defined in the meeting of experts of September 2008 in Geneva.

356. In Chile, since 2006 the ILO has given priority to technical assistance in the form of institutional support for the Ministry of Labour and Social Protection, in particular for the development of policies on: productive employment; social protection; non-discrimination, with an emphasis on gender; the eradication of child labour; vocational education and training; support for job retraining; and social dialogue.

357. In Paraguay, the ILO helped establish a Decent Work Country Programme in 2009, which focuses on the development of institutional capacities for integrating employment and social protection policies. ILO action achieved significant results in three strategic areas: support for the formulation and implementation of a youth employment strategy; the application of an employment-intensive public investment methodology; institutional strengthening; and promotion of gender equality.

¹⁸⁷ ILO: *Global goals for sustainable development: Strategies for green jobs*, Background note for the G8 Labour and Employment Ministers Conference, Japan, 2008.

¹⁸⁸ P.S. Mucoucah: *Empregos verdes no Brasil: Quantos são, onde estão e como evoluirão nos próximos anos* [Green jobs in Brazil: How many there are, where they are and how they will evolve in the coming years] (Brasília, 2009).

¹⁸⁹ See: www.ilo.org/public/english/dialogue/actemp/whatwedo/index.htm.

¹⁹⁰ See the Reports of the Director-General to the International Labour Conference over the period 1999–2008.

358. In Uruguay, in 2007, the Government and the ILO agreed on a Decent Work Country Programme focusing on six areas: (i) institutional strengthening of the Ministry on employment issues; (ii) training for labour inspectors and labour judges; (iii) promotion of gender and non-discrimination policies; (iv) promotion of safety at work; (v) decentralization and entrepreneurial support for MSMEs and SMEs (REDEL programme); and (vi) development of social dialogue and support for the Tripartite Wage Councils.

359. In the Plurinational State of Bolivia, with funding from the Netherlands, the Support to Decent Work Programme (PATD-B) was established in 2007; after its conclusion in April 2010, the project will continue and will produce a document on national priorities. Its main areas of activity were: institutional strengthening of the Ministry of Labour; employment policies, with a particular focus on SMEs, MSMEs and cooperatives; and youth employment. With regard to the latter, it contributed to a programme called *My First Job*. The ILO also supported the process of establishing the Committee on Equality of Opportunity between Men and Women.

360. In Ecuador, as a result of ILO technical assistance, the Government initiated a consultation process with a view to ratifying Convention No. 156. In Peru, a Memorandum of Understanding was concluded in January 2007 between the Director-General of the International Labour Office and the Government on the four strategic areas of the DWA for the Hemisphere. This enabled considerable progress in defining priorities and in the provision of assistance by the Office. In Colombia, the promotion of decent work is being implemented through a number of international cooperation projects currently under way, some with government funding. In this country, the ILO provided constituents with support to improve the management of local economic development, with an emphasis on business promotion, streamlining of administrative procedures and employment-intensive public investment. In particular, it helped establish directories of public and private institutions. Support was given to representatives of local government, workers' organizations and trade unions; macroeconomic analyses were conducted and work was carried out identify to business sectors and products are that potentially competitive in new markets.

361. In the Andean subregion, in the 2008–09 period, programmes linked to ILO activities were developed in several countries. The ACT/EMP technical assistance programme, as well as coordination with projects such as the PATD-B in the Plurinational State of Bolivia and the project on “Promotion of fundamental principles and rights at work” in Colombia, were focused on capacity building and increasing their relevance for constituents. Several new services were developed in the area of safety and health at work and support to SMEs. Work was completed on strategic planning processes and communication tools. In addition, capacities to participate in social dialogue processes were improved, and understanding and awareness of international labour standards and fundamental rights were enhanced. In the Plurinational State of Bolivia in particular, the Bolivian Observatory on Competitiveness was designed and established under the auspices of the Confederation of Private Enterprises. In this country and in Peru, in collaboration with the Ministries of Labour, courses and workshops were organized and carried out on the public employment service in support of the ongoing modernization and capacity-building processes in this area in both countries. In the promoting of decent work and with the support of the Spain–UNDP MDG Achievement Fund (MDG-F), youth employment promotion programmes were initiated in Ecuador and Peru. Together with the Community of Andean Nations (CAN) secretariat, the ILO also promoted the Andean Employment Conferences, five of which have been held since 2004.

362. ILO action in Central America has been centred on the adoption and implementation of the Decent Work Country Programmes. As regards employment, it supported the design, approval and implementation of national employment plans (Costa Rica, Honduras and Nicaragua), with an emphasis on the development and implementation of active labour market policies; business development; employment-intensive public investment strategies and local recruitment; and youth employment promotion action plans (Costa Rica, Dominican Republic, Honduras and Nicaragua). These issues received considerable support through the adoption of the United Nations joint programmes financed by the MDG-F. The ILO participated in 12 programmes in this subregion, relating to gender, youth employment, private sector and development, water and sanitation, conflict prevention, and culture and development.

363. In accordance with the mandates of the 2005 Tripartite Employment Forum in Tegucigalpa, the Forum of Employment Directors of the Ministries of Labour of Central America and the Dominican Republic was established under the agreement between the ILO and the Occupational Training and Employment Integration Programme (FOIL) financed by the Spanish Agency for International Development Cooperation (AECID). Within this framework, two documents were published: *Study on the situation of public employment services in Central America and the Dominican Republic* (2008); and *Trends and development of public employment services in Central America and the Dominican Republic 2007–09*.

364. In the area of knowledge generation and labour market analysis, the Labour Observatory of Central America and the Dominican Republic (OLACD), which is also an outcome of the ILO–FOIL agreement, consolidated its role as a producer and disseminator of labour market analyses in Central America and the Dominican Republic. Its publications include Reports I, II and III on the labour market of Central America and the Dominican Republic, and a study entitled *Microenterprise characteristics and training needs in Central America and the Dominican Republic*, as well as a contribution to the subregional study entitled *Impact of the global crisis on the labour market of Central America, Panama and the Dominican Republic*.

365. The Network of Labour Market Observatories is becoming an important forum for national and regional observatories to meet and share experiences and define joint research projects. This Network participated in the publication entitled *Microenterprise characteristics and training needs in Central America and the Dominican Republic* and in the subregional report entitled *Impact of the global crisis on the labour market of Central America, Panama and the Dominican Republic*. ILO activities developed specifically in Central America and the Caribbean include the MDG-F-financed inter-agency programmes in areas such as promotion of employability, entrepreneurship, integration of active employment policies and employment-intensive public investment.

366. In the Caribbean subregion, ILO action has focused, since 2006, on supporting constituents under the *Making decent work a global goal* initiative. With regard to wages, it provided technical assistance through the project entitled “Development of a Caribbean Labour Market Information System”. In that context, Guyana completed its third survey on wages and working hours in 2007 and the Bahamas carried out its second survey in the same year.

367. In Mexico, since 2006 the ILO has been implementing a programme of full cooperation with constituents, which provides for the development of activities under the four strategic objectives of the DWA for the Hemisphere. As a result of ILO technical assistance, the Government initiated a consultation process with a view to ratifying Convention No. 156.

368. Another important area of ILO activity in the region in the period 2006–10, aimed at helping to improve the quality of jobs and workers’ integration in labour markets, has been vocational education and training activities through CINTERFOR to promote skills development for decent work.

369. The ILO carried out many activities in the region targeting the public and private sectors and social organizations. Among these, the following are worth mentioning:

- **Distance training programme on institutional strengthening to improve quality and equity in training policies.** This programme is intended for multidisciplinary technical teams of CINTERFOR member institutions, as well as public and private occupational training providers that are committed to assessing their practices and innovating with a view to continually improving the role and contribution of vocational and technical training for inclusive economic and social development and the promotion of decent work.
- **System for the measurement and improvement of productivity (SIMAPRO).** CINTERFOR has applied this methodology in Mexico and disseminated it to other economic sectors and countries of the region (Cuba, Dominican Republic and Guatemala). Several institutions, such as INTECAP (Guatemala) and INFOTEP (Dominican Republic), have conducted trials to develop a system for assessing the impact of workers’ training on productivity. In Chile, Cuba and Mexico, several enterprises have sought to improve productivity through on-the-job training activities.

- **Skills training and national vocational qualifications frameworks.** The focus in this area was on information and technical assistance to help vocational training providers and countries organize their national vocational training systems, by integrating the role of these institutions with that of other public and private providers, in models developed in accordance with national vocational qualifications frameworks and knowledge validation processes.
- **CINTERFOR virtual space.** This website continues to grow and improve, with the addition of new software and the development of an e-learning platform adapted to the needs and specificities of distance learning. This has enabled CINTERFOR to provide comprehensive technical assistance to institutions through its own e-learning activities.
- **Quality and equity in vocational training management programme.** A virtual space was set up to create a learning community including over 20 institutions from ten countries working to continually improve the vocational training system in the region. In a joint initiative between the International Training Centre of the ILO in Turin and the EUROsociAL Project, through a collective knowledge-building effort, with the participation of Ministries of Labour and Education as well as vocational training institutions that are members of the CINTERFOR network, a tool was designed and formulated to guide the implementation of qualification frameworks with a regional focus, and basic concepts and experiences of frameworks were disseminated. With financial support from the Canadian International Development Research Centre (IDRC), the Centre promoted the “information and communication technologies for micro-, small and medium-sized enterprises” (*TIC para MIPYMES*) project to enhance the productivity of these enterprises through the development of vocational training strategies that incorporate the use of information and communication technologies (ICTs). A network of five MSME conglomerates in Argentina, Brazil, Colombia, the Dominican Republic and Guatemala, supported by vocational training institutions (University Institute of Technology (ITU) in Mendoza, Argentina; National Industrial Apprenticeship Service (SENAI) and Brazilian Micro and Small Business Support Service (SEBRAE) in Brazil; National Apprenticeship Service (SENA) in Colombia; INTECAP in Guatemala; INFOTEP in the Dominican Republic), are formulating a guide for the design of ICT-based training strategies for MSMEs. Several institutions, such as SENAI (Brazil) and SENA (Colombia), offer training in which cell phones are used as a resource for accessing knowledge. CINTERFOR has created an educational materials database, containing materials produced by training institutions. CINTERFOR itself uses ICTs in its training and is integrating several learning communities on a variety of subjects through its virtual space.
- **Promotion of South–South cooperation in a horizontal cooperation model.** Over the period there was an increase in the number of CINTERFOR activities aimed at making South–South cooperation a reality. The availability and technical capacity of training institutions of the region have enabled many of them to respond to requests for technical assistance from other providers in the region. In the last biennium, 12 horizontal cooperation activities were reported between countries of the region in a variety of fields. In 2009, several horizontal cooperation agreements were concluded between training institutions, including one on skills validation in the construction sector, bringing together training institutions from Argentina, Brazil, Colombia and Peru.

1.2. The ILO and the global economic and financial crisis

370. In the first months of the global economic and financial crisis, drawing on the experience gained worldwide during previous recessions, at the 98th Session of the International Labour Conference (June 2009), the ILO adopted, through tripartite consensus, a Global Jobs Pact, as the best means of overcoming the crisis and preparing for recovery. The Pact embodies the commitment by governments, employers and workers to putting decent work at the heart of their policies.

371. The Global Jobs Pact draws on evidence from other crises showing that employment recovery can only be achieved several years after economic recovery and that without active

policies centred on decent work, the jobs outlook is unlikely to be any brighter than in previous crises.¹⁹¹ Precarization is a real threat at such times, which are characterized by increases in hours worked, a decline in wages and growing informality.

372. The Global Jobs Pact also highlights the need to build a regulatory framework for the financial sector that is better able to serve the real economy, while protecting people's savings and pensions. As regards employment policy, it proposes a number of options to limit the effects of the crisis on employment and to promote an economic recovery that generates employment, with the shortest possible lag between the two. The options suggested include investment in employment-intensive public works, targeted job creation schemes, strengthened social protection to prevent an increase in poverty, and protection of wages to maintain domestic consumption. The Pact is based on a set of principles, as follows: priority to protecting and increasing employment; enhancing support to the most vulnerable groups; strengthening public employment services and labour market institutions; increasing equal access to and opportunities for training; avoiding protectionist solutions; promoting social dialogue; and promoting labour standards and reducing gender inequalities. Based on these principles, the Pact proposes four main areas for action: accelerating employment creation, jobs recovery and sustaining enterprises; building social protection systems and protecting people; strengthening respect for international labour standards; and promoting social dialogue, bargaining collectively, identifying priorities for dialogue and stimulating cooperation to generate consensus and limit disagreement.

373. The broad global support for the Pact proposed by the ILO is a reaffirmation of the international community's commitment to decent work as an imperative in times of crisis, when increased vulnerability and threats to jobs and working conditions reach dramatic proportions. In such situations there is a general tendency to consider employment as an adjustment variable for enterprises.

374. In this context, the Pact promotes proactive counter-cyclical policies such as unemployment insurance, vocational training and labour intermediation programmes to improve employability and prepare the labour force for recovery. These policies have been endorsed by the G20 at their latest meetings,¹⁹² among others. The Pact also calls for coordinated action by public and private actors at the national, regional and international levels to promote skills development, skills upgrading and reskilling of workers. These measures should all be carried out within a broader framework which includes boosting effective demand and maintaining wage levels through macroeconomic stimulus packages.

375. Beyond the immediate challenges, the Pact recognized that the current social and economic crisis has profound structural causes and that, unless they are addressed, recovery will be short-lived and future crises will not be prevented. In this respect, ACTRAV and TUCA presented a study summarizing the trade union movement's assessment of the structural causes of the crisis and recommending global responses centred on the concept of decent work and a rights-based approach as the priority. The main responses included: promoting collective bargaining; applying counter-cyclical fiscal measures; increasing public and private spending on productive investment; extending the coverage of social protection; promoting new international economic relations; and strengthening subregional integration. Along the same lines, ACTRAV held an event to analyse the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy as a crisis response tool.

376. Since its adoption in June 2009, the Global Jobs Pact has become an important framework for the formulation of crisis response policies as well as policies for the post-crisis and recovery period. By the end of 2009, some 56 countries had agreed to implement several of the recommendations and proposals put forward by the Pact.¹⁹³ In the Americas, 12 countries, including

¹⁹¹ ILO: *Recovering from the crisis: A Global Jobs Pact*, op. cit., para. 1.

¹⁹² See G20: *Leaders' Statement: The Pittsburgh Summit* (September 2009), para. 46.

¹⁹³ ILO: *Protecting people, promoting jobs: A survey of country employment policy and social protection responses to the global economic crisis*, op. cit.

Canada and the United States, plus the Caribbean States as a whole,¹⁹⁴ have applied several of the policies recommended by the Pact. Based on the country-disaggregated information in the report *Protecting people, promoting jobs* in each of the areas covered, the following observations may be made (see Appendix 3).

377. As regards stimulating labour demand, the policies of the countries concerned focused particularly on public spending on infrastructure, with most of them favouring additional spending; targeted employment programmes were also implemented, especially the expansion of existing programmes; new forms of support for small and micro-enterprises were also developed, with an emphasis on subsidies and tax reductions.

378. As regards support for jobseekers and the unemployed, most of these countries focused on additional training measures and increasing the capacity of employment services.

379. As regards public employment protection schemes offering temporary and emergency employment, most of the countries applied job retention measures, especially reductions in working time and measures to protect the unemployed, mainly consisting in the extension of unemployment benefits.

380. As regards social protection and protecting people, most of the countries introduced additional cash transfer schemes and improved access to health and old-age benefits, and maintained or raised the minimum wage.

381. As regards strengthening the effective application of international labour standards, policies were mainly focused on increasing the capacity of labour administration and inspection.

382. Lastly, concerning social dialogue and collective bargaining, most of the countries concerned implemented mechanisms for consultation on crisis response and bipartite or tripartite agreements at the national level.

383. Through dialogue with governments and the social partners, the ILO has initiated a variety of activities in many countries of the region with the aim of launching a rigorous debate on the objectives of the Global Jobs Pact, its policy recommendations and how they are to be implemented in the different national contexts.

384. In some countries in the region, in line with the ILO policy of promoting social dialogue, tripartite dialogue bodies were established to respond to the crisis and identify joint solutions in a bipartite or tripartite process. This was the case for Chile (the National Agreement on Employment, Training and Labour Protection, signed in 2009), Nicaragua (the Emergency Economic and Labour Agreement for Export Processing Zones, signed in 2009) and El Salvador (the Social and Economic Council, created in 2009). In Peru,¹⁹⁵ at the end of 2008, the ILO and the Ministry of Labour and Employment Promotion concluded a Memorandum of Understanding to elicit tripartite proposals for a national decent work programme in the context of the crisis. Subjects covered by the programme include reskilling, the National Employment Service, the amendment of the Employment Training Act and the Sectoral Action Plan on Youth Employment. In Brazil, the Social and Economic Development Council, created in 2003 by the President of the Republic, became an important forum for social dialogue on crisis response policies.

385. In addition to providing advisory services at a national level, the cooperation efforts of the ILO¹⁹⁶ in the region have been focused on creating spaces for dialogue and reflection, which contribute towards collective learning and the strengthening of horizontal cooperation between countries. They have also led to the identification of initiatives to develop general and specific programmes that link growth processes with the results obtained when there are greater opportunities for progress and better social protection systems. As noted, the ILO has given priority to technical cooperation in this area, aimed at strengthening institutional capacities to develop public policies

¹⁹⁴ Argentina, Brazil, Canada, Colombia, Costa Rica, Chile, Dominican Republic, Honduras, Mexico, Peru, United States, Uruguay and the Caribbean.

¹⁹⁵ Peru: Proposals for a decent work programme in response to the crisis (Lima, 19 December 2008).

¹⁹⁶ See *Presentación OIT Notas* [Introduction to the ILO *Notes on the crisis*], on the Crisis Observatory web page of the ILO Regional Office for Latin America and the Caribbean, at: www.oit.org.pe/2/?page_id=19 (in Spanish).

and train social partners, rather than simply promoting legislative or regulatory policies. Accordingly, an institutional capacity-building approach is being pursued to develop strategies and policies.

386. In some cases, ILO cooperation¹⁹⁷ has sought to modify and improve existing instruments, in order to adapt them better to the circumstances of the crisis (including minimum wage policies, modernization of unemployment insurance, labour intermediation mechanisms and vocational training and development). It has also supported ad hoc programmes aimed at specific, short-term objectives (including emergency employment programmes, collective bargaining programmes to protect employment and support programmes for direct hiring subsidies).

387. Following the guidelines of the DWA for the Hemisphere, subregional and national cooperation policies have generally given priority to increasing productive employment and, during the crisis, to providing protection against redundancies as a cutback measure. The ILO has therefore promoted initiatives for the social protection of workers. Similarly, it has worked with social and government partners to examine the possibility of setting up unemployment insurance and conditional transfer programmes in some countries. It has also contributed to the development and implementation of programmes to promote direct employment, vocational training and retraining, labour mediation systems and green jobs. Among these policies, it is worth mentioning those relating to job retention, which consist of mechanisms to prevent redundancies. Some experiences, in countries that have requested the opinion or technical support of the ILO to deal with the crisis, are based on initiatives such as combining a reduced working day in companies from the worst affected sectors with partial subsidies that cover the reduction in income which, in some cases, are also used to train workers.

388. This cooperation has also helped identify policies that have positively affected women and have considerable potential to reduce gender inequalities. This applies, for example, to employment support programmes that take into account family responsibilities and their impact on the situation of women in the labour market, and to others that include measures to enhance maternity protection and to ensure that the crisis does not increase discrimination against women.

389. The ILO Regional Office has been monitoring the crisis and its effects on employment. The document *Latin America and the Caribbean and the financial crisis: ILO recommendations and country initiatives*,¹⁹⁸ prepared in conjunction with social and governmental partners, is a major contribution to the monitoring process. Similarly, a bulletin entitled *The employment situation in Latin America and the Caribbean* is produced in association with ECLAC. It should also be noted that, through these and other instruments, the ILO supports the Inter-American Social Protection Network, which governments agreed upon at the Fifth Summit of the Americas, held in Port of Spain in 2009.

390. The International Labour Conference concluded its 2010 session with a strong call for placing employment and social protection at the centre of recovery policies. “We must get the right balance of policies to secure strong, sustainable and balanced growth”, said Conference delegates.¹⁹⁹

391. In the run-up to the G20 Leaders’ Summit in Toronto on 26 and 27 June 2010, Government, Employer and Worker delegates from the ILO’s 183 member States expressed their concern that the global economic recovery remained “fragile and unevenly distributed”, and added that “many labour markets are yet to see jobs recovery match economic recovery”. “Here at the ILO, we have reinforced this concept: the only real recovery is a recovery without social deficit”, said the Director-General of the ILO in a message to the closing plenary sitting of the Conference. Furthermore, he recalled that “quality jobs at the heart of the recovery” had been a key message

¹⁹⁷ See ILO: *Notes on the crisis*, Regional Office for Latin America and the Caribbean, at: www.insightlink.cl/clientes/oit_crisis/index_ing.html.

¹⁹⁸ ILO: *América Latina y el Caribe frente a la crisis financiera: Recomendaciones de la OIT e iniciativas de los países* [Latin America and the Caribbean and the financial crisis: ILO recommendations and country initiatives], op. cit.

¹⁹⁹ ILO press release of 18 June 2010, at: www.ilo.org/global/About_the_ILO/Media_and_public_information/Press_releases/lang--en/WCMS_142029/index.htm.

of the G20 meeting held in Pittsburgh in 2009. “This message remains more relevant than ever”, said the Director-General.²⁰⁰

392. Delegates attending the 2010 International Labour Conference also backed the Director-General’s call for a “balanced” policy strategy aimed at securing a “jobs-rich” economic recovery, and his warning that recent deficit reduction measures, mainly in social spending, could “directly affect jobs and salaries” at a time of weak economic recovery and continued high levels of unemployment.²⁰¹ Similarly, they called on the ILO to enhance its collaboration with the multilateral institutions, particularly the United Nations, the International Monetary Fund (IMF) and the World Bank, and strengthen policy coherence across financial, economic, trade, employment, social and environmental policies.

393. The 99th Session (June 2010) of the Conference took place against a backdrop of new concern over the continuing global jobs crisis that had elevated global unemployment to more than 210 million, or its highest level ever recorded, according to the Director-General’s report *Recovery and growth with decent work*.²⁰²

394. Despite signs of an economic recovery, the ILO had seen no significant indications of a reduction in the global rate of unemployment. Speakers from governments, employers and workers alike noted that the continuing lack of a jobs recovery placed a “terrible burden” on the unemployed, while at the same time hindered efforts to create “the right environment for enterprises to create employment” and increased the vulnerability of workers and their rights. Others cautioned against premature exit from stimulus packages, which would simply “make matters worse”.²⁰³

395. “The message of this Conference is very clear – put jobs at the centre of the recovery. In terms of the G20 meeting in Toronto, this means keeping the Leaders’ commitment, under the chairmanship of President Obama, in Pittsburgh, to put quality jobs at the heart of the recovery”, said the Director-General.²⁰⁴

2. ILO action in Latin America and the Caribbean in the strategic area of effectively applying and exercising fundamental rights at work, 2006–10

2.1. International labour standards

396. ILO action to achieve the objective of the DWA for the Hemisphere of mainstreaming international labour standards more effectively in labour legislation, as well as developing strategies for their effective implementation and policies to reinforce and promote them, appears to be producing significant results in the region, according to the data available, although the pace and effectiveness varies in different countries and subregions.

(i) Ratification of fundamental Conventions

397. The region has a good level of ratification of the fundamental Conventions (97 per cent in 2010), which is slightly lower than the levels of Africa and Europe and higher than those of Asia and the Arab States.²⁰⁵ If the United States and Canada are included, the ratification rate of these Conventions in the first half of 2010 is around 94 per cent. In the period from 2006 to the first half of 2010, the ratification of the eight fundamental Conventions increased by 6 per cent, with the result that virtually all the Latin American and Caribbean countries have now ratified these instruments. Of the fundamental Conventions, the ratification of the Worst Forms of Child Labour Convention, 1999 (No. 182), and the Minimum Age Convention, 1973 (No. 138), increased the most. In both cases, it increased by 9 per cent between 2006 and 2010.

²⁰⁰ ILO press release of 18 June 2010, op. cit.

²⁰¹ *ibid.*

²⁰² ILO: *Recovery and growth with decent work*, Report I(C), International Labour Conference, 99th Session, Geneva, 2010.

²⁰³ ILO press release of 18 June 2010, op. cit.

²⁰⁴ *ibid.*

²⁰⁵ Data from ILOLEX, updated June 2010.

398. Such evidence shows that ILO action continues to be highly effective in this regard. However, as indicated by the decisions of the supervisory bodies of the ILO and in various documents by workers' and employers' organizations, a high level of ratification does not always equate to a high level of compliance.

(ii) Promotion and supervisory activities

399. Monitoring the implementation of, and effective compliance with, the commitments made under the Conventions ratified by member States is an ongoing concern for the ILO. In its report to the 99th Session (June 2010) of the International Labour Conference,²⁰⁶ the ILO Committee of Experts presented its conclusions on the status of various Conventions ratified by member States, in terms of achievements and shortcomings, based on the consideration of reports submitted by governments. This report contains 129 observations relating to the application of 47 Conventions in 28 countries in the Americas. ILO action had led to positive developments in ten of them, as illustrated in table 19.

Table 19. List of cases in which the Committee of Experts has been able to express its satisfaction at certain measures taken by governments

State	Conventions Nos
Barbados	102, 128
Bolivia, Plurinational State of	87, 98, 100, 169
Brazil	115, 152
Colombia	87, 98, 154
El Salvador	87, 151
Mexico	155
Nicaragua	98, 105, 182
Panama	98
Saint Vincent and the Grenadines	105
Uruguay	151, 155

Source: ILO: *Report of the Committee of Experts on the Application of Conventions and Recommendations*, op. cit.

400. The data indicate that these countries are pursuing policies for the effective exercise of the rights outlined in the Conventions in question. In other cases, the ILO Committee of Experts has noted with interest the progress made in implementing the relevant Conventions. This means that, although progress has been made, it is less significant than in those cases where the Committee has expressed its satisfaction. In 2010, 26 countries in the Americas were identified in the report of the Committee of Experts as being in this category (see table 20).

401. Furthermore, the 2010 report of the Committee of Experts identifies 16 Latin American and Caribbean member States for which technical assistance would be useful to help them address gaps in law and in practice in the implementation of ratified Conventions (see table 21).

402. In Argentina and Uruguay, the Governments and the ILO have been working together to introduce courses on the fundamental principles and rights at work in secondary education nationwide. Moreover, in Argentina, in conjunction with the General Labour Confederation (CGT), a multidisciplinary decent work team was established, which focused largely on examining the effective application of international labour standards. In Chile, in the context of helping member States apply the fundamental Conventions effectively, the ILO provided technical assistance to the Tripartite Committee for Equal Opportunities between Men and Women at Work during the discussion of the Equal Remuneration Act (adopted in 2009). In Uruguay, the ILO provided support to a tripartite committee during the discussion of the Sexual Harassment Act (considered by the Committee of Experts to be a form of discrimination, sexual harassment

²⁰⁶ ILO: *Report of the Committee of Experts on the Application of Conventions and Recommendations*, op. cit., pp. 19–27.

Table 20. List of cases in which the Committee of Experts has noted with interest various measures taken by governments

State	Conventions Nos
Antigua and Barbuda	81, 122, 150
Argentina	169, 184
Barbados	26, 95, 102
Belize	22, 97, 182
Bolivia, Plurinational State of	102, 111, 169
Brazil	138, 152, 155, 160, 170, 182
Canada	87
Chile	29
Colombia	17, 87, 98
Costa Rica	81, 144
Cuba	108, 150
Dominican Republic	98, 170
Ecuador	100, 111, 169
Guatemala	58, 81, 129
Haiti	100, 101
Jamaica	111
Mexico	29, 159, 169, 170
Nicaragua	29, 119, 138, 139, 182
Panama	107, 127
Paraguay	81, 87, 120, 169
Peru	152, 182
Saint Vincent and the Grenadines	81, 111
Suriname	182
United States	176
Uruguay	81, 100, 111, 129, 138, 139, 162, 167, 182
Venezuela, Bolivarian Republic of	155, 169

Source: ILO: *Report of the Committee of Experts on the Application of Conventions and Recommendations*, op. cit.

Table 21. List of cases for which technical assistance would be useful

State	Conventions Nos
Antigua and Barbuda	17
Argentina	87
Belize	133, 134
Bolivia, Plurinational State of	1, 30, 87, 102
Brazil	155
Colombia	169
Costa Rica	1, 87, 98, 106
Ecuador	87, 98, 148
Guatemala	87, 100, 169
Honduras	87
Jamaica	94
Panama	87, 94, 98, 107
Paraguay	26, 87, 98, 115, 119, 120
Peru	102, 169
Uruguay	81
Venezuela, Bolivarian Republic of	87

Source: ILO: *Report of the Committee of Experts on the Application of Conventions and Recommendations*, op. cit.

therefore falls under Convention No. 111). The Act was adopted in 2009. In Chile, the ILO encouraged the dissemination of the Sexual Harassment Act. In Colombia, progress has been made in developing a proposal to include international labour standards in the curricula of law faculties. Training continues to be provided for judges, so that the international labour standards and principles advocated by the supervisory bodies are applied in the judicial sentences handed down.

403. The activities of trade unions and workers' organizations – which have taken on a central role in promoting the effective implementation of the Conventions ratified by the countries – have been crucial in this regard. The significant technical cooperation provided by ACTRAV is worthy of particular note. This is key, given that, as has been noted, a wide gap still exists between the ratification and the effective application of the Conventions and Recommendations. Employers' organizations and the technical cooperation of ACT/EMP have also played an important role in promoting the implementation of the Conventions and Recommendations, particularly those concerning freedom of association.

404. This is essential in the context of the crisis because, as the Global Jobs Pact explains, strengthening respect for international labour standards is a key factor in overcoming the crisis. The Pact states that: “[i]n order to prevent a downward spiral in labour conditions and build the recovery, it is especially important to recognize that ... [a] number of international labour Conventions and Recommendations, in addition to the fundamental Conventions, are relevant. These include ILO instruments concerning employment policy, wages, social security, the employment relationship, the termination of employment, labour administration and inspection, migrant workers, labour conditions on public contracts, occupational safety and health, working hours and social dialogue mechanisms”.²⁰⁷

405. On a global level, the ILO is constantly monitoring member States' compliance with the obligations arising from the ILO Constitution. According to the 2010 *Report of the Committee of Experts on the Application of Conventions and Recommendations*,²⁰⁸ in 2009 it noted with concern an increase in the number of governments which did not indicate in their reports the representative organizations of employers and workers to which copies of the reports would be communicated. The Committee on the Application of Standards echoed this concern at the 98th Session (June 2009) of the International Labour Conference, and considered it to be a significant problem in view of the tripartite nature of the ILO. Since its last session, the Committee has received 705 comments, 115 of which were communicated by employers' organizations and 590 by workers' organizations. The majority of the comments received (527) relate to the application of ratified Conventions, in particular the fundamental Conventions.

2.2. Child labour

406. The ILO has been particularly proactive in this field. The global efforts of the International Programme for the Elimination of Child Labour (IPEC) have, in Latin America and the Caribbean, taken the form of a particularly active programme. In the period 2006–10, this programme carried out numerous activities to support countries in the region in drafting, coordinating and implementing national plans to prevent and eradicate child labour and to combat human trafficking and commercial sexual exploitation. These measures help strengthen countries' capacities to comply with ILO Conventions Nos 138 and 182 and the goals of the DWA for the Hemisphere concerning child labour and its worst forms.

407. According to the 2010 report of the ILO, *Accelerating action against child labour*,²⁰⁹ the Americas have made good progress in recent years. The fundamental Conventions on child labour have been ratified by almost all countries in the region. The child labour issue is present in the national policies of all countries. It is the region with the most significant reduction in child

²⁰⁷ ILO: *Recovering from the crisis: A Global Jobs Pact*, op. cit., para. 14.

²⁰⁸ ILO: *Report of the Committee of Experts on the Application of Conventions and Recommendations*, op. cit.

²⁰⁹ ILO: *Accelerating action against child labour*, op. cit.

labour during the last decade. A broad knowledge base in both qualitative and quantitative terms has been produced.

408. A wide alliance of employers and workers against child labour has been built up together with civil society and the media. There is strong regional commitment through the DWA for the Hemisphere, which includes commitments and specific time frames to eliminate the worst forms by 2015 and all child labour by 2020. The “roadmaps” adopted for Central America, Panama and the Dominican Republic are examples of progress made in line with the policy suggestions of the DWA for the Hemisphere.

409. While the progress made is important and encouraging, there is still considerable work to be done. The great challenge in the region centres on keeping the momentum going. In the Americas, vulnerable populations are a major concern. These include indigenous peoples who have not benefited from the general progress in the region. In order to highlight this neglected issue, a regional meeting entitled “Indigenous peoples and government: Towards an effective protection of the rights of indigenous children and adolescents in child labour situations to be abolished” took place in March 2010. The ILO is one of nine supporting agencies involved in producing national reports for Guatemala, Honduras, Nicaragua and Panama. This initiative is timely, given the extent to which the children of indigenous populations disproportionately miss out on education and are found in some of the worst forms of child labour in mining, agriculture and other sectors. In 2008, IPEC and the United Nations Children’s Fund (UNICEF) jointly organized a subregional Andean meeting on indigenous child labour. As a result, the tripartite child labour committees of the Plurinational State of Bolivia, Colombia, Ecuador, Paraguay and Peru created special units to respond to this issue in cooperation with organizations representing indigenous people.

410. Other regional child labour concerns include the plight of migrant workers and vulnerability to the global economic crisis. Mapping the worst forms of child labour, such as trafficking and commercial sexual exploitation, remains a challenge. Developing indicators to track the commitments of the intraregional approach is also central to maintaining momentum. Expanding and intensifying cooperation with other regions, not least Africa, in the context of South–South cooperation, is an important opportunity to move the whole global effort forward. Brazil and Mexico could increasingly play a leading role in providing technical and financial assistance to other regions as well as in the Americas. Below are three major areas in which the ILO, through IPEC, has achieved promising results.

(i) Strengthening the capacity to produce information

411. In the period under review (2006–10), the ILO contributed to the use of special surveys in the different subregions and to the introduction of specific sections on child labour in the data collection instruments of the statistical institutes of various countries, particularly those which did not have them in place. In this regard, it is worth mentioning Colombia, Mexico, Paraguay and Uruguay in particular. Argentina continued to apply the methodology transferred by the ILO to other provinces of the country, with the support of the United Nations Development Programme (UNDP) and UNICEF. In Central America and the Dominican Republic, significant progress has been made as a result of the inclusion of child labour modules in household surveys on a permanent basis. El Salvador is a leader in this area. However, the need for up to date information is, according to the ILO, an ongoing requirement which must be invested in.

(ii) Ratification and effective application of the ILO Conventions on child labour

412. In 2010, 97 per cent of countries in the Americas (including Canada and the United States) had ratified the Worst Forms of Child Labour Convention, 1999 (No. 182), and 86 per cent had ratified the Minimum Age Convention, 1973 (No. 138).²¹⁰ This reflects the extent of coverage that these Conventions have achieved in the region. However, the ILO still has a long way to go in supporting the eradication of the worst forms of child labour and contributing to an appropriate

²¹⁰ Data from ILOLEX, updated June 2010.

approach to child labour in general, in accordance with the targets of the DWA for the Hemisphere. In several countries, the true extent of child labour tends to be covered up and there are many ways to bypass the rules, when they exist. In addition, IPEC has benefited from the Time-bound Programmes (TBPs), which seek to prevent and eradicate the worst forms of child labour in a country within a defined period of time. These are country-owned programmes and IPEC fulfils a support role. In Latin America and the Caribbean, the following countries have benefited from this type of programme between 2008 and 2009: Brazil (Bahía State), Dominican Republic, Ecuador and El Salvador.²¹¹

(iii) Activities of national institutions

413. IPEC has promoted various institutional initiatives since 2006, resulting in the gradual formation of a network of mechanisms and agencies to foster policies and programmes that address the issue of child labour and its worst forms. In the region, 19 countries have signed memorandums of understanding with IPEC and five are IPEC partners. In Central America and the Dominican Republic, roadmaps are being adopted in order to achieve the goals of the DWA for the Hemisphere.²¹² The ILO has set up national commissions or committees in 17 countries to oversee child labour policies and activities. In the six countries of the region for which data are available, nine programmes or action plans have been implemented with IPEC technical cooperation. These include: the National Plan of Action for the Eradication of Child Labour in Argentina and the efforts of the ILO, IPEC, UNDP and UNICEF to strengthen it; the *Bolsa Família* subprogramme, which seeks to provide financial assistance to families in Brazil to guarantee their children’s education and health; the national plan of action in Chile against the worst forms of child labour; the *Avancemos* programme in Costa Rica, aimed at keeping young people and children in formal education; and, in Barbados, a large-scale communication programme to promote policies against child labour and its worst forms. Subregional seminars have been held in the Andean region on strengthening the national committees for the prevention and eradication of child labour (2008) and on training labour inspectors (2009).

414. Since 2007, IPEC has helped to design a “roadmap” to make Central America and the Dominican Republic a child labour free zone by 2020. The strategic framework proposed in the roadmap covers six priority themes (poverty reduction; education; health; legal and institutional frameworks; awareness raising and social mobilization; and generation of knowledge and follow-up) using a variety of interconnected strategies.

415. In the first phase (2008), a study was carried out to determine the situation of child labour and of its worst forms, which examined the national policies and programmes of each country to prevent and eliminate child labour and to combat commercial sexual exploitation, trafficking and some of the other worst forms of child labour. The analysis was carried out on a tripartite basis, with the participation of governments, employers’ and workers’ organizations, and other relevant social partners. The evaluation for each country was assessed during consultation workshops held in October 2008 with institutions representing the four sectors involved. These revealed the situation of child labour and its worst forms in each country, and the impact of policies and programmes to prevent, eliminate and combat it. Summaries of each national study and a subregional summary were later produced.

416. During the second phase (2009), technical proposals were made for the roadmaps for each of the participating countries. To this end, an ad hoc technical group was set up in each country to develop the technical roadmap proposals. These groups were comprised of experts from the main national institutions of the subregion, responsible for the drafting and implementing public policies to combat child labour and its worst forms, and of representatives of workers’ and employers’ organizations, of civil society and of international organizations.

²¹¹ ILO: *Report of the Committee of Experts on the Application of Conventions and Recommendations*, op. cit.

²¹² ILO: *IPEC action against child labour: Highlights 2006*, op. cit.

417. As part of the third phase, IPEC standardized the seven roadmaps produced in the individual countries and prepared the subregional one. At the same time, it established and put into effect an advocacy strategy to ensure that the roadmaps would be included in public policy documents at the highest level (national development plans, international cooperation agendas, etc.) in each country and also at the regional level. The subregional strategic roadmap was completed in November 2009 and ratified at a meeting between the ILO and the Ministers of Labour of Central America and the Dominican Republic, held on 24 and 25 November 2009 in Managua. The ministers present endorsed the subregional roadmap and the national roadmaps, demonstrating a clear commitment to their adoption in each country and their subsequent implementation. At the beginning of 2010, the roadmaps for the Dominican Republic, El Salvador and Guatemala were completed and submitted. This process effectively contributes to strengthening the capacities of countries to achieve the goals established under ILO Conventions Nos 138 and 182. The roadmap provides a strategic programming basis and links different public policies and complementary operations in order to combat the unquestionably worst forms of child labour, ban hazardous work by 2015 and eliminate child labour by 2020.

418. ACTRAV, together with IPEC, has organized training, technical assistance and monitoring and evaluation activities for the trade union movement in the Americas, emphasizing the promotion of decent work as a strategy to prevent and combat child labour. The Continental Working Group for the Prevention and Elimination of Child Labour, which is associated with the Trade Union Confederation of the Americas (TUCA), seeks to address and monitor the problem on the continent in order to propose union activities and promote joint policies to prevent and eliminate it. This Working Group approaches the DWA for the Hemisphere as a strategy to prevent and eliminate child labour by: promoting employment and labour policies; consolidating and reinforcing institutional integration at national and regional levels; developing proposals to adapt regulations; calling for the creation of national child labour monitoring and inspection systems, linked to various governmental and non-governmental institutions; expanding social mobilization; including the elimination of child labour in public social programmes; strengthening possibilities for interventions at the local level; and developing organizational proposals for adult labour. In addition, IPEC and ACT/EMP jointly disseminated the *Employer's guide for the eradication of child labour*. They also worked together to develop and validate training tools on the subject for businesses and employers' organizations.

2.3. Freedom of association and collective bargaining

419. During this period the ILO made considerable efforts to increase the enforcement of fundamental rights, in order to improve freedom of association, the right of workers to organize, and the coverage of and subjects for collective bargaining. Significant activities have been carried out as part of action programmes with employers and their organizations. All this has helped to strengthen the importance of the social partners and tripartism in the region.

420. The data gathered indicate that the region is one of the areas in the world with the most ratifications of Conventions Nos 87 and 98. According to ILOLEX, 97 per cent of countries in Latin America and the Caribbean had already ratified both instruments by 2010.

421. With regard to unionization and collective bargaining coverage, information is rather scarce for the period concerned, making it difficult to provide an up to date empirical analysis. However, according to the ILO's *World of Work Report 2008*, which contains comparative data for the period prior to 2006–10, namely 1989–2005, for 13 countries in the region (Argentina, Brazil, Costa Rica, Chile, Dominican Republic, El Salvador, Honduras, Jamaica, Mexico, Paraguay, Peru, Uruguay and the Bolivarian Republic of Venezuela), in almost all of those countries trade union membership had stagnated at relatively low levels compared to the majority of developed countries. Only Brazil and Paraguay recorded slight increases. This was the situation when the drafting of the DWA for the Hemisphere began.

422. Although no aggregated data are available for the region, the situation since then seems to have followed the same lines in most countries. Data on union membership in the region are extremely scarce and incomplete. As an exercise, and based on partial data from the ILO, it is

estimated that, for the period 2006–10, it remained on average at around 15 per cent of all employees.²¹³ In some countries, this proportion is probably even lower. In Peru, for example, the statistics for 2009 from the Ministry of Labour and Employment Promotion indicate that 4.5 per cent of private sector workers with a formal contract are members of a trade union.²¹⁴

423. Nevertheless, partial information for some countries shows evidence of progress. In Argentina, trade union membership remained at around 40 per cent of employees, a higher-than-average level for the region. In Chile, according to the Labour Directorate,²¹⁵ between 2005 and 2009 unionization increased from 14.5 per cent to 20.3 per cent of employees. If this level of unionization is calculated on the basis of the economically active population (EAP), it is around 14 per cent. In El Salvador,²¹⁶ between 2005 and 2007 the number of union members rose from 113,165 to 169,003, an increase of nearly 67 per cent, which represents 20 to 25 per cent of the EAP. In Uruguay, there has also been an increase in trade union membership in recent years, due to the reintroduction of tripartite wage councils. In Brazil,²¹⁷ in 2006 and 2007 the level of unionization of the EAP was 18.9 per cent and 18.1 per cent, respectively, which reflects an above-average level of stability compared to most countries in the region.

424. According to the ILO's *World of Work Report 2008*, the practice of collective bargaining has also been in decline in recent years. However, it has tended to remain at the same level in the public sector in those countries where the right to collective bargaining exists for public sector workers, or is exercised in practice. In the private sector, the rate is decreasing or stabilizing at an average of around 9 per cent of employees, except in those countries where centralized bargaining is used, where coverage tends to be higher.

425. There are concerns as to whether the goals of the DWA for the Hemisphere in this area, beyond the ratification of Conventions, can be achieved. The problems are linked to the complex processes of transforming the production structures, the labour markets and business organization. This situation can be affected by the lack of government policies to promote these issues in some countries, and by existing regulations restricting freedom of association and collective bargaining in others. The ILO, through its supervisory bodies, and with the support of workers and employers, has been striving constantly to overcome these issues.

426. To this end, the ILO is giving its support to the newly established Fundamental Rights Department of the Ministry of Labour and Employment Promotion in Peru. In Colombia, decentralized training on freedom of association was carried out between 2008 and 2009 in conjunction with officials from the Ministry of Social Protection. Numerous training workshops have been held for Colombian labour magistrates and judges in recent years.

427. ILO global and regional studies, completed or under way, on freedom of association and collective bargaining, make important contributions to the development of new policies and strategies for progress in both areas.²¹⁸ As part of the campaign to promote freedom of association in Central America and the Dominican Republic, a study was conducted that gave an overview of freedom of association and collective bargaining in the subregion in 2008, with an analysis of each country.²¹⁹

428. Confronted with the problem of extending unionization and collective bargaining, trade unions in the region are undertaking a process of self-reform with the support of the FSAL/

²¹³ Information from the websites of the labour ministries of countries in the region that keep available records on unionization and collective bargaining; see also Hayter and Stoevska: *Social Dialogue Indicators*, op. cit., and ILO: *Collective bargaining: Negotiating for social justice*, op. cit.

²¹⁴ Ministry of Labour and Employment Promotion: *Diagnóstico sobre la libertad sindical de la Dirección de Derechos Fundamentales en el Trabajo* [Analysis of freedom of association by the Directorate for Fundamental Rights at Work], 2010.

²¹⁵ See: www.dt.gob.cl/documentacion/1612/w3-propertyvalue-22777.html (in Spanish only).

²¹⁶ J.M. Sepúlveda and P. Frías: *El sindicalismo en América Central: Desafíos del futuro a la luz de su memoria histórica: Guía didáctica* [Trade unionism in Central America: Future challenges in the light of history: Teaching guide], ILO, San José, 2007.

²¹⁷ ILO: *Decent Work Country Profile – Brazil*, Geneva and Brasília, 2009.

²¹⁸ See, for example, ILO: *Freedom of association in practice: Lessons learned*, op. cit.; ILO: *Changing patterns in the world of work*, Report I(C), International Labour Conference, 95th Session, Geneva, 2006; ILO: *Freedom of Association. Digest of decisions and principles of the Freedom of Association Committee of the Governing Body of the ILO*, 2006; and ILO: *Introduction to work study*, 1996.

²¹⁹ ILO: *La Libertad Sindical y la Negociación Colectiva en Centroamérica, Panamá y República Dominicana. Un panorama de su estado actual* [Freedom of Association and Collective Bargaining in Central America, Panama and the Dominican Republic. An overview of its current status], Office for Central America and the Caribbean, San José, 2009.

ACTRAV project, the Spanish International Cooperation Agency for Development and trade unions in Spain. The ILO has been actively promoting this process. Between 2008 and 2010, ACTRAV²²⁰ developed a programme of activities to support respect for fundamental principles and rights, which included 22 meetings in Latin American and Caribbean countries attended by more than 500 trade union leaders from the region.

429. In Central America, according to an ILO study undertaken in 2007,²²¹ the progress made by trade unions in complying with international standards, as well as in labour relations and globalization studies and analysis, was based on ILO cooperation. This has made it easier for trade unions to contextualize certain globalization and economic integration processes. The trade unions already have experience of the social and employment issues that these processes are now facing. The trade unions have developed action strategies in line with the new international situation, and they have outlined their educational, organizational and social participation activities. According to the same source, a tripartite forum on employment and decent work was held for Central American countries and the Dominican Republic in June 2005. This boost to tripartism during the period under review helped to promote various related activities, such as the establishment of the Social and Economic Council in El Salvador at the end of 2009. The aforementioned study notes that trade unions in Central America are planning to advocate cooperation between workers and employers in order to develop a social dialogue that would reinforce decent work in each country. In Brazil, an analysis was carried out with the Inter-Trade Union Department of Statistics and Socio-Economic Studies (DIEESE) on the inclusion of clauses that promote equal opportunities and gender and racial equality in collective bargaining procedures between 1993 and 2006.²²²

430. The Trade Union Confederation of the Americas (TUCA), with the support of the Trade Union Technical Advisory Council (COSATE), made a statement to the 40th Regular Session of the General Assembly of the Organization of American States, meeting in Lima on 5 June 2010.²²³ It raised a number of issues and gave the opinion of the trade union movement in the region. It pointed out that trade unionism is facing a constant struggle against widespread violence and anti-union policies, with evidence of increased repression of social protests throughout the Americas. Moreover, several States have adopted legislation that violates the right to public demonstrations and does not allow individuals to speak out and vindicate their rights.

431. This point of view of the region's trade unions was also expressed at the Second World Congress of the International Trade Union Confederation (ITUC), held in Vancouver, Canada, on 21–25 June 2010. The ITUC supports the activities of the trade unions and of the ILO for the effective exercise of freedom of association.

432. Such statements suggest that there is a perception among unions that the weaknesses in the levels of union membership and collective bargaining are largely due to government or management attitudes that seek to limit or reduce the ability of trade unions and workers to organize themselves and negotiate, together with structural changes to the economy and labour market.

2.4. Gender equality and decent work

433. One of the fundamental goals of the ILO, since its founding, has been to protect the rights of female workers and promote opportunities for both women and men to obtain work in conditions of freedom, equity and security, that is to say, in accordance with the concept of decent work. Therefore, the ILO considers that it is only possible to achieve the objective of providing decent work for all if gender equality is a priority.

²²⁰ Details available at: <http://white.oit.org.pe/spanish/260ameri/oitreg/activid/proyectos/actrav/actividadesregionales/2010/> (in Spanish only).

²²¹ Sepúlveda and Frías, op. cit., pp. 47, 71, 98, 131, 161, 201, 231.

²²² ILO: *Negociação coletiva de trabalho e equidade de gênero e raça no Brasil* [Collective bargaining in employment and gender and racial equality in Brazil], Brasília, 2009.

²²³ Trade Union Confederation of the Americas (TUCA). Workers' statement to the 40th Regular Session of the General Assembly of the OAS, Lima, 5 June 2010, p. 2.

434. As part of the preparations for the discussion on gender equality and decent work at the 98th Session of the International Labour Conference, a communications campaign, *Gender Equality at the Heart of Decent Work*,²²⁴ was carried out in 2008–09 with the support of the ILO Bureau for Gender Equality. The global objectives of the campaign were to: “(i) increase general awareness and understanding of gender equality issues in the world of work; (ii) highlight the specific linkages between gender equality and securing decent work for all women and men; (iii) promote the ratification and application of key ILO gender equality labour standards; and (iv) advocate the importance of overcoming existing barriers to gender equality as beneficial for all”.

435. To achieve the four objectives mentioned above, ILO activities in Latin America and the Caribbean, through the Regional Programme on Gender and Decent Work,²²⁵ have focused mainly on the DWA for the Hemisphere, the resolution concerning gender equality at the heart of decent work adopted by the International Labour Conference in 2009, and the Plan of Action adopted by the Governing Body to implement the resolution. As a result, a work programme has been implemented to help constituents achieve the objectives of the DWA for the Hemisphere.

436. This programme, recognizing that the unequal distribution of the unpaid work of caring for a family is at the root of the disadvantages faced by women – as employees, independent workers and entrepreneurs – in the labour market, has concentrated on developing issues concerning the relationship between work, family and private life.

437. A second important line of work has been undertaken in the field of employment and remuneration, in order to avoid the discrimination that women suffer in accessing the labour market, in the development of their careers and in the remuneration for their work, since one of the prime examples of gender discrimination are the lower wages paid to women for work of equal value.

438. A third priority concerns actions to end informality in employment and social exclusion experienced by large groups of poor women workers, thus aligning itself on this issue with the Millennium Development Goals.²²⁶ Technical assistance has been provided to constituents to move towards improving working conditions for and regularizing women domestic workers, for example, and to the Governments of Argentina, Brazil, Chile, Ecuador, Paraguay and Uruguay, to develop administrative measures and legal reforms to increase social security registration and coverage and to match the minimum wage paid to such workers to that of other employees. The Council of Ministers for Women of Central America issued a resolution that welcomes the support of the ILO for proposals to comply with regulatory instruments that promote women’s labour rights and, in particular, that recognize unpaid domestic work.

439. The Regional Programme on Gender and Decent Work, together with the subregional and country offices and the International Training Centre of the ILO in Turin, has carried out an intense programme to set up tripartite committees for equal opportunities for men and women. These committees, comprised of representatives from governments (ministries of labour and women’s affairs) and employers’ and workers’ organizations, have had a significant impact in Southern Cone countries and the scheme has begun to spread to the rest of the region. In 2009, the Plurinational State of Bolivia established a committee, and Costa Rica, the Dominican Republic, Ecuador and Peru have committed to doing the same.

440. The ILO has also developed, through its gender activities,²²⁷ a wide range of events to support its constituents’ regional, subregional and national structures, and the exchange of experiences and good practices between the countries of the region to strengthen gender mainstreaming. It supported the biannual planning workshop of the Continental Committee of Women Workers of the TUCA. In Costa Rica, the ILO provided technical support during the drafting of the equity and gender equality policy of the Ministry of Labour and Social Security and the related Plan of Action. In Panama, it supported the establishment of the Gender Office of

²²⁴ See: http://igenero.oit.org.pe/index.php?option=com_content&task=view&id=16&Itemid=52 (in Spanish only).

²²⁵ This programme carried out several of its activities during the past two years, thanks to the project to combat gender discrimination in the region financed by the Regular Budget Supplementary Account (RBSA).

²²⁶ See: http://igenero.oit.org.pe/index.php?option=com_content&task=view&id=17&Itemid=51 (in Spanish only).

²²⁷ See: http://igenero.oit.org.pe/index.php?option=com_content&task=blogcategory&id=26&Itemid=106; and http://igenero.oit.org.pe/index.php?option=com_content&task=blogcategory&id=25&Itemid=89 (in Spanish only).

the Ministry of Labour and Social Welfare, and in the Dominican Republic it strengthened the Committee of Women Trade Unionists, whose members have been trained and play an active role at the negotiating table. Based on the workshop to share knowledge and build capacities in order to achieve gender equality and decent work for all, organized by the Subregional Office of the ILO for Central America, Haiti, Panama and the Dominican Republic, a subregional, tripartite labour network was established and a set of proposals and commitments to work by consensus were determined. In Uruguay, it helped the Inter-Union Assembly of Workers – National Convention of Workers (PIT–CNT) to prepare a gender plan, which has become an important gender mainstreaming tool for all union work, and in Chile technical assistance was extended to the Single Confederation of Workers (CUT) to draft a union proposal on work and family. In the Plurinational State of Bolivia, a training programme on gender and non-discrimination for officials from the Ministry of Labour, Employment and Social Welfare was conducted as part of a process to strengthen the capacities of the Ministry, and the ILO supported a series of departmental meetings of the Bolivian Workers' Confederation that culminated in the adoption of an Equal Opportunities Plan. A similar programme on policies to reconcile family life with work was put in place in Peru in support of efforts made by the Inter-Ministerial and Multi-Sectoral Committee for the Implementation of the National Family Support Plan 2004–11, in partnership with the Ministry for Women's Affairs and Social Development. Meanwhile, in Ecuador, an inter-institutional workplan was drafted to promote gender mainstreaming in employment policies and the structure of the Ministry of Labour Relations and, in Argentina, support was provided to establish an advisory unit to reinforce gender mainstreaming in the work of the Ministry of Labour and Social Welfare. In Brazil, the ILO Office has been implementing a series of technical cooperation projects as part of a programme to promote gender and racial equality in the workplace, which in turn is a component of the Regional Programme on Gender and Decent Work.

(i) Ratification and effective implementation of key agreements for gender equality

441. In this regard, the ILO has advocated the adoption of Conventions and legal frameworks that promote gender equality. According to ILO data for 2010,²²⁸ in Latin America and the Caribbean, out of a total of 33 countries, the Maternity Protection Convention (Revised), 1952 (No. 103), has been ratified by eight countries; the Maternity Protection Convention, 2000 (No. 183), has been ratified twice; and the Workers with Family Responsibilities Convention, 1981 (No. 156), has ten ratifications. In total, 14 of 33 countries have ratified one or more of the three Conventions. The United States and Canada have not ratified any of these three Conventions. In Paraguay, the Tripartite Equal Opportunities Commission achieved the ratification of Convention No. 156 in November 2007. The Governments of Brazil, Ecuador and Mexico have initiated the process to ratify Convention No. 156. The Government of the Dominican Republic will launch a campaign for the ratification of Conventions Nos 156 and 183. In Peru, the Congressional Commission on Women's Affairs added the ratification of Convention No. 183 to its agenda. In Costa Rica, the current administration made it a priority to set up a national care network to allow working women to reconcile family and working life. A similar approach is proposed by the current Government of Uruguay, by setting up a national care system as part of the reform of the social welfare system. In Argentina, the Government is currently drafting a childcare policy. Maternity leave was extended in Brazil to a period of six months for the federal public administration and this leave applies to all public and private companies. The extension of paternity leave is under discussion in Parliament. In Chile, the current administration established a Presidential Advisory Committee on Women's Affairs, Work and Motherhood, with a view to developing comprehensive proposals to separate maternity from the costs of contracting women and to promote better care services and co-responsibility, complementing the policy of the previous Government, which significantly increased the provision of free public childcare services for informal women workers through the programme *Chile crece contigo* (Chile grows with you). The Ministry of Labour and the Ministry for Women's Affairs and Social Development in Peru have agreed to prepare an inter-sectoral action plan on gender mainstreaming in employment policies, which will focus on

²²⁸ APPLIS database, updated July 2010.

co-responsibility in work and family. A technical committee has been set up in Ecuador to draft a bill for workers with shared family responsibilities.

442. On a regional level, the ILO has been particularly active with regard to Convention No. 111, focusing on the issue of sexual harassment and backing the discussion of a bill adopted in Uruguay in 2009. It also implemented legislation adopted in Chile, through activities that included preparing a training manual for inspectors of the Labour Directorate. Similarly, the ILO's contribution was decisive in drawing up Chile's Code of Good Labour Practices and Non-Discrimination in the Public Sector. In Brazil, the ILO and the United Nations Development Fund for Women (UNIFEM) are represented on the committee of the Pro-Gender Equality Programme, promoted by the Secretariat for Women's Policies to eliminate discrimination in company management.

(ii) Employment and salaries

443. The ILO's action in this field has focused on encouraging countries to achieve the goal of a 10 per cent increase on 2006 in female participation and employment rates by 2015, and on reducing the income gap, through technical cooperation, meetings and the dissemination of documents, in conjunction with other international organizations.

444. Worthy of note in this field is the Ministerial Declaration of the Economic and Social Council (ECOSOC) of 2006, to which the ILO made an important contribution. This Declaration recognized gender mainstreaming in all of the Millennium Development Goals. The ILO also made a significant regional contribution to the 10th and 11th Regional Conferences on Women in Latin America and the Caribbean organized by ECLAC in Quito in 2007 and Brasilia in 2010, respectively. There, governments agreed on co-responsibility measures for family and working life and the recognition of unpaid work, and called for governments to make social reproduction and the care and welfare of the population an economic objective and a public responsibility not to be delegated. In the Southern Cone countries, the ILO prepared a comprehensive report entitled *Desafíos para la igualdad en el trabajo* (Challenges for equality at work), which was part of the ILO Global Report, *Equality at work: Tackling the challenges*, to the 96th Session of the International Labour Conference in 2007. The ILO also prepared studies and information material, and carried out training and institution-building activities as part of the project to promote gender and racial equality in employment policies of the Southern Common Market (MERCOSUR) countries.

445. Since the global financial and economic crisis began, the ILO has made it a priority to monitor and evaluate the impact it may have on regional labour markets and, in particular, on the gender inequalities faced by women in the labour market. In 2009, in collaboration with the UNDP and UNIFEM, a subregional forum on tackling the global crisis, *Respondiendo a la Crisis con Equidad de Género* (Responding to the Crisis with Gender Equity), was held in Central America, as the culmination of a series of national tripartite consultations to analyse the impact of the crisis on female workers and gender equality, that put forward proposals to increase equality and thus reduce the impact of the crisis. In May 2010, a high-level regional seminar was held, entitled *Pacto Global por el Empleo: Un instrumento para consolidar los avances hacia la igualdad de género* (Global Jobs Pact: A tool to consolidate progress towards gender equality). Its purpose was to discuss the lessons that could be learnt from the policies implemented during the crisis, in order to make a detailed assessment of how to reduce the impact on labour markets and, above all, to promote gender equality.

446. However, the evidence gathered showed that progress in the region is still slow and requires countries to be highly proactive in order to achieve the desired results. In this context, the ILO, through the National Decent Work Programmes and the Decent Work Country Programmes, and also through its regional and subregional offices, has worked actively to promote better access for women to the world of work and access on equal terms. It has also pursued a series of related activities to ensure that a gender perspective is included in all labour policies and the agendas of the social partners, often in collaboration with ACTRAV and ACT/EMP. In collaboration with the OAS, it has been responsible for a support programme for the gender institutions of ministries of labour and for gender mainstreaming in labour policies.

(iii) Advocacy of research, information and new knowledge

447. A significant part of the ILO's regional action has been aimed at the generation and dissemination of new information relevant to the work of the constituents and the drafting, management and evaluation of public policies, as well as materials for awareness raising and broad dissemination.²²⁹ National studies have been carried out in the areas of work, family and personal life in Costa Rica, the Dominican Republic, Ecuador, Peru, the Plurinational State of Bolivia, Chile, Argentina, Brazil, Trinidad and Tobago, and Paraguay. Studies are about to be started in Mexico and El Salvador. The preliminary conclusions were discussed in consultation with the constituents, to gather their recommendations. In order to analyse the effects of the crisis and of the policies designed to counter its impact on women and gender equality, studies were carried out in Central America, Mexico, Peru, Brazil, Argentina and Chile. These studies provided valuable information for the authorities and social partners.

448. On the subject of domestic work, in 2009 *Domestic work: A long journey towards decent work* was published, which examines the subject at the regional level and also contains four national case studies. A series of short investigations in this area have been started in order to account for the new policies that are being implemented in the region to improve working conditions and to analyse their impact.

449. Recognizing the importance of cultural factors and of providing ILO partners with the background required to participate in an informed debate on gender equality and decent work, an awareness-raising and training strategy has been developed for decision-makers, employers' and workers' organizations and civil society in general. This strategy includes the development and distribution of materials (print and electronic forms), the creation of a quarterly electronic bulletin, the series *ILO Notes on work and family*, a greater presence in the mass media (print, audiovisual and electronic), the preparation of training guides and the provision of training through workshops for selected audiences.²³⁰

450. Furthermore, in collaboration with the International Training Centre of the ILO in Turin, a training manual entitled *Work and family: Towards new forms of reconciliation with social co-responsibility* has been developed, with the aim of strengthening the capacity of organizations to debate and propose policies at the company, community and national levels.

(iv) Work and family

451. The ILO has performed pioneering work in this field having developed a comprehensive approach perspective to examine in a multidimensional context the role of women in the world of work and development, introducing the concept of co-responsibility and highlighting the importance of including men in the reproductive sphere and of including the State in the provision of care services. Some of the most significant aspects of this approach were outlined in the 2009 report *Work and family: Towards new forms of reconciliation with social co-responsibility*, produced by the ILO in conjunction with the UNDP. The ILO made a significant and decisive contribution to this report through its regional programme on gender and decent work. The document, to which 12 of the best Latin American specialists on the subject contributed, tackles four central issues: the question of family responsibilities, examining the responsibility of the State and society and the role of the market; the issue of changes in the dynamics of work and

²²⁹ These include: L. Abramo: *Trabajo decente y equidad de género en América Latina* [Decent work and gender equality in Latin America], ILO, Santiago, 2006; J. Fernández: *Género y trabajo decente: Herramientas, planificación y gestión* [Gender and decent work: Tools, planning and management], ILO, San José, 2006; A.M. Santestevan: *Políticas de empleo para la igualdad de género y raza/etnia en los países del MERCOSUR y Chile* [Employment policies for gender and racial/ethnic equality in MERCOSUR countries and Chile], ILO, 2009; E. Rodríguez: *Igualdad de género y movimiento sindical* [Gender equality and the trade union movement], ILO, Santiago, 2006; ILO: *Desigualdades entrecruzadas: Pobreza, género, etnia y raza en América Latina* [Intertwined inequalities: Poverty, gender, ethnicity and race in Latin America], Santiago, 2004; M.E. Valenzuela: *Políticas públicas de juventud para la inclusión social y combatir la desigualdad y discriminación en el mundo del trabajo* [Public youth policies for social inclusion and combating inequality and discrimination in the world of work], ILO Regional Office for Latin America and the Caribbean, Lima, 2007; M.E. Valenzuela and C. Mora (eds): *Trabajo doméstico: Un largo camino hacia el trabajo decente* [Domestic work: A long journey towards decent work], op. cit.; ILO: *Negociación colectiva y equidad de género* [Collective bargaining and gender equality], ILO, Santiago, 2005; ILO: *Cuestionando un mito: Costos laborales de hombres y mujeres en América Latina* [Questioning a myth: Labour costs of men and women in Latin America], ILO, Lima, 2002.

²³⁰ See the page on gender and decent work on the regional website, at: <http://igenero.oit.org.pe/> (in Spanish).

family in the twenty-first century; the legal framework and public policies in Latin America and the Caribbean in response to issues relating to work–family balance; and a collection of proposals to make progress on the harmonization of social co-responsibility policies, including those relating to legal frameworks, organization of work, maternity care, social security, and so on.

452. Among its main conclusions, the report states that it is not possible to combat social exclusion, inequality and poverty if the overwork of women and the lack of occupational opportunities for them are not addressed. Therefore, it is necessary to develop various policies aimed at reconciling work, family and personal life and social co-responsibility in the provision of care between men and women, and between the State, the market and society. This will allow Latin America and the Caribbean to grow and develop and ensure the full enjoyment of social and economic rights for men and women on an equal basis.

453. In Nicaragua, Brazil and Paraguay, the ILO is participating in the development and implementation of a United Nations inter-institutional project being promoted with funding provided by Spain for the achievement of the Millennium Development Goals, through initiatives aimed at promoting gender equality. In Nicaragua, a project entitled “From rhetoric to reality: Towards gender equality and empowerment of women through the participation and practice of gender issues in public budgets” is being implemented. Training activities for women have also been developed at the municipal level on the start up and improvement of profitable businesses, making it possible for them to increase their income. Furthermore, comprehensive development centres to provide care for minors have been rebuilt and equipped, also at the municipal level, and their staff have been trained. In Brazil, project activities have focused on knowledge generation, debate and the dissemination of information regarding the improvement of working conditions for domestic workers and the elimination of discrimination on the grounds of gender or race. In Paraguay, activities have centred on the situation of young domestic workers; furthermore, activities have been developed to bring about legal reforms, promote the organization of female workers and improve their working conditions.

454. At the regional level, ACTRAV has held events on work, family and freedom of association, highlighting the difficulties faced by women wishing to join unions.

(v) The inclusion of women in political, economic and social decision-making

455. As a strategic part of its global agenda on the role of women in the economic, social, institutional and cultural development of countries, the ILO has promoted the objective of giving women the same opportunities as men to acquire greater skills to enable them to be involved in decision-making. To this end it has advocated the inclusion in the Millennium Development Goals in Latin America and the Caribbean of various subjects that require a significant political, institutional, economic and cultural investment to strengthen this capacity. These subjects include: ensuring access for women to the highest levels of education; advocating high-level training on economical and profitable management skills; promoting female leadership in public life; strengthening women’s rights through legal reform; and enhancing the fight against and prevention of all forms of violence against women.

456. Furthermore, in collaboration with the Regional Programme on Gender and Decent Work, ACTRAV²³¹ has supported trade union organizations in the region in their inclusion of gender equality in their permanent action strategies. The general trend from 2006 onwards has been an increase in content relating to the situation of working women and the promotion of gender equality in collective bargaining processes in many countries. Working women units have been established within union structures and authorities have been established to debate and implement programmes and projects with a gender focus. In many countries, trade union statutes are being reformed to establish quotas for the participation of women in the decision-making

²³¹ Rodríguez: *Igualdad de género y movimiento sindical* [Gender equality and the trade union movement], op. cit.

bodies. With ACT/EMP, a line of collaboration in the area of work and family has been developed, aimed at identifying best business practices in this field.

2.5. HIV/AIDS

457. In order to respond to the AIDS epidemic in Latin America and the Caribbean, over the last five years the ILO has provided technical assistance to its tripartite constituents,²³² thus promoting the ten key principles of *An ILO code of practice on HIV/AIDS and the world of work*, embodied in the provisions of the Recommendation concerning HIV and AIDS and the World of Work, 2010 (No. 200): (i) recognition of HIV/AIDS as a workplace issue; (ii) ending stigmatization and discrimination; (iii) gender equality; (iv) a healthy and safe work environment; (v) social dialogue; (vi) banning of compulsory HIV screening for purposes of exclusion from employment or work processes; (vii) protection of the private lives of workers, their families, and people under their care, including confidentiality with regard to their serological status; (viii) continuation of employment relationship and right to reasonable accommodations; (ix) prevention; and (x) right to treatment, care and support. The ILO has made concerted efforts in the region, in particular with regard to fighting workplace discrimination.

458. A survey carried out by the ILO at its Latin American offices in 2009 showed that, during that year, the Organization provided technical assistance to its tripartite constituents in the areas of stigmatization and discrimination caused by HIV status in seven countries in the region. In Paraguay, the constituents played a leading role in the drafting of Act No. 3940 of 14 December 2009, which establishes rights, obligations and preventative measures in respect of the effects caused by HIV and AIDS. Furthermore, the constituents included a workplace perspective in this legislation. In the Plurinational State of Bolivia, an inter-union committee was formed whose action plan contains a section on non-discrimination at the workplace and union advocacy. In addition, the ILO has provided technical support for the Department of Labour and Social Security on legislation and policies related to the non-discrimination of people living with HIV. In nine large companies, the ILO provided training and trained trainers. In Peru, since 2006, the ILO has worked with the Department of Labour and Employment Promotion on the drafting of a regulation on HIV/AIDS and the world of work. This regulation is being disseminated systematically in all regions by labour inspectors and regional employment authorities. The ILO also provides support to the Business Council on HIV/AIDS, as the body representing trade unions in this sphere. In Costa Rica, the ILO has provided technical support to the Department of Labour and the Occupational Health Council to define their responsibilities in the relevant policies and legislation. The result has been the enactment of a directive for the prevention and handling of HIV/AIDS in the workplace. This directive requires that companies include, within their occupational health plan, activities that provide training and information on the prevention of HIV and that they take steps to eliminate discrimination against HIV and AIDS. In the Caribbean, as part of an institutional framework against stigma and discrimination in the workplace, the ILO has developed education projects in six countries (Belize, Barbados, Guyana, Jamaica, Suriname, and Trinidad and Tobago). These programmes, funded by the United States Department of Labor (and by the Organization of the Petroleum Exporting Countries (OPEC) in the case of Suriname), involve governments and employers' and workers' organizations, which ensures that the three partners will support the programmes beyond the participation of the ILO.

459. For the ILO, the most suitable response consists of identifying the labour sectors at the country level where workers are most affected, both by HIV and by tuberculosis. Therefore, the ILO is working with a variety of sectors, including transport, assembly work, the postal service, hotels and banks, in order to supply information on prevention that is adapted to the demands and circumstances of each sector.

460. For the biennium 2010–11, the ILO hopes to develop five programmes to combat HIV/AIDS in Latin America and the Caribbean, and ten national tripartite policies (or sectoral policies

²³² ILO: *HIV/AIDS and the world of work*, Reports V(2A) and V(2B), International Labour Conference, Geneva, 2010; ILO Subregional Office for the Southern Cone: *ILO Global Programme on HIV/AIDS and the world of work*, 2000.

with national scope). For the following five years, the ILO response to HIV/AIDS will be guided by the implementation of the Recommendation concerning HIV and AIDS and the World of Work, 2010 (No. 200).

461. Recommendation No. 200, adopted by the International Labour Conference on 17 June 2010, strengthens the principles contained in *An ILO code of practice on HIV/AIDS and the world of work* and places emphasis on prevention and the importance of eliminating stigma and discrimination. It also recognizes that the response to HIV and AIDS contributes to the fulfilment of human rights, fundamental freedoms and gender equality for all, including workers, their families and people in their care. It also establishes a very wide sphere of application, including all workers, irrespective of working hours and arrangements, people receiving training, jobseekers, all sectors of economic activity, including the formal and informal economies, and the armed forces and uniformed services. The Recommendation also stipulates that the constituents should adopt national policies and programmes in respect of HIV and AIDS and the world of work, and on occupational safety and health. It contains detailed provisions to guide and support the activities of the constituents in the world of work, and its application will be of great importance in Latin America and the Caribbean.

462. In 2010, 14 projects were being implemented or developed in seven countries in the region (Plurinational State of Bolivia, Brazil, Chile, Guyana, Honduras, Nicaragua and Paraguay). At the regional and subregional levels, three projects related to workplace discrimination are in place, there are various subregional proposals on lorry drivers and HIV/AIDS, and there is a subregional proposal on indigenous peoples and HIV/AIDS.

2.6. Forced labour

463. According to the *Input for the Global Report 2009*,²³³ one of the main areas of contribution has been the improvement of available statistics on forced labour. The intention is to identify the extent of the problem in the region and assess the progress made. Some countries (Brazil and Peru) have created databases. In Brazil various studies have been carried out on the subject, some using fairly new technologies. An analysis of Brazil's experience in controlling forced labour was published in 2009. The report describes 15 years of the struggle for rights for forced labourers and the considerable progress made in this sphere, that has now been recognized internationally thanks to the efforts of different institutions in Brazil.²³⁴ Furthermore, an "Atlas of Forced Labour in Brazil" has been drawn up, a study of the profiles of the various parties (workers, employers and recruiters) involved in this practice, and there have been various studies on the production chain of forced labour, which has caused private companies to participate in the National Pact for the Eradication of Forced Labour.

464. In addition, the ILO has supported and promoted initiatives in various countries to form national committees and action plans for the eradication of forced labour. As mentioned previously,²³⁵ similar initiatives are currently in place in Brazil, the Plurinational State of Bolivia, Paraguay and Peru.

465. Another ILO activity during the period under examination has been the strengthening of labour inspections in order to combat forced labour. Related activities have been undertaken in the Plurinational State of Bolivia, Brazil and Paraguay. A manual to train labour inspectors in subjects linked to the struggle against forced labour was adapted to the Latin American context. In June 2008, the ILO organized the first regional workshop on labour inspection and forced labour in Lima, Peru, which was attended by labour inspectors from ten countries. Some countries in Latin America, with the support of the ILO, are strengthening labour inspections in this area. Brazil has the most experience on this subject.

²³³ ILO: *Input for the Global Report 2009*, op. cit.

²³⁴ P.T. Maranhão Costa: *Fighting forced labour: The example of Brazil*, Special Action Programme to Combat Forced Labour, ILO, 2009.

²³⁵ ILO: *Input for the Global Report 2009*, op. cit.

466. The ILO has made significant efforts to involve the business sector in activities related to the struggle against forced labour. According to the *Input for the Global Report 2009*, some of the most significant progress has been seen in Brazil, where the National Pact for the Eradication of Forced Labour was established in May 2005. Approximately 150 companies and associations signed this instrument. In addition, a follow-up and monitoring mechanism for commitments made by signatories of the pact was set up, and also a database of best practices. The pact establishes economic sanctions (freezing of credit, and suppression of purchase and sale contracts by signatory companies) for employers that use forced labour and that have been placed on a “blacklist” by the Department of Labour and Employment.²³⁶ In addition, many trade unions have developed activities to combat forced labour. The ILO, through ACTRAV and the subregional offices, has worked on this issue with the unions, both at the regional level by supporting the activities of the Building and Wood Workers’ International, and at the country level in Amazon regions, where it has established agreements with the support of German trade unions.

467. The ILO has advocated the inclusion in free trade agreements of fundamental labour rights and of the labour standards that must be respected as vital components of these agreements.²³⁷ In June 2008, Canada signed two agreements, one with Peru and one with Colombia, on free trade agreements and technical cooperation in this area. Many of these treaties are currently in force or in the process of being adopted in the region. However, various regional and national trade union organizations have voiced their concern about the effectiveness of these labour standards, since they generally take the form of clauses pertaining to the financial provisions of the treaties, meaning they do not necessarily have the same level of importance as the treaties themselves.

468. A significant ILO area of activity has been prevention, protection and rehabilitation programmes, particularly through education. In Brazil and Argentina, government-organized educational campaigns have been run, as well as training activities for teachers, educators and community leaders. In Brazil, between 2004 and 2008, more than 2,000 people received training in 30 different cities. In Colombia, the struggle against forced labour has been promoted through television, with the issue being introduced into soap operas, which enjoy a large audience.

469. In addition, the ILO has been behind new legislation to tackle impunity and corruption, two of the greatest obstacles to the prevention of forced labour. Progress in this area has been seen in Argentina, the Plurinational State of Bolivia, Mexico and Peru. On the issue of protection, support has been given to witness protection programmes and measures have been taken to improve systems designed to ensure that workers have access to the necessary documentation when they are immigrants or find themselves in remote regions. This helps to reduce the number of clandestine workers.

470. With regard to rehabilitation, the ILO has provided support to countries for the development of programmes that create effective conditions for social and labour reintegration. Brazil has also been a pioneer in this regard. However, the majority of countries in the region continue to demonstrate major shortcomings in this area, which implies a considerable challenge for ILO action.

3. ILO action in Latin America and the Caribbean in the strategic area of the coverage and effectiveness of social protection, 2006–10

471. During this period, ILO action in this area has focused on two central themes: the advocacy of the concept of a positive relationship between growth, employment creation and social protection; and technical cooperation for various programmes aimed at improving social protection, particularly in the most unprotected areas. This activity was intensified at the end of 2008, as a result of the global financial and economic crisis, although the ILO’s focus on this issue

²³⁶ Cadastro de empregadores flagrados utilizando mão-de-obra análoga à de escravo [Criminal records of employers caught treating workers as slave labour] (Governmental Order No. 540/2004 of the Ministry of Labour and Employment), at: www.mte.gov.br/trab_escravo/cadastro_trab_escravo.asp (in Spanish only).

²³⁷ P. Lazo Grandi: *Trade agreements and their relation to labour standards. The current situation*, International Centre for Trade and Sustainable Development, Issue Paper No. 3, 2009.

began much earlier, when it formulated its concept of decent work in 1999, and it was strengthened by the conclusions of the Regional Tripartite Meeting on the Future of Social Protection in Latin America held in December 2007 in Santiago. During that Meeting, the Director-General of the ILO spoke of the need to move towards a new coherence between social and economic policies and explained that if countries were seeking to increase and intensify confidence in the process of change brought about by globalization, it was necessary to reach a suitable level of security for decent work and a suitable level of effective social protection, as had been indicated at a recent meeting of G8 countries in Berlin.

472. The ILO has defined a strategy of progressive universalism for the extension of social security coverage. It is based on two types of individual rights that make the human right to social security a reality, and involves: (i) the gradual introduction of higher levels of protection for all the defined subgroups of a given population that translate into rights as contributors on the basis of social consensus and at the minimum levels established by ILO Convention No. 102; and (ii) the introduction of a “set of basic social security benefits for all” (referred to in this Report as a “social protection floor”) as a citizen’s right, which is aligned with the level of economic development achieved.

473. The social protection floor should include access for all residents of a country to a collection of essential services, including health and education, and the existence of a system of guarantees of monetary benefits that provide a basic level of economic security to ensure appropriate social inclusion through the promotion of opportunities for individuals. This approach was adopted by the United Nations system in 2009 as part of the Social Protection Floor Initiative, coordinated by the ILO and the WHO.

474. The conclusions of the 2007 Regional Tripartite Meeting gave rise to a regional strategy for the ILO campaign to extend social security, known as “Strategy 2015”. The social floor was named as one of the central aspects of the campaign, defining a framework for the ILO action in the region.

475. In the framework of the aforementioned principles, policies and strategies, the ILO carried out technical cooperation activities in the subregions for programmes in five areas: (i) social security; (ii) occupational safety and health; (iii) working conditions; (iv) migration; and (v) HIV/AIDS.

476. The main programmes to which the ILO contributed both directly and indirectly include: income transfer programmes linked to labour market insertion, such as the Training and Employment Insurance Scheme and the More and Better Jobs for Youth programme in Argentina; the *Bolsa Família* programme in Brazil; the 2008 Social Security Reform in Chile; the Social Security Reform and the Family Allowances Reform in Uruguay; and support for the *Mi Primer Empleo* (My First Job) project in the Plurinational State of Bolivia. In the Plurinational State of Bolivia, a diagnosis of the social security system was also performed during 2009. In Colombia, the ILO worked with its constituents to strengthen the institutional framework of social dialogue, increase technical capacity for dialogue and promote negotiation to improve institutional action and the exercise of freedom of association and collective bargaining. Workers’ and employers’ organizations received training on dialogue and bipartite and tripartite negotiation. Bipartite workshops on effective management of negotiations and teamwork were held for 40 enterprises, which were attended by 75 employers’ representatives and 75 trade union representatives. In Ecuador, the ILO has provided technical and actuarial assistance to the Ministry for the Coordination of Social Development in the analysis and design of a reform of the health and pension systems. In Peru, over the last five years a series of activities have been carried out to increase the Government’s institutional capacity to reform social security in the country on the basis of social dialogue. In this regard, the ILO has conducted a financial and actuarial study of the national health service (EsSalud) and contributed to the development of the Universal Health Insurance Act. In addition, the ILO has recently contributed to the discussion on the importance of implementing a non-contributory pension system to protect adults from the scourge of poverty and destitution; it has also collaborated with the National Cooperation Fund for Social Development (FONCODES). In the Bolivarian Republic of Venezuela, the ILO has conducted a managerial

training programme for the Venezuelan Federation of Chambers of Commerce and Manufacturers' Associations (FEDECAMARAS). The legal and the women's affairs offices of the Venezuelan Workers' Confederation (CTV), the Single Confederation of Workers of Venezuela (CUTV), the Confederation of Autonomous Trade Unions (CODESA) and the General Confederation of Workers (CGT) received support in the area of technical capacity for activities and planning to promote fundamental rights. In Brazil, the ILO signed a cooperation agreement for the promotion of the goals of the DWA for the Hemisphere with the Department of Social Security in 2007. In line with the DWA for the Hemisphere, an evaluation of the cooperation agreement and proposals to extend its coverage were discussed and agreed upon in 2009 by the National Social Security Council. Furthermore, the ILO provided technical assistance for Brazil's ratification of Convention No. 102, which occurred in 2009. In the same year, an important agreement was signed by Brazil and the ILO for the development of South–South cooperation in the sphere of social security. In the Dominican Republic support was given for the Solidarity Programme and in El Salvador for the Programme to Combat Extreme Poverty. In Honduras, first drafts of the National Social Security Strategy and the Implementation Plan Proposal were developed. Technical assistance was also provided to the board of directors of the Honduran Social Security Institute (IHSS) for the approval of an increase in the maximum contributory wage. In Nicaragua, the ILO provided technical assistance to the Nicaraguan Social Security Institute (INSS) for the development of actuarial assessments for disability, old age, death and occupational risks and an actuarial model for occupational risk insurance was established. A proposal for the reform of the disability, old-age and death insurance scheme of the INSS was prepared and a training programme launched to instruct INSS technical experts on how to prepare actuarial evaluations in respect of the disability, old-age and death scheme. In the case of the Dominican Republic, an actuarial study was conducted on the occupational risks scheme of the Dominican Social Security Institute (IDSS), with the objective of evaluating the status of occupational risk insurance, and an assessment was made of the country's social security system.

477. The ILO has also made a significant contribution to the analysis of the situation of independent workers and social protection in Latin America. In August 2009, the ILO and the Social Welfare Fund in Uruguay published a study on the issue.²³⁸ In the document, the conditions of these workers are examined in relation to social security, and the broad outline of possible policies is laid out, paying particular attention to: (i) whether or not worker contributions to the social protection system should be compulsory; (ii) which scheme will provide protection for independent workers (a general scheme or a special scheme); (iii) which contingencies will be covered by the social protection system; and (iv) which short- and long-term benefits beneficiaries will receive.

478. Through ACTRAV and ACT/EMP, workers and employers, respectively, have contributed in various ways to the development of these policies. In the case of ACTRAV, between 2008 and 2010, 12 training activities on broadening and strengthening workers' social protection were carried out, attended by 224 trade union leaders.

479. Furthermore, the ILO has developed important programmes in the area of social protection designed to protect workers' health and prevent occupational accidents and diseases. These are fundamental at this stage of economic globalization. According to ILO estimates, each year more than 2 million workers die as a result of occupational accidents and illnesses worldwide, and this figure is rising, despite major efforts at the national and international levels.

480. The challenge faced by the ILO is how to extend occupational safety and health policies to the greatest possible number of workers, especially to those in small and medium-sized enterprises. The ILO SafeWork programme has been designed to respond to this need. Its fundamental objectives are: (i) to create, promote and intensify worldwide awareness of the dimensions and consequences of work-related accidents and occupational diseases; (ii) to promote the extension of social protection to all workers in all sectors in accordance with international

²³⁸ Bertranou (ed.): *Trabajadores independientes y protección social en América Latina* [Independent workers and social security in Latin America], op. cit.

labour standards; and (iii) to improve the capacity of member States to design and implement effective prevention and protection policies and programmes.

481. The SafeWork programme is responsible for the development of international labour standards on working conditions and occupational safety and health. More than 70 of the 188 ILO Conventions address issues relating to occupational safety and health. The programme pays special attention to workers in dangerous sectors, where the risks to life and safety are particularly high, such as agriculture, mining and construction. It also focuses on particularly vulnerable groups of workers, such as informal workers and people who are abused and exploited in certain jobs, as is the case for women in some situations, working children, temporary workers and migrants. The programme adopts a comprehensive focus as part of an occupational safety and health policy which, in addition to the areas traditionally covered by this topic, includes aspects of workplace health promotion such as the control of drugs, alcohol, stress, violence and HIV/AIDS in the workplace.

4. *ILO action in Latin America and the Caribbean in the strategic area of social dialogue and tripartism, 2006–10*

482. During this period a support programme for social dialogue in the region was developed with support from the Spanish Agency for International Cooperation Development. Numerous activities took place, such as seminars, studies and publications in most countries in the region, and also for the region as a whole.

483. As mentioned previously, between 2006 and 2010, 20 countries in the region established social dialogue entities. Of these, 11 have developed, under a variety of names, Decent Work Country Programmes and/or National Decent Work Programmes. The nine remaining countries have carried out various bipartite and tripartite activities on specific policies, such as HIV/AIDS, improving the implementation of agreements to develop youth employment policies, and the promotion of employment and competitiveness agreements with manufacturing sectors, among others. These cases include Barbados, Belize, Costa Rica, Honduras, Nicaragua, Guyana, Jamaica, and Trinidad and Tobago.

484. In Brazil, the ILO systematically participates in various existing social dialogue bodies in a permanent technical assistance role. These entities include the Tripartite Technical Group on the National Decent Work Agenda; the Consultative Group of the Youth Subcommittee, which examines the development of a national decent work agenda for young people; management committees for the decent work agendas in the states of Bahia and Mato Grosso; the Tripartite Committee on International Relations (CTRI); the National Committee on the Prevention and Elimination of Child Labour (CONAETI); the National Committee on the Elimination of Forced Labour (CONATRAE); and the Tripartite Committee on Equal Opportunities and the Treatment of Gender and Race in the World of Work. In the Plurinational State of Bolivia, in 2009, the ILO worked to encourage social dialogue on work and employment and developed training activities for representatives from the Government, the Bolivian Workers' Confederation (COB) and the Confederation of Bolivian Private Sector Employers (CEPB). On the sectoral level, the ILO contributed to the agreement on working conditions and employment in the construction sector, signed between the Bolivian Chamber of Construction (CABOCO) and trade unions from the sector. It also contributed to training and dialogue forums on working conditions in the chestnut production sector, a temporary occupation in the north-east of the Plurinational State of Bolivia. This was all done within the framework of the Decent Work Support Programme (PATD). In Colombia, since 2006, institutional facilities for social dialogue have been strengthened through the training of trade union officials and employers' representatives, the preparation and dissemination of studies outlining the various elements that constitute decent work, and the reactivation of forums for tripartite dialogue at the local level in at least 20 of the country's departments. In other cases, for example in Chile, the ILO contributed indirectly to promoting the signing of a tripartite agreement to address the effects of the financial crisis that began at the end of 2008. Also in Chile, the ILO promoted a national training programme for trade union officials,

with the support of universities, specialized centres and NGOs. It also helped to develop social dialogue schemes in the country's various regions, supporting schemes developed by the Ministry of Labour and centres specializing in the subject. In Mexico, the ILO supported various study and training processes in the area of social dialogue, in collaboration with the Institute of Legal Research at the *Universidad Nacional Autónoma de México* (National Autonomous University of Mexico) (UNAM) and national trade unions. Furthermore, in a traditionally conflictive sector, and after many years of hard work, the ILO facilitated social dialogue between the social partners in the manufacturing sector, which resulted in a national agreement on the comprehensive modernization of the labour aspects of the sugar industry. This agreement represents an innovative collective bargaining process that gives priority to the training of human resources in job-related skills, the measuring of productivity, the inclusion of occupational safety and health parameters, and a policy to promote the well-being of workers and their families, within the framework of a special agreement. In Uruguay, the ILO contributed to social dialogue on social security reform, and on vocational and other training. CINTERFOR participated actively in the social dialogue process on vocational training.

485. Since 2009, a project entitled the Promotion of Social Dialogue in Central America and the Dominican Republic has been developed with the technical cooperation of the ILO Country Office for Central America. It is hoped that this programme will strengthen the social dialogue institutions and the social partners, and will promote dialogue at the sectoral and enterprise levels, including collective bargaining. This same Office participated in the establishment of workplans for individual countries in order to strengthen institutions and support the development of substantive issues on the social dialogue agenda in each country, such as vocational training and the minimum wage (Costa Rica), the strengthening of trade unions (El Salvador), Convention No. 175 (Guatemala), employment and social protection (Nicaragua), and working hours (the Dominican Republic).

486. In the context of responses to the 2008 crisis, in the subregion of Central America and the Dominican Republic, mention should be made of ILO support for the subregional tripartite meeting held in San José, Costa Rica, in May 2009, to establish a forum for dialogue between governments, employers and workers in order to analyse the effects of the crisis and public policy responses. The forum was attended by Ministers of Labour from the subregion and business and trade union leaders, and was opened by the President of Costa Rica. Employers and workers also made specific suggestions on the policies required to tackle the crisis. In Guatemala, the ILO supported a process of genuine social dialogue to analyse the Part-Time Work Convention, 1994 (No. 175), initiated by the Tripartite Committee on International Labour Affairs, with a view to its possible ratification. In Honduras, support has been provided for the institutional strengthening of the Economic and Social Council (CES). A permanent tripartite technical committee was established within this Council, which developed a manual of internal procedures, a system for the monitoring of agreements, a training plan and a minimum agenda. Following an ILO evaluation in Honduras, the Honduran Council of Private Enterprise (COHEP) was restructured in order to strengthen the services it provides for its members, such as information, links with partners, and exchanges with the media. In Costa Rica, the Chamber of Retailers, with the technical support of the ILO, developed a pilot programme to improve the skills of 750 small traders. The tripartite constituents have also been given training in areas such as vocational training and the minimum wage. Costa Rica's National Wage Council, a forum for social dialogue, has been technically strengthened through training activities. A study into changes in the minimum wage over the last decade was also conducted, and a strategic plan for unity in trade union action was put into place to strengthen freedom of association and collective bargaining. In Nicaragua, a tripartite agreement was concluded on the minimum wage in the free zones for the period 2009–11. As a result of technical analysis workshops set up during a bipartite round table on social dialogue, where an agreement was reached on employment, employers' and workers' organizations now have forums for discussion. In the Dominican Republic, an analysis was carried out of the situation in tripartite bodies with respect to social dialogue and a proposed action plan was developed to strengthen them. In El Salvador, in September 2009, the Government established the Economic and Social Council, where the Government and the employers' and workers' organizations can talk and agree policies and strategies for social,

labour and productive development within the country. The establishment of an inter-union round table was a historic event in the country.

487. At the regional level, tripartite dialogue was institutionalized in the OAS, with the participation of the Inter-American Conference of Ministers of Labour (CIMT), the Trade Union Technical Advisory Council (COSATE) and the Business Technical Advisory Committee on Labour Matters (CEATAL). This dialogue has taken place within the framework of the Summits of the Americas or the Hemispheric Summits. Since 2007, the ILO has also promoted bipartite dialogue between the social partners in preparation for the Iberoamerican Summits of Heads of State and Government. Through ACTRAV, the ILO also contributed between 2008 and 2010 to 2015 activities and events that provided almost 400 trade union officials with training in the promotion of social dialogue. Likewise through ACT/EMP, the ILO has developed numerous activities to promote social dialogue, particularly in Colombia and the Central American subregion.

IV. Labour policies in the region (2006–10) and the Decent Work Agenda for the Hemisphere: Summary

(i) The proposals of the Agenda for the Hemisphere adequately express the problems identified through political and academic analysis that had been developing since the beginning of the decade

488. The DWA for the Hemisphere 2006–15, presented to the 16th American Regional Meeting, took due account of the analyses and evaluations that had been performed in the region in previous years with regard to key economic and social development issues in Latin America and the Caribbean. This helped achieve a high level of convergence between the guidelines and proposals of the DWA for the Hemisphere and the rationale for the social and labour policies applied between 2006 and 2010 in the majority of countries in the region. Although the DWA for the Hemisphere was not necessarily used as a guide for the drafting of labour policies in the countries in the region, it made it possible to position and strengthen numerous aspects of these countries' agendas, and in this way strengthened the ILO's capacity to contribute to social and labour development in the region. The outlook for the next few years in terms of evaluations and proposals suggests the ILO could provide better support for the tasks contained in the Agenda for the Hemisphere for 2015, by promoting the sustained strengthening of labour institutions, thus contributing to more proactive public action. It is also important for the ILO to continue performing rigorous monitoring activities and producing information and analysis on the regional situation and trends, which could be used to strengthen the empirical basis of its approach.

(ii) The concept of decent work has gradually become one of the key reference points for labour policies and strategies in the region

489. The concept of decent work has become more prominent as a reference for policies and strategies adopted in the region, since before the drafting of the DWA for the Hemisphere, and all the more so subsequently. This has been apparent in practical terms in all the resolutions and proposals produced by international forums and meetings during the past decade. In particular, the Consensus of Mar del Plata, drafted during the Fourth Summit of the Americas in 2005, systematically, and on the basis of an action plan, takes up the fundamental components of the concept of decent work and stresses the importance of promoting it in the labour policies of the region's countries. While this approach is based on a collection of earlier declarations and agreements that, since 2003 and previously, had indicated that the establishment of decent work, as defined by the ILO, was the best way to overcome poverty and consolidate democratic governance, the Consensus of Mar del Plata has the virtue of looking at the complete picture and converting it into guidelines for action. Other international meetings held between 2006 and 2010 ratified the ILO approach to decent work at the regional and international levels. Mention should be made of: the Declaration on Social Justice for a Fair Globalization, adopted by the 97th Session of the International Labour Conference in 2008; the Global Jobs Pact, adopted by the 98th Session of the International Labour Conference in 2009; the G8 Declaration of July 2009, in support of the Global Jobs Pact; the G20 Commitment made in Pittsburgh in 2009; the G20 Labour Ministers' meeting held on 20 August 2010 in Washington, DC; the G20 Leaders' Summit held in Toronto in June 2010; and the Declaration of the Ministers of Labour of the States Members of MERCOSUR, made in August 2010. Consistency in this approach and its systematic dissemination, by means of technical cooperation and other methods, will strengthen the ILO's presence as an institution of reference when it comes to discussing, drafting and evaluating labour and development policies and strategies in Latin America and the Caribbean.

(iii) Four trends define the socio-political context of labour policies: (i) the search for greater synergy between growth and equity; (ii) a more consolidated democratic institutional framework, although with gaps in its ability to provide more structured responses to requests for equity; (iii) a reduction in poverty, although with increased risks due to the financial and economic crisis; and (iv) a gradual conviction that the problems and opportunities derived from globalization require responses and actions that are also global

490. Between 2006 and 2010, the socio-political context of ILO labour policies and activities aimed at achieving the objectives laid out in the DWA for the Hemisphere was characterized by four trends: (i) from the point of view of sustained and sustainable development, governments have been seeking greater synergy between growth and macroeconomic indicators, resulting in good-quality jobs and social protection. Although this trend was apparent to a greater or lesser extent within countries, it took on more prominence following the 2008 financial and economic crisis in that, both in the Americas and at the global level, counter-cyclical policies were applied and the public sector played a leading role. This seems to have paved the way for an innovative debate on the paradigms of economic and social development policies in the region; (ii) greater stability in democratic political regimes which, according to various studies, reflects progress in institutional development in the majority of countries, although some of the results and the effectiveness of certain institutions are still perceived to be lacking by the population; (iii) moderate progress in the reduction of poverty, exclusion and inequality in many countries in the region, although, according to analysts, setbacks could occur during the next few years as a result of the global financial and economic crisis; and (iv) a gradual strengthening of the view that the processes, problems and opportunities created by globalization should also be addressed at the global level, and with a greater focus on international cooperation.

491. Consequently, the social and political picture of the region presents numerous challenges to governments, the social partners and, of course, the ILO. The careful examination and follow-up of the socio-political situation in both the region and the countries themselves, within the framework of global processes, is thus also imperative in order to develop a capacity for action and cooperation that is closely linked to the situation of societies in Latin America and the Caribbean, so that development is underpinned by decent work.

(iv) By 2015 the region could achieve the goals for growth and employment laid out in the Agenda for the Hemisphere, although at different rates and speeds depending on individual countries

492. The policies adhered to by governments in the areas of growth, employment and wages resulted, up until 2008 for the region as a whole, in a slightly better performance than the target set in the DWA for the Hemisphere of an annual 5 per cent GDP growth rate. GDP in Latin America and the Caribbean grew at an average rate of 5.2 per cent between 2006 and 2008, with some countries exceeding this rate. Furthermore, a moderate improvement was seen in employment and wage levels. According to data available in 2010, the international financial and economic crisis that began at the end of 2008 affected this trend less than first expected, although the growth rate fell to some extent and there were moderate reductions in employment and wages.

493. In many of the countries in the region there are still major shortcomings in respect of decent work, as evidenced by the low quality of employment in many sectors and in the limited access to efficient social protection networks. ILO action in this sphere has been focused on providing technical cooperation for policies on employment, wages and social protection; with various degrees of impact depending on the country concerned. The ILO has maintained an active presence with respect to the main issues on countries' labour agendas, through regional, subregional and country-level activities, as well as in tripartite agreements for the implementation of Decent

Work Country Programmes and National Decent Work Programmes in 11 countries in the region, and in bipartite and tripartite activities on specific issues in a further nine countries.

494. Since the onset of the financial and economic crisis, the ILO's presence has been particularly significant. The provisions of the Global Jobs Pact have been widely disseminated throughout the region and taken up by many countries, as demonstrated by the ILO report *Protecting people, promoting jobs*, published in September 2009.

495. If the conditions seen during this period of the crisis, the preliminary recovery phase, persist, it is possible that the growth and employment targets contained in the DWA for the Hemisphere may be achieved by 2015, although at different rates and speeds depending on individual countries. The ILO faces the key challenge of intensifying its capacity to act to achieve the objectives and proposals contained in the Global Jobs Pact, making it an increasingly significant strategic point of reference in the region.

(v) Despite the progress achieved between 2006 and 2010, there are still shortcomings and gaps in the area of decent work that must be overcome in order to achieve the targets of the Agenda for the Hemisphere by 2015

496. With respect to the application and effective implementation of the fundamental principles and rights at work, the results have been positive: by 2010, 97 per cent of countries in the region had ratified the eight core Conventions. However, various facts show that there are still significant shortcomings in the effective implementation of the Conventions, and in that of the other ILO instruments, also ratified by countries in the region. The ILO has actively intervened in this situation. In 2010, various types of infringements of the Conventions were seen in 16 countries in the region, particularly of Conventions Nos 87 and 98, which affect workers and employers. In this regard, the activities that the ILO could undertake to reduce the length of time between the ratification of Conventions and their effective implementation take on particular relevance.

497. There is a lack of information on unionization and collective bargaining coverage at the regional level and in many countries. The information that exists is generally patchy and not always up to date. As a result it is only possible to estimate, using the scarce information available, that this coverage probably does not exceed 15 per cent (unionization) and 9 per cent (collective bargaining) on average in the region. Better results in this area are found in countries with branch or national bargaining, where public sector workers can join unions and bargain collectively, and where the labour institutions guarantee respect for these rights.

498. ILO action, through ACTRAV and ACT/EMP, is vital in order to extend this coverage. The experiences of the social partners in this area should be widely promoted to make progress in unionization and collective bargaining a priority concern on the public agenda and also on the agenda of the social partners. The development of indicators for these issues is imperative in order to gather up to date information.

499. With regard to policies in respect of gender and equal opportunities, countries in the region are making important, but moderate, progress in the areas of labour force participation, employment, equal pay and access to social security coverage. The countries and the ILO should develop more activities to reduce the wide gender equality gaps that continue to exist in these areas. The ILO has advocated significant programmes in this sphere, particularly in order to promote strategic aspects such as the work–family balance and working conditions for domestic and independent workers, which primarily affect female workers. On the basis of information gathered by the ILO and the action programmes being implemented in the countries of the region, it seems possible to make significant progress in achieving the goals of the DWA for the Hemisphere in this area over the next five years.

500. Concerning policies on the elimination of the worst forms of child labour, and of child labour in general, Latin America and the Caribbean have had good results in comparison to other

regions of the world. However, the progress achieved has still been fairly moderate. According to the ILO, one out of every ten children in the region works. In the 5–14 age range, between 2004 and 2008 the number of children working fell by one percentage point in principle. IPEC activities have contributed greatly in this regard, particularly as concerns the establishment of institutional bodies with governments and the social partners in order to develop activities related to the elimination of child labour in more than 19 countries. This area is extremely complex and the likelihood of progressing at the rate required to achieve the goals of the DWA for the Hemisphere is limited. Therefore, as stated by the Director-General in his Report to the 99th Session of the International Labour Conference (2010),²³⁹ it is necessary to form far-reaching tripartite alliances and alliances with other sectors in order to promote activities in this area with greater vigour.

501. With regard to forced labour, in some countries, such as the Plurinational State of Bolivia, Brazil, Paraguay and Peru, there are significant programmes aimed at eradicating this practice. However, more information and statistics on this issue are required, something that should be a priority in the policies of these countries, as well as for technical cooperation from the ILO. Furthermore, in countries where the problem of HIV/AIDS is greater, governments are developing policies and programmes in close collaboration with the ILO. It is necessary to highlight in particular the promotion of the code of practice included in ILO Recommendation No. 200 and the development of 13 projects in the region. This issue also requires increased and better action within countries, taking advantage of international experience, not yet sufficiently included in policies; the ILO should play a lead role in the advocacy of such actions.

(vi) The region has made progress on the issue of a basic social security floor. However, there are still numerous gaps in coverage, institutions and the quality of benefits

502. According to studies conducted for this report, between 2006 and 2010 the countries in the region have made progress towards the establishment of better social protection programmes, particularly with regard to the coordination of the various institutions that operate in this field, seeking to build coordinated networks of protection for contingencies and risks such as the loss of employment and access to health care, as well as for the improvement of pension systems. The global economic and financial crisis accentuated this trend, which emerged in the middle of the first decade of the twenty-first century. The ILO contributed to this process through its “progressive universalism” strategy, which implies raising benefits and, in particular, including the concept of “a basic social security floor for all”, as developed in 2006, and through its “Strategy 2015”. However, the content and speed of this progress are still lagging behind the goals set forth in the DWA for the Hemisphere. There are numerous gaps, in particular with regard to independent workers, informal workers, domestic work and other sectors that hire mainly women and young people. As a result, it seems clear that the push towards the forming of integrated social protection networks, and the design of social security systems with broader coverage, are tasks that should be included in the countries’ strategic objectives; in parallel, the ILO should strengthen its programmes to promote their implementation.

(vii) Inconsistencies in advances in social dialogue across countries and a general trend to use non-institutional methods

503. In the area of social dialogue and tripartism, progress across the region is uneven. In most countries there are various forms of and forums for bipartite and tripartite social dialogue, which lack a specific and permanent institutional framework. In El Salvador and other countries in Central America, economic and social councils are being established, with a greater institutional framework. However, social dialogue and tripartism are still not a consolidated reality in the region, although as a result of the global financial and economic crisis extremely useful experiences

²³⁹ ILO: *Accelerating action against child labour*, op. cit.

in tripartite dialogue are occurring, for example in Nicaragua and the countries in the free zones, in Central America and Chile, and in the Southern Cone. Furthermore, on the issue of social security, Uruguay has seen significant tripartite and multipartite social dialogue processes, and in Colombia activities of this type have been promoted at the local level. It is necessary to encourage national policies to gradually use bipartite and tripartite social dialogue forums to establish their agendas for growth, employment, wages, social protection and so forth, thus strengthening this mechanism for achieving consensus and democratic governance. The ILO has a wealth of knowledge and experience in this area, and its programmes should be strengthened and extended to include as interlocutors, in addition to public agencies directly associated with labour policies, other public agencies operating in the area of growth and development strategies. It might also be timely, in close consultation with the constituents, to explore the advantages of including in dialogue systems, when possible, other social partners in addition to employers and workers, such as specialists from universities and other knowledge-producing institutions.

(viii) The final assessment shows that a certain amount of progress, albeit moderate and uneven, has been made towards the objectives of the DWA for the Hemisphere

504. In conclusion, the labour policies pursued by the governments of the countries in the region over the period 2006–10 have, by and large, made moderate yet positive advances towards the targets set by the DWA for the Hemisphere. However, the extent and pace of progress, and the gains achieved, vary from one country to another. In some cases, the situation may even have deteriorated in some respects as a result of the global financial and economic crisis.

505. Nevertheless, it should be noted that some countries have already made substantial strides towards the Millennium Development Goals, several of which are reflected in the objectives of the DWA for the Hemisphere.

506. ILO action over the period has been marked by a proactive approach to promoting the Agenda's goals. However, if further progress is to be made, enhanced synergies at regional level will be necessary to reinforce action at country level and coordination between States, the subregions and the Regional Office. There is also a need for a more cross-cutting approach to the use of staff and technical resources for cooperation with countries and subregions. This would be an appropriate means of leveraging the impact of activities and programmes aimed at achieving the DWA objectives for the Hemisphere.

507. The amount of progress achieved has been determined to a large extent by the social and political context, and the policy orientations adopted by the countries in recent years. This process indicates that there are favourable conditions for moving forward on the targets set by the Agenda, and in the strategic areas in particular, as the difficulties in achieving them have been identified. The policies adopted to deal with the global financial and economic crisis appear to have opened avenues for innovative debate, including on new concepts and strategies for sustained and sustainable development underpinned by the fundamental principles of decent work.

Appendices

Appendix 1

Figures and statistical tables

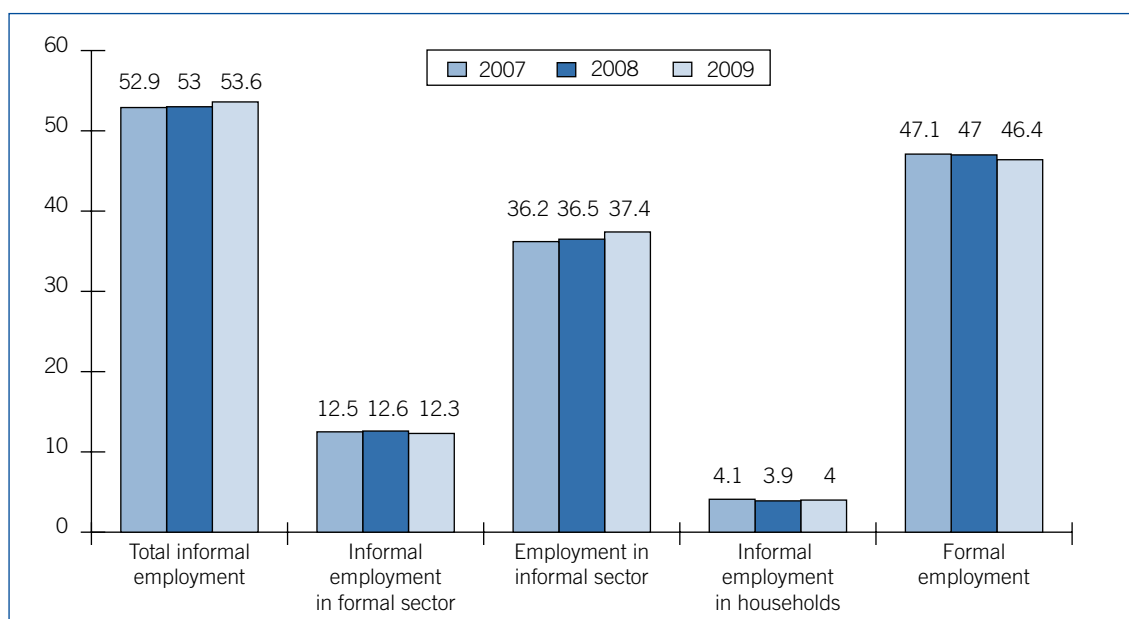
Table 1A. Latin America (nine countries): GDP change, fourth quarter 2008 – third quarter 2009 (percentage)

Country	Rate of change (t/t-4) ^a				Rate of change (t/t-4) ^b			
	2008		2009		2008		2009	
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Argentina	4.1	2.0	-0.8	-	-0.5	0.1	0.3	-
Brazil	1.3	-1.8	-1.2	-	-3.4	-1.0	1.9	-
Chile	0.2	-2.4	-4.7	-1.6	-2.0	-0.7	-0.3	1.1
Colombia	-1.0	-0.4	-0.5	-	-1.4	0.3	0.7	-
Ecuador	3.4	1.5	-1.1	-	-0.3	-1.3	-0.3	-
Mexico	-1.6	-7.9	-10.1	-6.2	-2.4	-6.4	-0.3	2.9
Peru	6.5	2.0	-1.1	-0.4	0.3	-0.9	-1.2	1.8
Uruguay	7.6	2.9	0.2	-	0.3	-2.3	0.5	-
Venezuela, Bolivarian Rep. of	3.5	0.5	-2.4	-4.5	-	-	-	-

^a Percentage change compared to the same period of the previous year. ^b Seasonally adjusted rates. Percentage change compared to the previous period.

Source: ILO, based on official information from countries.

Figure 1A. Latin America (five countries): Change in informal and formal employment, second quarter, 2007–09 (percentage)



Source: ILO, based on country household surveys.

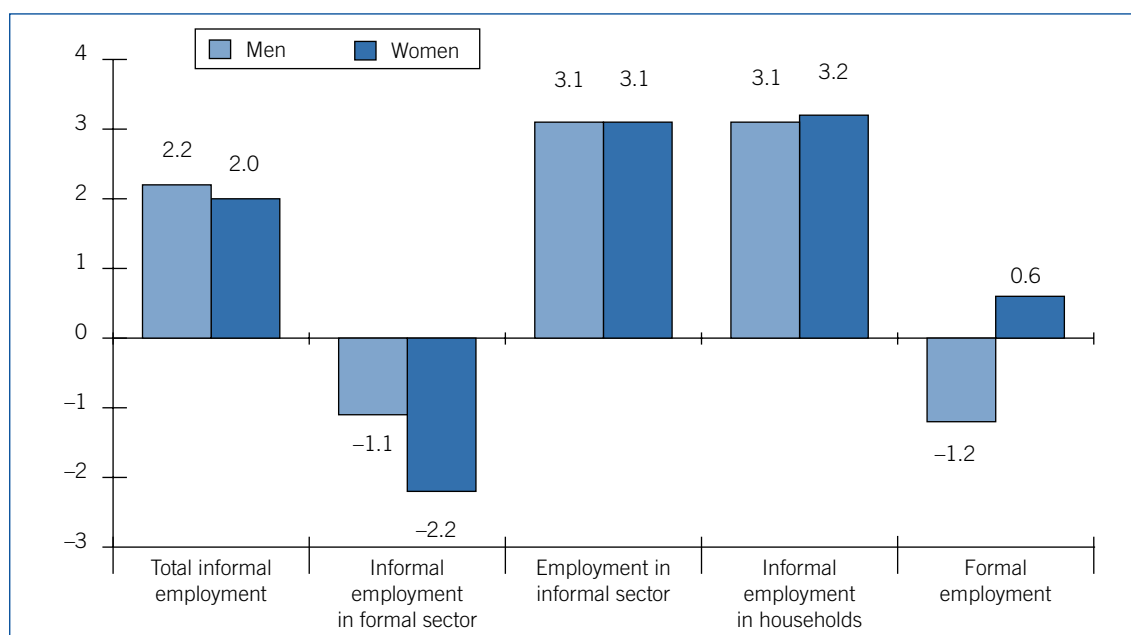
Table 2A. Latin America and the Caribbean: Projected GDP growth, 2009–10 (percentage)

Country	Reference		IMF ^a		ECLAC ^b	
	2007	2008	2009	2010	2009	2010
Argentina	8.7	6.8	-2.5	1.5	0.7	4.0
Bolivia, Plurinational State of	4.6	6.1	2.8	3.4	3.5	4.5
Brazil	5.7	5.1	-0.7	3.5	0.3	5.5
Chile	4.7	3.2	-1.7	4.0	-1.8	4.5
Colombia	7.5	2.4	-0.3	2.5	0.3	2.5
Costa Rica	7.8	2.6	-1.5	2.3	-1.2	3.5
Dominican Republic	8.5	5.3	0.5	2.0	2.5	3.5
Ecuador	2.5	6.5	-1.0	1.5	-0.4	3.0
El Salvador	4.7	2.5	-2.5	0.5	-2.5	2.0
Guatemala	6.3	4.0	0.4	1.3	-1.0	2.0
Haiti	3.4	1.3	2.0	2.7	2.0	2.0
Honduras	6.3	4.0	-2.0	2.0	-3.0	1.5
Mexico	3.4	1.3	-7.3	3.3	-6.7	3.5
Nicaragua	3.2	3.2	-1.0	1.0	-1.5	2.0
Panama	12.1	10.7	1.8	3.7	2.5	4.5
Paraguay	6.8	5.8	-4.5	3.9	-3.5	3.0
Peru	8.9	9.8	1.5	5.8	0.8	5.0
Uruguay	7.6	8.9	0.6	3.5	1.2	5.0
Venezuela, Bolivarian Rep. of	8.2	4.8	-2.0	-0.4	-2.3	2.0
Caribbean	3.1	0.8	-0.5	1.6	-2.1	1.8
Latin America and the Caribbean	5.8	4.1	-2.5	2.9	-1.8	4.1

^a IMF: *World Economic Outlook: Sustaining the recovery*, October 2009. ^b ECLAC: Preliminary overview of the economies of Latin America and the Caribbean, December 2009.

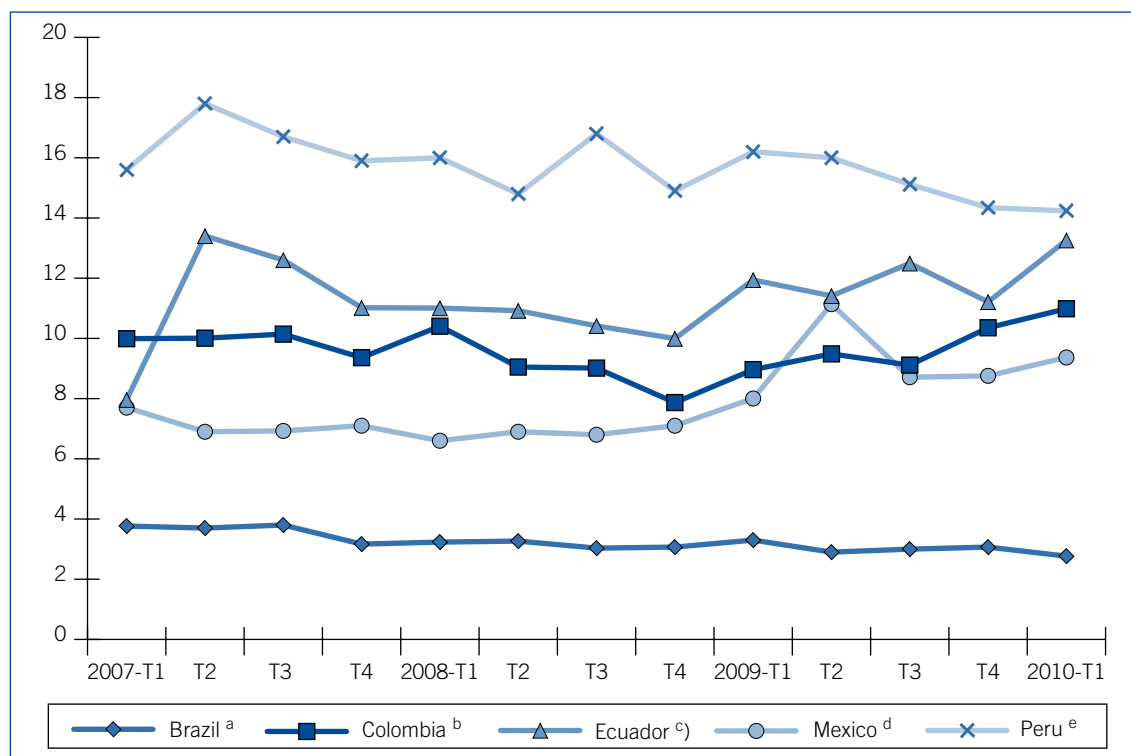
Source: ILO, based on data from IMF and ECLAC.

Figure 2A. Latin America (five countries): Change in urban informal and formal employment by sex, second quarter, 2008–09 (percentage)



Source: ILO, based on country household surveys.

Figure 3A. Latin America (five countries): Underemployment due to insufficient hours, first quarter 2007 – first quarter 2010 (percentage)



^a Employed persons working less than 40 hours per week, who are willing and available to work more hours. Six metropolitan regions.

^b Employed persons working less than 48 hours per week, who are willing and available to work more hours. Thirteen metropolitan areas.

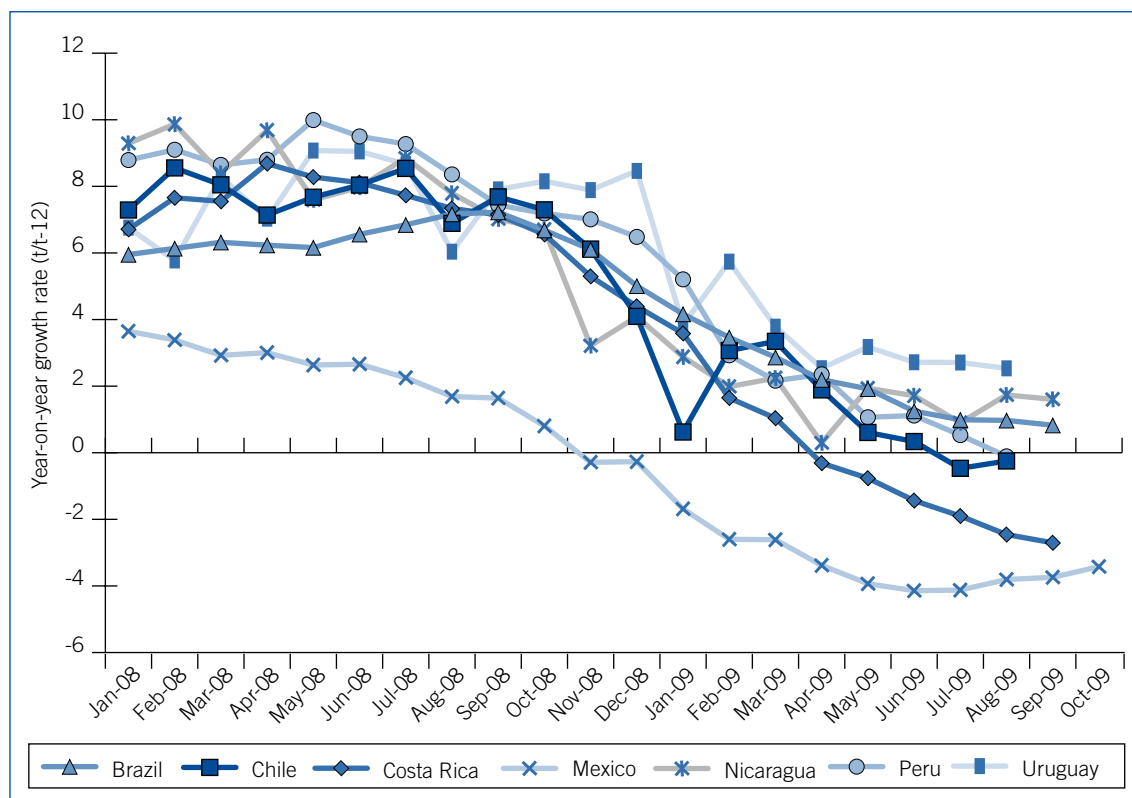
^c Employed persons working less than 40 hours per week, who are willing and available to work more hours. Urban nationwide.

^d Employed persons who are willing and available to work more hours than their present employment permits. National total.

^e Employed persons working less than 35 hours per week, who are willing and available to work more hours. Lima metropolitan area.

Source: ILO, based on country household surveys.

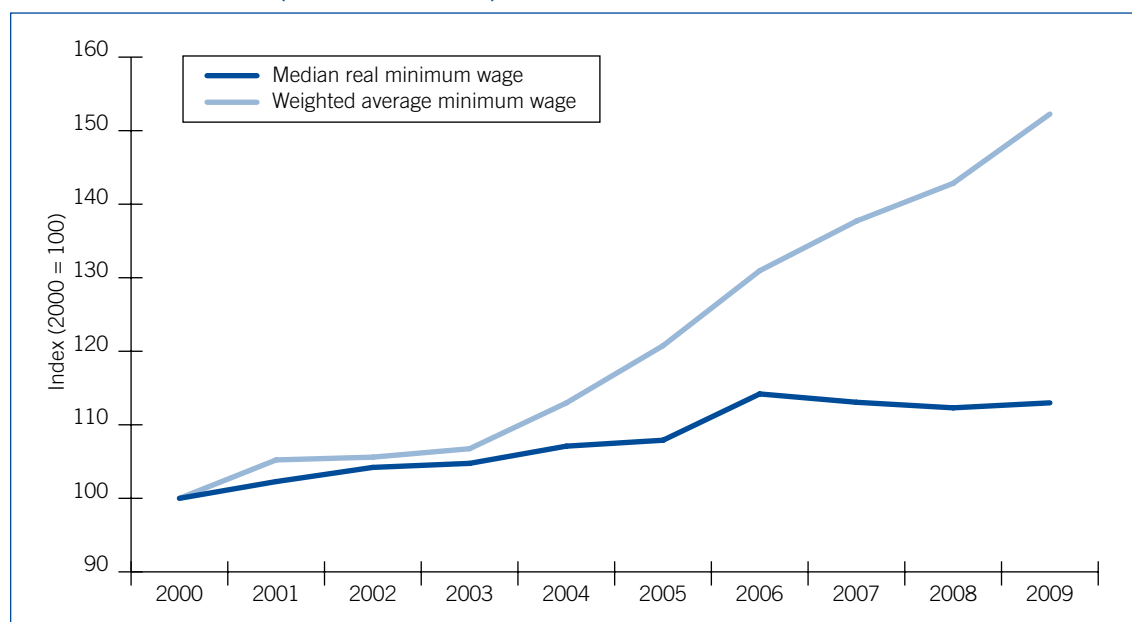
Figure 4A. Latin America (seven countries): Change in employment covered by social security, January 2008 – October 2009^a (percentages)



^a Number of wage earners contributing to social security in Chile (pension fund management companies – AFP), Costa Rica (Costa Rican Social Insurance Fund – CCSS), Mexico (Mexican Social Insurance Institute – IMSS), Nicaragua (Nicaraguan Social Security Institute – INSS) and Uruguay (Social Security Bank – BPS); Brazil (wage earners covered by labour and social security legislation) and Peru (wage earners registered in formal enterprises with ten or more employees).

Source: ILO, based on official data from countries.

Figure 5A. Latin America (18 countries): Weighted average and median real minimum wage, 2000–09 (index 2000 = 100)



Source: ILO, based on country household surveys.

Appendix 2 Global Jobs Pact: Measures implemented in the region

Areas and measures recommended by the Global Jobs Pact	Measures implemented in the region												
	ARG	BRA	CAN	COL	CRI	CHI	DOM	CAR	USA	HON	MEX	PER	URU
Area 1. Accelerating employment creation, jobs recovery, sustaining enterprises.	42.9	42.9	28.6	28.6	57.1	42.9	42.9	42.9	28.6	42.9	71.4	57.1	45.1%
1.1. Stimulating labour demand													
Increase investment in infrastructure, research and development, public services and green services.	X	X	X	X	X	X	X	X	X	X	X	X	100
Recognize the contribution of SMEs in job creation and promote access to affordable credit.	X												30.8
Tailor support to enterprises and cooperatives according to their needs.													30.8
Boost labour demand; limiting or avoiding job losses by supporting enterprises.													0.0
Help jobseekers: enhance competence and increase resources of employment services; skills development and skills upgrading; develop entrepreneurial skills; implement reskilling programmes.													7.7
Help jobseekers: enhance competence and increase resources of employment services; skills development and skills upgrading; develop entrepreneurial skills; implement reskilling programmes.													38.5
Help jobseekers: enhance competence and increase resources of employment services; skills development and skills upgrading; develop entrepreneurial skills; implement reskilling programmes.													76.9
Help jobseekers: enhance competence and increase resources of employment services; skills development and skills upgrading; develop entrepreneurial skills; implement reskilling programmes.													7.7
Help jobseekers: enhance competence and increase resources of employment services; skills development and skills upgrading; develop entrepreneurial skills; implement reskilling programmes.													84.6
1.2. Supporting jobseekers and the unemployed													
Helping the unemployed find jobs													
Additional training measures	X	X	X	X	X	X	X	X	X	X	X	X	61.5
Increased capacity of public employment services	X	X	X	X	X	X	X	X	X	X	X	X	53.8
New measures for migrant workers													7.7
1.2. Supporting jobseekers and the unemployed	37.5	12.5	62.5	25	50	12.5	37.5	37.5	0.0	37.5	25	62.5	30.7%

Areas and measures recommended by the Global Jobs Pact		Measures implemented in the region												
Help maintain wage levels.	Measures to maintain employment	X	X	X	X	X	X	X	X	X	X	X	X	38.5
	Working time reductions													
	Partial unemployment with training and part-time work													23.1
Use public employment guarantee schemes for temporary and emergency employment (well targeted and including the informal economy).	Wage reductions													0.0
	Extension of unemployment benefits													46.2
	Additional social assistance and protection measures													30.8
Area 2. Building social protection systems and protecting people														
Build social protection drawing on a basic social protection floor including access to health care, income security for the elderly and persons with disabilities, child benefits and income security combined with public employment guarantee schemes.	ARG 25	BRA 50	CAN 0	COL 12.5	CRI 25	CHI 12.5	DOM 37.5	CAR 25	USA 50	HON 12.5	MEX 12.5	PER 37.5	URU 26%	
Extend the duration and coverage of unemployment benefits; introduce cash transfer schemes; provide adequate coverage for temporary and non-regular workers.	2. Expanding social protection and food security	X	X	X	X	X	X	X	X	X	X	X	X	15.4
	Social protection													61.5
	Tax reductions													30.8
Changes in old-age pensions	Additional cash transfers													
	Increased access to health benefits													
Changes to minimum wages	Changes in old-age pensions													30.8
	Changes to minimum wages													30.8
	New protection measures for migrant workers													15.4

Areas and measures recommended by the Global Jobs Pact		Measures implemented in the region															
Provide minimum benefit guarantees in countries where pension or health funds may no longer be adequately funded to ensure workers are adequately protected and consider how to better protect workers' savings in future scheme design.	Food security												Introduction of food subsidies	X	7	.7	
													New support for agriculture	X	15.4		
Area 3. Strengthening respect for international labour standards	3. Strengthening rights at work	ARG	BRA	CAN	COL	CRI	CHI	DOM	CAR	USA	HON	MEX	PER	URU			
		50	0	0	0	0	0	25	0	0	0	25	0	0			7.7%
Increase vigilance to achieve the elimination and prevention of an increase in forms of forced labour, child labour and discrimination at work.	Rights at work														Additional measures to fight labour trafficking		0.0
Increase respect for freedom of association, the right to organize and the effective recognition of the right to collective bargaining.															Additional measures to fight child labour	X	7.7
Consider international labour Conventions and Recommendations as relevant in this regard, including ILO instruments concerning employment policy, wages, social security, the employment relationship, the termination of employment, labour administration and inspection, migrant workers, labour clauses in public contracts, occupational safety and health, working hours and social dialogue mechanisms.															Other changes in labour legislation	X	7.7
															Increased capacity of labour administration/ inspection	X	15.4

Areas and measures recommended by the Global Jobs Pact	Measures implemented in the region												
Area 4. Social dialogue: Bargaining collectively, identifying priorities, stimulating action	ARG	BRA	CAN	COL	CRI	CHI	DOM	CAR	USA	HON	MEX	PER	URU
	33.3	66.7	0.0	100	33.3	0.0	33.3	33.3	33.3	33.3	0.0	33.3	0.0
4. Social dialogue													48.7%
Strengthen respect for, and use of, mechanisms of social dialogue (such as collective bargaining).	X	X	X	X	X	X	X	X	X				46.2
Consider social dialogue as a mechanism for the design of policies to fit national priorities.				X	X					X			3
Strengthen capacity of labour administration and labour inspection.												X	15.4
Average percentage of policies implemented in the region in the four strategic areas of the Global Jobs Pact	ARG	BRA	CAN	COL	CRI	CHI	DOM	CAR	USA	HON	MEX	PER	URU
	36.7	33.3	23.3	26.7	36.7	16.7	36.7	30.0	23.3	16.7	30.0	43.3	30.0
	36.7	33.3	23.3	26.7	36.7	16.7	36.7	30.0	23.3	16.7	30.0	43.3	30.0
													29.5%

^a This percentage, as that for additional spending on infrastructure with green criteria, is included in the category of additional spending and is therefore not taken into account in the total for measures implemented, in order to avoid duplication. The calculation was based on the following categories: additional spending on new programmes, expansion of existing programmes, access to credit for SMEs, access to public tenders, and subsidies and tax reductions. This note also applies to the following sections.

Source: ILO: *Protecting people, promoting jobs: A survey of country employment and social protection policy responses to the global economic crisis*, op. cit.

Appendix 3

Measures implemented in response to the crisis worldwide

	Job subsidies and recruitment incentives	Reductions in non-wage labour costs for hiring unemployed	Job-search assistance and matching	Job-finding and business start-up incentives	Work experience programmes	Training programmes
Australia	X		X			X
Austria			X			X
Belgium			X			
Canada	X		X		X	X
Czech Republic						X
Denmark						X
Finland			X	X		X
France	X	X	X		X	X
Germany			X			X
Greece	X		X			X
Hungary	X					X
Ireland			X			X
Italy			X			X
Japan	X		X	X	X	X
Korea, Rep. of	X		X	X	X	X
Mexico	X	X	X	X		X
Netherlands			X			X
New Zealand			X		X	X
Norway			X		X	X
Poland	X	X	X			X
Portugal	X	X		X	X	X
Slovakia	X	X		X		
Spain	X	X	X	X		X
Sweden	X		X		X	X
Switzerland						X
Turkey		X				X
United Kingdom	X		X	X	X	X
United States	X		X		X	X

Source: ILO: *Protecting people, promoting jobs: A survey of country employment and social protection policy responses to the global economic crisis*, op. cit., p. 23.