

# 19<sup>th</sup>

American Regional Meeting  
Panama

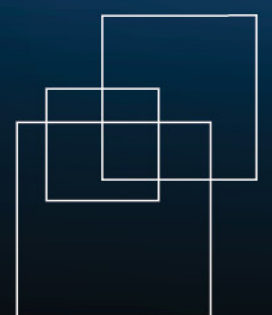
2–5 October 2018

Report of the Director-General



International  
Labour  
Organization

## Preparing the future of work we want in the Americas through social dialogue



**19<sup>th</sup>**

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# INTRODUCTION

1. The discussion on the future of work is part of the times in which we are living. Profound and rapid changes are generating transformations that directly impact labour markets and this leads to anxiety and to doubts about the future: what will happen to the jobs of the future? Where will our children work? ... And their children?

2. The 19<sup>th</sup> American Regional Meeting takes place in Panama at a time when discussion and reflection on these transformations are occurring throughout the world. And the ILO has taken a leadership role in addressing this issue through an initiative on the future of work.

3. In pursuit of this reflection, a Global Commission on the Future of Work, convened last year by the ILO, will present its report next year, clarifying the strategies and directions we need to take in order to create the future of work we want, based on the premise that the destination has yet to be written and that we can bring our influence to bear in order to mitigate its negative impacts and make better use of the opportunities it provides.

4. Latin America and the Caribbean are not exempt from these concerns and nor are the United States and Canada. Without doubt, they are a core theme of this Regional Meeting, which is being held on the eve of the centenary of the ILO.

5. In this region, the debate on the future must also consider the structural problems arising from residual practices such as informality or child labour as well as present circumstances that remind us of the need to increase our efforts in the quest for decent work. This is an area in which futuristic practices, such as drone-assisted precision agriculture, exist alongside subsistence farming and illegal forest clearing. While electric cars are set to appear in the financial centres of some cities, people are migrating on foot between countries, defying the difficult climatic conditions and the distances involved in search of better work opportunities.

6. In the four years since the last American Regional Meeting in Lima in October 2014, Latin America and the Caribbean have experienced a cycle in which the economic slowdown, which began in 2013, turned into a contraction in 2016, followed by a moderate recovery in 2017 that has continued in 2018. The combination of the slowdown/contraction has impacted labour markets in the region, with a decline in the majority of labour and social indicators. Unemployment, which had fallen, rose again and there were clear signs that the same was happening with respect to informality.

7. The mild economic recovery, which began in 2017, generated mixed performances in labour markets and it is expected that marginally higher growth in 2018 will have a slightly more positive impact, although it will be insufficient to create a path that will lead to decent work.

8. In this scenario, it will be a real challenge to realize the goals of the United Nations 2030 Agenda for Sustainable Development. The recent economic cycle is a reminder that, instead of being sustained, inclusive and sustainable, capable of generating decent and productive work (as Goal 8 aspires to do) and reducing inequality (as Goal 10 aspires to do), growth in the region has been low, volatile, excluding, unsustainable and characterized by widening inequalities.

9. Labour market data reveal that there is much to do in a region where unemployment affects 26 million people and at least 133 million are affected by informality.

10. Latin American and Caribbean countries also face challenges related to labour standards. Although international labour standard ratification indices continue to be high in comparison to other regions, there are significant gaps in compliance and implementation, including in relation to some fundamental rights and principles. National legislations also face problems of effectiveness and implementation, which are compounded by work-related changes and by new forms of work. All of the above is creating a new wave of revisions in legislation.

11. Added to the lags and unresolved problems inherited from the twentieth century are the new challenges of the twenty-first century, with major transformations being experienced in the world of work: demographic and technological change; new paradigms of production, new business models, new types of contracting, as well as environmental imperatives, including the impacts of climate change.

12. The situation described is paradoxical in a region that is rich in natural resources, with institutions that have undergone significant development and where important progress has been made in the fields of education and health. Why has there not been more success and rapid progress made in achieving faster growth, in creating productive employment and decent work with less informality and in improving inequality and social justice?

13. The answers to these questions, which are fundamental to the future of work in the region, are complex. Undoubtedly, the countries concerned have made social, work-related and economic gains and have experience in policy generation in a number of areas. But it is clear that, at this intersection of slow growth, increasing demands and social pressures, as well as great uncertainty on what the future may hold, there is a case for rethinking the way in which we face the challenges of the world of work.

14. Small Island Developing States in the Caribbean have challenges that are specific to their social, economic and geographic structure which slow down the development process. They have limited natural resources (apart from those that have oil and gas), small markets, limited opportunities in the private sector and high production, infrastructure, communication and energy costs. The Caribbean is a sub-region with low diversification. In addition, it is extremely vulnerable to natural disasters.

15. The United States and Canada also face particular challenges that are more specific to highly developed countries, among which are those closely related to the fast pace of technological change and its impact on the employment, skills and incomes of the middle classes.

16. I am concerned that we are not responding sufficiently quickly to these challenges. Given the unprecedented speed and depth of change in the world of work, we must move rapidly to provide answers and guidance. We must remember that this transformation will be accompanied by high levels of uncertainty and, in some cases, by fear of change.

17. In this context, the American Regional Meeting must make progress in understanding what is happening in the world of work, by renewing our commitment to social solidarity, moving forward in a just transition towards economies and societies that are environmentally sustainable for all and reaching conclusions on our future action.

18. The problems and challenges that we must overcome are not only technical in nature. The region has enormous economic, social and institutional assets and it has made important gains in building the future of work. But only better and more effective organization of collective action in order to identify and resolve concrete problems, with strategic visions that are widely shared and underpinned by successful social dialogue, will allow obstacles to be overcome and

enable progress to be made in firm steps and at a rapid pace towards a better future of work to which the citizens of Latin America and the Caribbean aspire and which they deserve.

**19.** The ILO and tripartism can make important contributions to strengthening institutions, restoring confidence and to constructive discussions that will enable us to identify challenges and formulate and implement policies and to strengthening methods of governance and mechanisms that ensure transparency and accountability.

**20.** In the present report I attempt to set out some of the challenges and outline the courses of action necessary to achieve a more prosperous and equitable future with more inclusive growth, greater social justice and productive employment and decent work for all on the continent.





## PART I

# Meeting the challenges of the twenty-first century in the Americas

## Chapter 1. Growth and employment trends

### 1.1. Labour markets and growth since the last Regional Meeting (2014-2018)

21. At the American Regional Meeting in 2014, we identified the moment as one of global uncertainty and noted the slow world recovery and its negative effect on employment. At that time, we highlighted what were then signs of a clear slowdown in Latin America and the Caribbean and the threat that the change in the economic cycle posed in terms of possible stagnation or even deteriorating social and labour market key indicators.

22. Four years later, there has been an increase in levels of global uncertainty. Some of the main risks that have increased are: a shift towards protectionism and less support for multilateralism on the part of some countries that are important in terms of volumes in world trade; a continuing trend towards inequality both in developed and developing countries; the acceleration of technological revolutions which has not been matched by an equivalent acceleration in the preparedness of political and social institutions in order to respond to the speed of these changes; an increase in the flows of migrants and refugees; and growing signs of climate change which are reflected in an increase in natural disasters.

23. In Latin America and the Caribbean we note that the slowdown in the rates of economic growth turned into close-to-zero growth in 2015 and a severe contraction in 2016. Our expectation in 2014 that the region would have moderate, but sustainable, growth from 2014-2018 was not fulfilled and results were worse than expected. Fortunately, in 2017 there was a recovery in the average growth rate in the region of 1.3 per cent, a trend that has continued in 2018, when it could even reach or exceed 2 per cent (Figure 1). But rather than being the result of efforts in the region, this result was largely due to very positive international growth in the United States, in the Eurozone and in the emerging economies and to increased demand for commodities. As a result, from 2017, no country in the region, with the exception of the Bolivarian Republic of Venezuela, experienced an economic downturn.

24. In North America, GDP grew to 2.3 per cent in 2017, demonstrating a positive recovery of almost one percentage point from 1.5 per cent in the previous year. Increased economic activity in the United States and Canada was driven by favourable financial conditions and less market volatility. The improvement during 2017 was due largely to increased growth of 3.0 per cent in Canada, compared with 1.5 per cent in 2016.<sup>1</sup> The United States demonstrated gradual improvements, with a growth rate of 2.2 per cent in 2017 compared with 1.5 per cent in 2016. Recovery in the energy sector strengthened investment in the region.

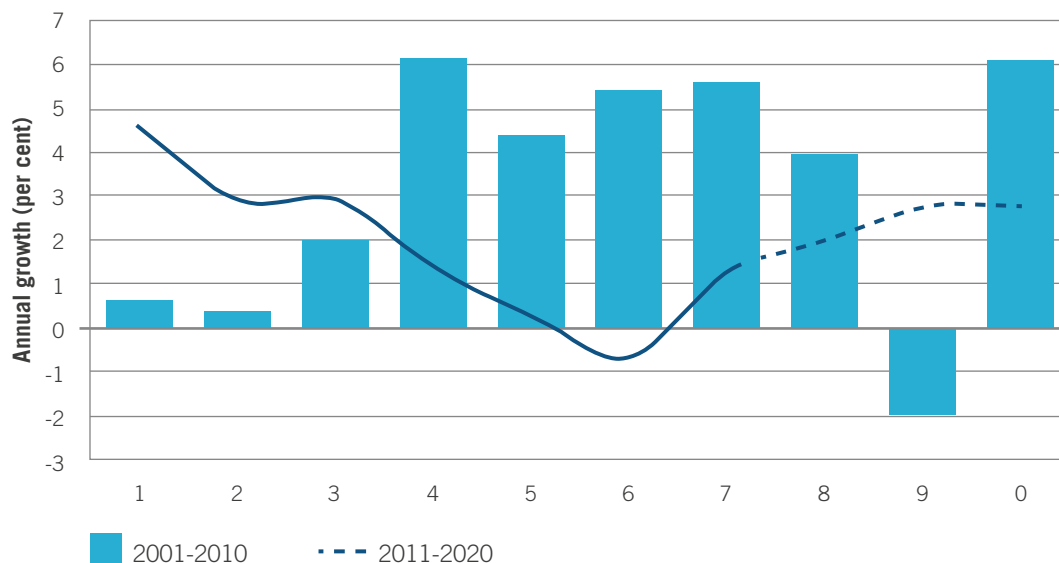
25. Nevertheless, in the medium term, it is expected that economic growth may be limited by the low rate of growth in the working-age population and an increasing number of retirees.

26. At the same time, this region has experienced a weak transmission effect of falling unemployment rates on spurring faster wage growth, a situation that has been substantially

1 ILO (2018). World Employment and Social Outlook: Trends 2018. Geneva: ILO.

attributed to the relatively high share of involuntary part-time workers in the region, where wage growth has been particularly weak.<sup>2</sup>

**Figure 1. Latin America and the Caribbean: Trends in GDP Growth by decade (2001-2010 and 2011-2020)**



**Source:** IMF (2018). World Economic Outlook. Cyclical Upswing, Structural Change. April 2018. Washington D.C: IMF.

**27.** In Latin America and the Caribbean the combination of the slowdown and the contraction in the five years between 2011 and 2016 led to a gradual deterioration in all labour-market indicators between 2015 and 2017. This was described in the ILO report *2016 Labour Overview. Latin America and the Caribbean* as a “slow-motion crisis” for labour markets in the region.<sup>3</sup>

**28.** The average regional unemployment rate in 2014 of 6.1 per cent – a historical low in the region – rose to 6.6 per cent in 2015 and then sharply to 7.9 per cent in 2016 and to 8.4 per cent in 2017. This is equivalent to 26.4 million unemployed people in the region. The rate is expected to decrease slightly by the end of 2018. In general, the behaviour of the regional average in Latin America and the Caribbean is heavily influenced by Brazil, which represents around 40 per cent of the region’s economically active population.

**29.** In Latin America and the Caribbean, the unemployment rate among women in 2017 remained 1.4 times the unemployment rate among men.<sup>4</sup> By contrast, in North America in 2018, unemployment rates among women were slightly lower than those among men (4.6 per cent against 4.4 per cent), a combined effect of the significant improvement in the levels of education among women and the long-lasting effects of the economic crisis of 2008, which had a greater impact on some male-dominated sectors such as construction.<sup>5</sup>

**30.** Change in the context of the region’s labour situation is expected to be positive for the remainder of 2018. Nevertheless, it must not be forgotten that many of the consequences of the recent severe economic cycle are still present in the form of deteriorating indicators, with

<sup>2</sup> Idem.

<sup>3</sup> ILO (2016). *2016 Labour Overview*. Lima: ILO Regional Office for Latin America and the Caribbean.

<sup>4</sup> ILO (2017). *2017 Labour Overview*. Lima: ILO Regional Office for Latin America and the Caribbean.

<sup>5</sup> ILO (2018). *World Employment and Social Outlook: Trends for Women 2018*. Geneva: ILO.

respect to the quantity and quality of employment and the persistent or even worsening long-term structural problems that will be analysed below, such as informality, poverty and inequality. The deceleration led to a trend of deteriorating working conditions, a rapid increase in own-account work which led to stagnation and, in some countries, a reduction in the creation of formal jobs.

**31.** Real wages in the formal sector increased in most countries, largely due to falling inflation. Nevertheless, real minimum wages at country level, taking into consideration both the formal and the informal sector, have shown highly erratic behaviour, with a decline in one year (2014), stagnation in another year (2016) and slow growth in yet another (2015).

**32.** At the present time, the region of Latin America and the Caribbean needs growth that is more accentuated, sustainable and inclusive in order to significantly reduce poverty, satisfy the aspirations of the middle class and create sufficient quality jobs. It is estimated that, for every tenth of a percentage point of GDP, 100,000 jobs are created.<sup>6</sup> About 5 million people enter the labour market each year and consequently growth of around 5 per cent is required merely in order to absorb new entrants to the labour market.

**33.** In the case of North America, it is expected that unemployment will decrease from 4.7 per cent in 2017 to 4.5 per cent in 2018. This is due to a fall in the unemployment rate in both Canada and the United States. Nevertheless, the number of unemployed people in Canada remains unchanged while the labour force has increased. Relatively stable unemployment rates are expected in both countries in 2019. A key challenge for the United States and Canada is to strengthen links between work, economic opportunities and greater economic security before the arrival of accelerated technological changes.

## 1.2 Long-term structural trends

**34.** Experience from the last American Regional Meeting demonstrates that, in the absence of sustainable growth, social progress may stagnate or even reverse. Evidence suggests that social progress in the previous decade was the result of a combination of positive change in terms of trade, especially with respect to commodities, which increased growth; and use of public spending as a tool for redistribution through social programmes. But it also suggests that there were no substantive improvements capable of resisting the volatility of the world economy.

**35.** Three lessons can be drawn from recent experience: first, strong and sustainable growth is important and the region cannot continue to gamble on a rise in commodity prices; it must face the economic challenges of productive development and diversification in a decisive manner. Second, in the absence of fiscal space, which is largely associated with strong and sustainable growth and the reduction of high levels of public debt, redistributive policies soon reach their limits. And third, structural gaps persist where specific measures to address them are not adopted.

**36.** This section provides an analysis of the major long-term structural challenges. For the most part, it addresses problems or weaknesses that have not been resolved or have been pending since the twentieth century, although some of them have acquired new dimensions in the twenty-first century because the region has been impacted by a series of forces and factors relating to change in the world of work that interact in complex ways with long-standing gaps and which compel us to find solutions.

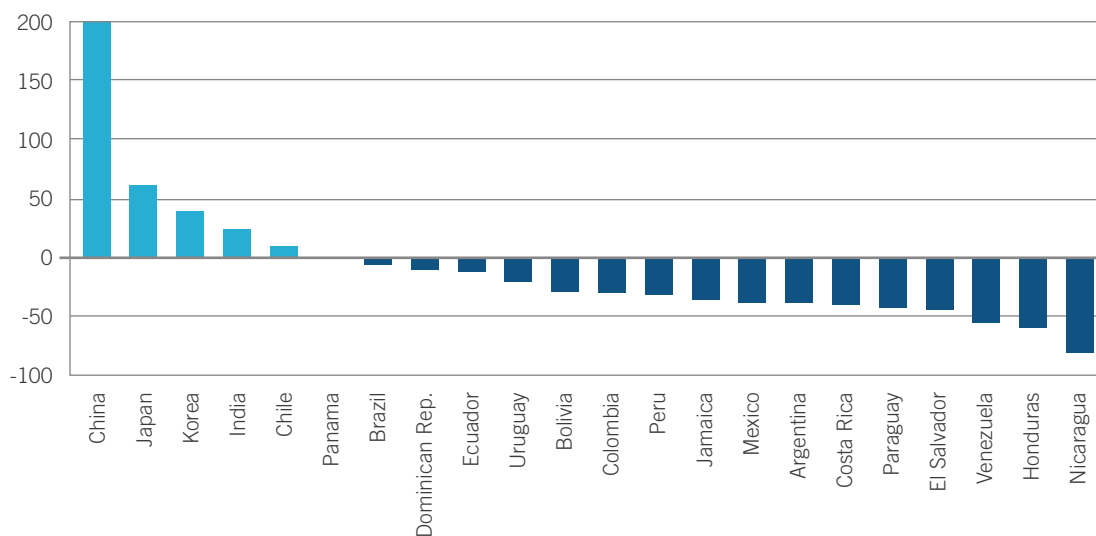
6 ILO (2014). 2014 Labour Overview. Lima: ILO Regional Office for Latin America and the Caribbean.

**(1) Productivity: Large external and internal gaps and slow productive development processes**

37. Average productivity in Latin America and the Caribbean has large gaps, both external (in comparison to other high-income regions and countries) and internal (between urban and rural areas, between economic sectors and between exporting companies, local companies and companies of different sizes).

38. Average productivity in the region is half that of the United States and, in a number of countries, this gap is widening. A large majority of countries have been unable to close the gaps in the last five decades (Figure 2). The Inter-American Development Bank (IDB) has called this the “tragedy of Latin America”<sup>7</sup> and ECLAC has called it “the Achilles heel of the region’s economies”.<sup>8</sup>

**Figure 2. Selected countries: Cumulative growth of total factor productivity in comparison to the United States (1960 - 2005)**



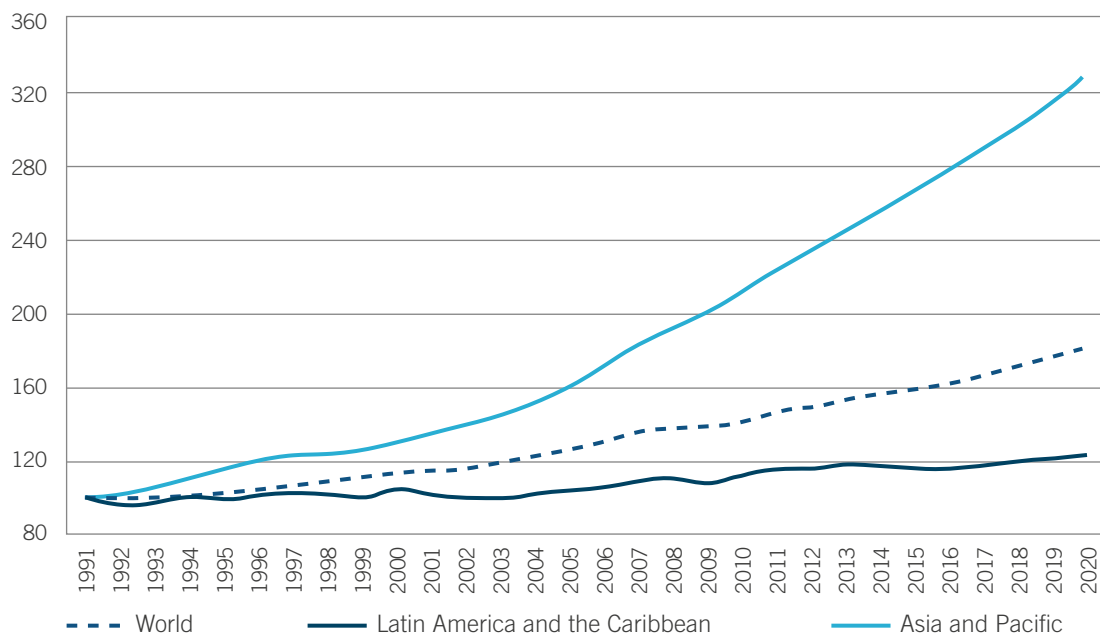
**Source:** Pagés, C. (2011). The era of productivity. How to rebuild economies from their foundations. Washington, DC: Inter-American Development Bank (Spanish only).

39. In Latin America, in comparison to some other regions in the world, there has also been stagnation in the rate of growth of output per worker (Figure 3). That is to say, output per worker in the region has virtually stagnated over the past 30 years.

7 Pagés, C. (2011). The era of productivity. How to rebuild economies from their foundations. Washington, DC: Inter-American Development Bank (Spanish only).

8 Alicia Bárcena, First high-level meeting of the OECD Regional Programme for Latin America and the Caribbean. Santiago, Chile, 16 October, 2016.

**Figure 3. World: growth in output per worker (index: 1991=100)**



**Source:** ILO (2016). World Employment Social Outlook. Geneva: ILO.

**Note:** index compiled with data in 2011 constant US dollars. Calculations for 1991-2016 and forecasts for 2017-2020.

**40.** The current challenge for countries involves closing the significant internal productivity gaps that exist between regions or areas (urban and rural areas), between economic sectors, between exporting companies, local companies and companies of different sizes. This reflects a productive structure that lacks diversification and is poorly coordinated.

**41.** There is a predominance of own-account employment and employment in micro and small enterprises. 56 per cent of employment is in these categories, which are sectors with low productivity and high decent work deficits. At the same time there are few medium-sized and large enterprises, which are the segments that have less decent work deficits.<sup>9</sup>

**42.** Low productivity growth is a key indicator that Latin America and the Caribbean may be in the “middle-income trap”.<sup>10</sup> In order to escape from this trap, it is necessary to achieve a broader and more diversified base of economic sectors and activities with high productivity, high added value and with the capacity to generate the necessary volume of high-quality jobs, with economies that operate at levels close to full employment. Although diversification in the Caribbean has been on the agenda for many years, there have not any significant changes in the production structure. Most countries rely mainly on tourism with some support from the energy sector depending on fluctuations in the international price of raw materials.

**43.** Another factor affecting productivity levels is the low expenditure on innovation in the region. According to information from the United Nations Organization for Education, Science and Culture (UNESCO), the region invested only around 0.8 per cent of its GDP in research and development while in OECD countries investment was around 2.5 per cent.

<sup>9</sup> ILO (2015). Thematic Labour Overview 2. Small Enterprises, Large Gaps Lima: Regional Office for Latin America and the Caribbean.

<sup>10</sup> A situation of low economic growth in which a middle-income country cannot compete internationally in labour-intensive standardized products because their wages are relatively high, but neither can they compete in high-value-added activities on a sufficiently high scale, because their technological capacity and productivity is insufficient to compete with the more advanced countries.

44. All of the above highlights the importance of being able to rely on policies on productive development and diversification the purpose of which is to bring about change in the sector composition of the product, speed up learning processes, increase innovation capacities, promote productive linkages, increase the assimilation capacities of medium and high technologies and engage in new industries, markets and value chains.<sup>11</sup>

## ■ (2) Formal education: Progress with respect to quantity, deficiencies in quality and relevance

45. Education and vocational training are essential and central ingredients in order to achieve inclusive growth with full and productive employment and decent work for all (Goal 8 of the Sustainable Development Goals) and in order to reduce inequalities (Goal 10 of the Sustainable Development Goals). The region has made progress in increasing the number of enrolments in formal education, in particular in primary and secondary schools. However huge challenges remain with respect to quality and relevance.

46. Significant progress has been made with respect to increased coverage at all levels of education: by 1986, the net rate of enrolment in primary education was already 90 per cent and it rose to 93 per cent in 2015, while enrolment in secondary education in the same period rose from 58.5 per cent to 75.6 per cent. Nevertheless, the results of PISA (Programme for International Student Assessment) tests for primary and secondary education showed that one in every three students in the region did not reach the minimum proficiency levels required in mathematics, science and reading (2015). In addition, not all subjects taught – whether in elementary or higher education – are relevant to meet the demands of potential employers for technical, social and emotional skills.

47. A recent study indicates that years of schooling account for 28 per cent of the differences in per capita GDP between Latin American and Caribbean countries and those of the OECD. But the quality of education accounts for 60 per cent of those differences.<sup>12</sup> The evidence on the impact of education on employability and the quality of employment is equally strong: it improves the chances of getting a job in the formal sector, especially for young people.<sup>13</sup>

48. Currently, young women in the region have an average number of years of study which exceeds that of men. This educational improvement has resulted in a sustained increase in the participation rate of women, which already exceeds 50 per cent in Latin America and the Caribbean and reaches 55.8 per cent in North America, however it has not been reflected in a significant improvement of their labour indicators. In Latin America and the Caribbean, during 2015, women represented on average 61 per cent of the people who graduated from tertiary education programmes.<sup>14</sup> Despite this achievement, throughout the region there is still a strong segregation in the careers studied, and only a minority of women are incorporated in the so-called STEM disciplines (Science, Technology, Engineering and Mathematics) and in general in the most technological areas, which has important repercussions on their chances of finding a job.

11 ILO (2016). Productive development, transition to formality and labour standards. Priority areas of work for the ILO in Latin American and the Caribbean. ILO Americas Technical Reports, 2016/4. Lima: Regional Office for Latin America and the Caribbean.

12 OECD, CAF, ECLAC (2016). Latin American Economic Outlook 2017 – Youth, Skills and Entrepreneurship. Paris: OECD.

13 Ibid.

14 The observation was made based on levels five and six of the International Standard Classification of Education (ISCED) of the UNESCO Institute for Statistics. ISCED level 5 is equivalent to short-cycle tertiary education. ISCED level 6 is equivalent to a university degree, baccalaureate, bachelor's degree or its equivalent. The countries analysed for ISCED level 5 are the following: Argentina, Aruba, Belize, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Panama and Dominican Republic. The countries analysed for ISCED level 6 are the following: Argentina, Aruba, Brazil, Chile, Colombia, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama and Dominican Republic.

49. The performance in education and the distribution of educational results among socioeconomic and geographic groups in Latin America continues to be very unequal and these results are reflected in the distribution of income.

### ■ (3) Vocational training: Deficiencies in quantity, quality and relevance

50. The current process of accelerated transformation finds the region exposed to new factors of change and uncertain demand for new occupations. Equally, we must face the fact that, for the first time in a long time, we will witness the mass obsolescence of many traditional skills in the space of a generation.

51. In the race between education, training and technology, technology is permanently challenging educational and vocational training systems to remain current and to anticipate change. In addition, the digitalization of the economy requires a new profile of worker, equipped with the so-called “21<sup>st</sup> Century Skills”, that include deep technical knowledge and the capacity to deal with “intelligent machines”, skills such as critical thinking, creativity, communication, collaboration and team work, and qualities of character such as persistence, adaptability, initiative and curiosity, among others.<sup>15</sup>

52. The Latin American and Caribbean region has a long tradition of planning and executing vocational training programmes. These programmes were important and effective in the export-led industrialization phase, but there are serious doubts about whether the vocational training systems are sufficiently adapted to the challenges of the knowledge era and the digital revolution, to automation and artificial intelligence and about whether those completing the courses have the skills and employability demanded by enterprises. This situation is exacerbated in the case of women, who are highly concentrated in the few careers related to the traditional role they have played in households, so that improvement in their employability as a result of their training for work is greatly diminished.

53. Numerous studies have mentioned the existence of important quantitative and qualitative skills gaps.<sup>16</sup> Many companies in the region experience difficulties in filling vacancies and in locating personnel with adequate technical, social and emotional skills, which is evidence of serious imbalances between demand and supply and which are also expressed in the high levels of unemployment and underemployment, in particular of young people. Vocational training for green jobs remains a pending issue in view of the transition to productive models that protect and recreate the environment.

### ■ (4) Informality has ceased to fall and continues at high levels

54. Informality increased significantly between 1950 and the beginning of the 2000s.<sup>17</sup> To a large extent, this increase may be linked to the rural-urban migratory flows that occurred during this period. Employment in the urban informal sector would have been an alternative to unemployment for migrants from rural areas who were not able to find employment in the formal urban sector of the economy.<sup>18</sup> For the year 2009, the ILO registered an informal non-agricultural employment rate of 50.1 per cent, which fell gradually to 46.8 per cent in 2015 and then rose again.

15 ILO (2017). The future of vocational training in Latin America and the Caribbean. Overview and strengthening guidelines. Lima: ILO Regional Office for Latin America and the Caribbean; Inter-American Centre for Knowledge Development in Vocational Training – CINTERFOR.

16 ILO (2017). The future of vocational training in Latin American and the Caribbean. Regional Office - CINTERFOR.

17 ILO (2017). 2017 Labour Overview. Feature Article: Wage Trends in Latin America, 2005-2015. Lima: Regional Office for Latin America and the Caribbean.

18 Fields (1975). “Rural-urban migration, urban unemployment and underemployment, and jobsearch activity in LDCs”, In: *Journal of Development Economics*, Vol. 2, No. 2, pp. 165–187. Cited by Kucera and Roncolato, D (2008). Informal employment: two contested policy issues. En: *International Labour Review*, Vol. 147 (2008), No. 4. Geneva: ILO. <http://www.ilo.int/legacy/english/protection/travail/pdf/rdwpaper24c.pdf>



55. The latest ILO report on informality at the global level highlighted that more than 60 per cent of the world's workers are employed in the informal economy.<sup>19</sup> It underscored that in Latin America and the Caribbean, informality reached 53.1 per cent, including the agricultural sector, and 49 per cent when considering only non-agricultural informality, which is equivalent to more than 133 million workers.

56. That is to say that, after a decade of sustained growth, about half of the employment in the Latin American and Caribbean region continues to be informal, the majority in microenterprises (28 per cent) and in own-account employment (28 per cent).<sup>20</sup> It is in these employment categories that the great majority of poverty, informality and deficits in decent work are concentrated.

57. For the Americas (including North America) the proportion of informality is 40 per cent. In North America, informal employment affects 18.1 per cent of the population, according to this report.

58. Informal employment affects certain groups more than others. For example, women, young people, workers with lower levels of educational attainment, workers with lower incomes and some other categories of workers. In the case of women, the informality rate in 2015 was higher for them than for men (46.5 per cent compared with 43.3 per cent), in part due to the high rate of informal employment in households (74 per cent), in the own-account category (81.6 per cent), in some subsectors such as commerce, restaurants and hotels (60 per cent) and community, social and personal services (39 per cent) which have a high concentration of female employment. About 80 per cent of total formal employment is concentrated in occupational categories such as own-account workers, employees of companies with up to 10 workers and workers in the household sector.

59. There is a close relationship between informality and inequality, both of which represent different dimensions of the same phenomenon: exclusion.<sup>21</sup>

#### **(5) Social protection: Progress has been made but there are gaps in coverage and financing - and institutional challenges**

60. Social security coverage has improved during the past decade with respect to both contributory and non-contributory components. However, there are still significant challenges. In the countries of Latin America and the Caribbean, 38.6 per cent of the population, equivalent to 241 million people, do not have any type of social protection, while the remaining 61.2 per cent frequently access benefits with very low levels of protection, according to data presented in an ILO report.<sup>22</sup>

61. Disparities and fragmentations in the labour market impact the performance of social protection systems. For example, the gaps that exist between public and private employees (depending on the size of the company) and between independent workers and salaried employees in domestic work are well known. Groups of vulnerable workers, such as migrant or rural workers, are widespread.

62. Non-contributory programmes have partially closed the coverage gaps left by contributory programmes. In this way, transfers for children and adolescents in the form of transfer programmes that are conditional on school attendance and health checks, as well as

19 ILO (2018). Women and men in the informal economy. A statistical picture. Geneva: ILO.

20 ILO (2015). Thematic Labour Overview 2. Small Enterprises, Large Gaps. Lima: Regional Office for Latin America and the Caribbean.

21 ILO (2014). Thematic Labour Overview 1: Transition to formality in Latin America and the Caribbean. Lima: ILO Regional Office for Latin America and the Caribbean.

22 ILO (2017). World Social Protection Report 2017-2019. Geneva: ILO.

non-contributory pensions and social assistance have enabled the extension of national social protection floors. In most countries, the scale of these programmes is still modest because there is insufficient fiscal space or simply because of certain institutional limits and therefore the gaps persist.

**63.** In addition to coverage, two related issues that have been at the centre of this debate and at the centre of social protection reforms concern the adequacy of benefits and the sustainability of systems. These issues have become more relevant in the debate on public policies in this area because of the slowdown in the economy since 2012 and the greater fiscal restrictions triggered by it. Similarly, coverage of labour risks, as well as protection against unemployment, continue to be a challenge for workers who work in the informal economy.

#### ■ (6) Poverty, vulnerability, the middle classes and diversity

**64.** In Latin America and the Caribbean, poverty and extreme poverty rates increased as a regional average in 2016, after more than a decade of decline in most countries. Poverty rates fell from 44 per cent in 2002 to 28 per cent in 2012. For 2016, it is estimated at 30.7 per cent (186 million people).<sup>23</sup> Extreme poverty increased from 8.2 per cent in 2014 (48 million people) to 10 per cent in 2016 (61 millions). The incidence of poverty and extreme poverty is highest among children, adolescents, youth, women and those living in rural areas. For example, while poverty rates decreased during the past decade of economic boom, poverty rates among women continued to rise. Factors such as the high percentage of women without their own income, higher unemployment rates and informality are behind this situation.

**65.** The risk that large sectors of the population may enter into poverty depending on the economic cycle is evidenced by the estimate that 65 per cent of the people who receive a daily income of between 4 and 10 dollars and 14 per cent of the middle class suffer from poverty at least once in every ten-year period.<sup>24</sup>

**66.** During the decade of prosperity, Latin America and the Caribbean were on the way to becoming a middle-class region, with the majority of people defined in four categories based on income levels: extreme poverty (less than \$4 a day); “the vulnerable” (\$4 to \$10 a day); “the middle class” (\$10 to \$50 a day) and “upper classes” (more than \$50 a day).<sup>25</sup>

**67.** However, the growth of the middle classes was affected by the slowdown in economic growth. Several mechanisms connect the economic cycle with the incomes and living standards of the middle classes. On the one hand, slowdowns generally lead to fiscal and debt problems and to austerity programmes that affect state workers, the majority of whom are from the middle classes.

**68.** On the other hand, the economic cycle also impacts hiring and firing, as well as the quality of employment in the private sector. With low levels of demand, companies tend to dismiss employees, thereby contributing to rising levels of unemployment, and there is a failure to raise wages; both of these factors increase both the sources of conflict with workers and the need for mitigation policies.

**69.** Disappointing the expectations of the middle classes has important political and governance consequences, which can be observed in the countries of the region on a daily basis. In addition, the political responses of the middle classes have accelerated and transformed rapidly with the technological revolution and, in particular with the connectivity and empowerment that

23 ECLAC (2018). *Social Panorama of Latin America 2017*. Santiago de Chile: ECLAC.

24 IDB (2015). *Poverty, vulnerability and the middle class in Latin America*. Washington, DC: IDB.

25 World Bank (2014). *Social gains in the balance: a fiscal policy challenge for Latin America and the Caribbean*. Washington, DC: World Bank.

is possible through social networks. The middle classes have become increasingly impatient on political and social issues, demanding quality services (education, health) at reasonable prices, as well as social protection and pensions.

**70.** Poverty is not only a phenomenon that affects Latin America and the Caribbean. In the United States, in 2014, according to the United States Census Bureau, 46.7 million people, or 14.8 per cent of the population, lived below the official poverty line and 9.5 million people were “working poor”.<sup>26</sup>

**71.** For historical reasons, populations in a majority of countries in Latin America and the Caribbean have been highly diverse. The same is true of the United States and Canada. However, in the United States, this very high level of diversity appears to be increasing. As stated in a report from the Department of Labour:<sup>27</sup> “By 2050, the U.S. population is expected to increase by 50 per cent, and minority groups will make up nearly half the population. Immigration will account for almost two-thirds of the nation’s population growth. The population of older Americans is expected to more than double. One quarter of all Americans will be of Hispanic origin. Almost one in ten Americans will be of Asian or Pacific Islander descent. And more women and people with disabilities will be on the job.”

### ■ (7) Youth: a great challenge for the future of work

**72.** There are approximately 108 million young people between 15 and 24 years of age in Latin America and the Caribbean, representing 18 per cent of the total population. This is the greatest wealth for the future wellbeing of the region. But what are they doing? What opportunities and challenges do they face?<sup>28</sup> The numbers speak for themselves: of the nearly 50 million youth in the labour force, 10 million are unemployed, with an unemployment rate that experienced a significant increase in 2017 to 19.5 per cent. This means that one in five young people who are looking for work cannot find it. The situation is worse for young women who, in 2016, had an unemployment rate of 22.2 per cent compared with 15.5 per cent for men, which is almost 7 points higher.

**73.** But unemployment is only the most visible aspect of the problems related to youth employment. In addition, about 27 million of those who do have a job are in situations of informality. For every 10 jobs available to people between 15 and 24 years of age, at least six are in the informal sector.

**74.** On the other hand, it has been estimated that there are 21 million young people in the region who are not in education, employment or training, termed “NEET”, 30 per cent of whom are men and 70 per cent of whom are women. Of these, 24 per cent are seeking employment without success and the other 76 per cent are not seeking employment. Of those not seeking employment, 11 million are engaged in housework and the vast majority of them (91 per cent) are young women, many of whom became mothers at an early age.

**75.** These are alarming data, which speak of the urgent need to redouble efforts to promote youth employment.

26 Bureau of Labour Statistics (2016). A Profile of the Working Poor 2014. Report 1060. April 2016. BLS. <https://www.bls.gov/opub/reports/working-poor/2014/home.htm>

27 USDOL (1999). Futurework, Trends and Challenges for Work in the 21st Century. Labour Day 1999. A Report of the United States Department of Labour. Washington, DC: USDOL.

28 Based on ILO (2013). Decent work and youth in Latin America and the Caribbean. Policies for Action. Lima: ILO Regional Office for Latin America and the Caribbean

## ■ (8) Wages

76. Average real wages in the region increased by around 20 per cent between 2005 and 2015 among salaried workers, which is equivalent to a real increase of 1.8 per cent annually.<sup>29</sup> The trend in salaries was different among sub-regions and countries, influenced by factors such as economic growth, inflation, systems for wage negotiation and establishment of minimum wages. Real minimum wages also increased in the same period by 42 per cent. On the other hand, the gender wage gap per month decreased from around 20 per cent to 15 per cent (2005- 2015), which is a positive trend although women's wages continue to be lower than those of men.

77. In Latin America, public employees accounted for 18 per cent of total salaried employees in 2015, domestic work represented 8 per cent and private sector employment 74 per cent. Each of these groups has a different dynamic with respect to wage determination. Public sector wages are about 50 per cent higher than the general average, followed by private sector wages, which are close to the general average, while wages for domestic work are in most cases less than 50 per cent of the average wage.

## ■ (9) Small gains have been made in reducing inequality, but it still remains extreme

78. The reduction in inequality was one of the most remarkable developments in the region between 2005 and 2015.<sup>30</sup> The fall in inequality between 2008 and 2015 was associated in general with a relative increase in incomes in the first quintile (the poorest) which was greater than that of the fifth quintile (the richest), as generated by salaried employment and own-account employment (the main sources of income for households). Despite this progress, the region of Latin America and the Caribbean continues to experience high levels of income inequality.

79. The creation of decent work opportunities is the best policy for combatting inequality. As we know, this involves addressing a series of weaknesses in labour markets, such as inequality of opportunity, the difficult challenge of formalizing informality, low productivity growth and labour discrimination.

80. In order to reduce inequality, it is essential that everyone has opportunities to access appropriate and quality education and training. In spite of the improvement of results in the region, the PISA tests reveal that they have been insufficient. In addition, the quality of education to which young people with low incomes have access is very different to that of middle- and high-income youth and this significantly reduces opportunities for the former to enter tertiary education. Consequently, it is not possible to escape from the vicious circle of inequality and poverty.

## ■ (10) New forms of employment<sup>31</sup>

81. The appearance of new forms of work is a characteristic of labour markets today in both developed and developing countries.

82. Some of the new forms of employment are temporary work, part-time and on-call work, tripartite (or multi-party) work relationships and dependent self-employment. In Latin America between 2005 and 2015 the proportion of salaried workers with a written contract increased, but the proportion of temporary and part-time employment also increased within salaried employment.

29 ILO (2017). 2017 Labour Overview. Feature Article: Wage trends in Latin America and the Caribbean, 2005-2015. Lima: ILO Regional Office for Latin America and the Caribbean.

30 ECLAC (2016). Social Panorama of Latin America 2016. Santiago de Chile: ECLAC.

31 OIT (2016). "Special Topic: Some contributions to the future of work in Latin America and the Caribbean." In: Labour Overview 2016. Lima. ILO Regional Office for Latin America and the Caribbean.

83. This new trend intensified the difficulties of labour markets in the region because the diversification of forms of employment is added to established forms of employment such as casual work, which continue to be significant because of the presence of informality and the lack of development and productive diversification.

84. In combination with competitive forms of globalization and with the penetration of new productive paradigms, occasionally as the result of new technologies, new forms of employment have become an important feature of the region's labour markets.

85. One concern associated with the growth of new forms of employment is the extent to which they can affect working conditions in general. This is already occurring in the region, particularly in the case of temporary workers; calculations by Maurizio (2016) show a penalty in hourly earnings in comparison with those with indefinite-term contracts of between –5 per cent and –15 per cent.<sup>32</sup>

86. There are also risks in relation to health and safety for workers under some of the new forms of employment, due to failures of supervision and communication, especially in multiparty employment relationships.<sup>33</sup> Another important issue is the impact of new forms of employment on unionization rates and collective bargaining coverage.

### ■ (11) Labour migration: new dynamics, more complex and more prevalent

87. The new dynamic of migration, which is growing in volume and complexity, is closely related to the search for employment opportunities and for incomes and for this reason it is fundamentally a labour migration dynamic. A recent ILO report diagnoses nine intra-regional migration corridors in Latin America and the Caribbean and two inter-regional corridors, to the United States and to Spain, and analyses their development.<sup>34</sup> The ILO calculates that 27 per cent of all migrant workers are to be found in the Americas (37 million in North America and 4.3 million in Latin America and the Caribbean in 2015) and the numbers are growing rapidly. This system of corridors is constantly evolving because of changes in economic interdependence, in the situation in countries of origin and in the labour markets, and this is characterised by a series of gaps in poverty and incomes, labour rights and the protection of migrant workers.

88. Despite the rapid expansion of migration flows, public policies and governance present weaknesses such as: gaps in and fragmentation of migration governance; a lack of focus on labour rights; absence of participation by world actors specializing in labour in the consultation processes on migration; a lack of coherence between migration policies and employment policies; coordination failings; labour market institutions that lack the competencies to work on labour migration; and so forth.

89. Migration and labour mobility dynamics are and will be increasingly a fundamental part of the world of work and they will require the attention of all governments and all actors in the world of work.

## ■ 1.3 New drivers of change in the world of work

90. The world of work is being impacted by new technologies, by demographic changes, by changes linked to climate change and the imperatives of environmentally sustainable development, which also exist side by side with structural problems of poverty and backwardness, informality and inequality, and low productivity. What effect will this have on the labour market?

32 Maurizio, Roxana (2016). *Características y tendencias de las relaciones de trabajo en América Latina*. Mimeograph.

33 ILO (2016). *Non-standard employment around the world: Understanding challenges, shaping prospects*. Geneva: ILO.

34 ILO (2016). *Labour migration in Latin America and the Caribbean. Diagnosis, Strategy and ILO's work in the Region*. Regional Office. ILO Technical Reports, 206/2. Lima: ILO.

91. The answer will depend to a large extent on the degree to which societies are able to prepare and adapt, on their ability to anticipate and on policy and institutional responses.

### ■ (1) Demographic changes

92. In Latin America and the Caribbean, although several countries still have the advantage of the demographic dividend, there is also a noticeable process of ageing in the population. In 2000, the total population of the region was 512 million people, of which 6 per cent, or some 30 million people, were elderly (over 65 years of age). In 2050, a total population of 776 million is expected, of which 20 per cent, or 155 million people, will be older adults (CELADE, Latin American and Caribbean Demographic Centre). In North America, by 2030, the number of people aged 65 years and over will be equivalent to 55 per cent of its labour force, an increase of 11 per cent compared to 2017.

93. On the other hand, the young population (aged 15 to 29 years) has been in decline since the end of the 1990s and it has declined more steeply since 2010. Although at present young people form 29 per cent of the total population, the number will go down to 22 per cent by 2050.

94. In fact, the year 2050 will mark a milestone in the sense that it will be the year in which the proportion of adults over 65 will begin to exceed the proportion of young people between 15 and 29 years of age for the first time in the history of the region.

95. For countries that still experience the demographic dividend, this is a possible boost to growth and well-being, but only if young people have access to quality education and increase their incorporation into the labour market. The high rates of youth unemployment and informality and the high proportion of youth that are not in education or work suggest that countries are not taking full advantage of the demographic dividend.<sup>35</sup>

96. The combination of the ageing population and the disappearance of the demographic dividend could significantly increase financial pressure on social security systems.

97. If we add to this the fact that social protection coverage in a majority of countries in Latin America and the Caribbean is already low, it is clear that one of the great challenges for the future of work in Latin America and the Caribbean is to continue financing pension and social security systems suitable for the formal sector, while expanding the coverage of unprotected groups, for example those who work in informal employment situations.

98. At the same time, the steep increase in the population of older adults can be seen as an opportunity for job creation, insofar as it will bring significant growth in the demand for jobs in the economy in health and care.

### ■ (2) Technology

99. The technological revolution will impact the world of work in at least four major areas: the destruction and creation of jobs and the transformation of occupations; the demand and supply of workplace skills; the organization of work and production; and its impact on inequality.

100. The debates between “techno-optimists” and “techno-pessimists” are intense and not new. It is said that we are on the cusp of the fourth industrial revolution. Some say that this could create mass job destruction and others say the opposite. Regardless of the turbulence they brought in their wake, the last three industrial revolutions ended up creating more jobs than they destroyed. So, what will be the positive and negative effects for the region?

35 ILO (2013). *Trabajo Decente y Juventud en América Latina y el Caribe: Políticas para la Acción*. Lima: Oficina Regional de la OIT para América Latina y el Caribe.

**101.** There is no “crystal ball” to predict the combined impacts, although at the level of specific sectors and occupations there is no doubt that there will be plenty of situations in which job destruction and occupational transformation could materialise.

**102.** For some years now, the technological revolution has been speeding up the transformation of occupations and the requirement for new skills: the demand for new advanced occupations is increasing, as is the rate at which existing skills become obsolete. This means that the technological revolution challenges educational and vocational training systems to be current and even to anticipate new demands for labour skills. The challenges are as much for individuals as they are for enterprises.

**103.** In terms of impacts on the organization of work and production, the convergence between the Internet of Things, artificial intelligence, robotics and 3D printing is creating a new production paradigm called Industry 4.0. The consequences for the future of employment are massive: there are ever more “smart products” (telephones, construction materials, usable artefacts, cars) that make a permanent connection between the individual consumer and the information and control centres of the manufacturer or the operator.

**104.** This also permits the manufacture of products on some production lines that are made to order in small quantities. Increasingly, logistics are also becoming “smart”: from product delivery to maintenance and from customer service to after-sales service. Supply chains are becoming increasingly interconnected and operate on a “just in time” basis. Smart factories are increasingly a reality: networked machines that “talk” to each other and which combine the physical world of the transformation of materials with the virtual world of “just in time” information, automation and digital control. All this can increase productivity and flexibility with respect to design and production.

**105.** These are all complex trends with multiple and multidimensional impacts in the productive paradigm and the world of work. Industry 4.0 is not science fiction for the future, it is a reality of the present that will increasingly become part of productive systems in the region.

**106.** Regarding the risk of widening inequality, it is true that technology is potentially one of the main causes of the polarization of employment and wages. Highly qualified employees who are “connected” tend to gain, while those with poor qualifications and who are “disconnected” tend to lose.

### ■ (3) Environmental sustainability and climate change

**107.** An additional factor to consider in the debate about the future of work is the increase in environmental vulnerability and the need for a just transition to schemes promoting sustainable growth. The world of work is facing the challenge of adapting to a scenario in which it is essential to find a balance between economic development and environmental sustainability.

**108.** Climate change has a high economic cost in different regions of the world, including in Latin America and the Caribbean. Although the region makes a smaller contribution to greenhouse gas emissions, it is estimated that an increase of 2.5°C in the global temperature would cause a fall of between 1.5 per cent and 5.0 per cent in GDP in the region by 2050, with the agricultural sector being the most affected. This sector generates 16 per cent of regional employment.<sup>36</sup>

**109.** Natural disasters, climate phenomena, rising sea levels, changes in the cycles of rain and droughts, are all phenomena that have effects on the world of work, either because of their impact on economic development, or on sources of employment, or because of their influence on

<sup>36</sup> ECLAC (2015). The economics of climate change in Latin America and the Caribbean: Paradoxes and challenges of sustainable development. Santiago de Chile: ECLAC.

patterns of migration. The Caribbean experience in 2017 only confirms this position and that is why it is necessary to know in advance what the effects will be on the labour market and on the resources of subsistence farmers and their families. It is also necessary to adapt existing mechanisms so that they are prepared to work in “emergency mode” and able to adapt to immediate needs.

110. Like the rest of the world, the region must be prepared for the potential effects of climate change on labour markets, and at the same time look for alternatives in order to transform systems of production and consumption, which will also involve important jobs consequences.<sup>37</sup> The creation of green jobs is aligned with the call of the Paris Agreement to create quality jobs and decent work for a just transition.<sup>38</sup>

## Chapter 2. Labour rights, social dialogue and governance

### 2.1 Respect for labour rights and labour standards

111. The countries of Latin America and the Caribbean have adopted a relatively high number of ILO conventions and have almost reached universal ratification of the fundamental Conventions. At the same time, labour and constitutional jurisprudence in the region is abundant and influential and there is a significant amount of both labour doctrine and academic work. Both jurisprudence and doctrine frequently refer to international labour standards and to the observations and recommendations of the supervisory bodies of the ILO.

112. But it is also true that countries in the region face significant challenges in terms of applying international labour standards and labour legislation. These include: a lack of alignment between national labour legislation and international labour standards; failure to respect and effectively apply labour standards, in particular in the matter of fundamental principles and rights; weak administration and inspection of labour; slow and incomplete justice with respect to labour and a lack of employment dispute resolution; lack of a culture of social dialogue; and a need for further strengthening of employers’ and workers’ organizations.

#### (1) Alignment of national labour legislation with international labour standards

113. Since the last American Regional Meeting, ratification has taken place of the Convention on the Right to Organise and Collective Bargaining Convention, 1949 (No. 98) by Canada (2017); the Equal Remuneration Convention, 1951 (No. 100); and the Discrimination (Employment and Occupation) Convention, 1958 (No.111) by Suriname (2017); the ILO Minimum Age Convention, (no. 138) by Mexico (2015), Canada (2016) and Suriname (2018); the Worst Forms of Child Labour Convention, 1999 (no. 182) by Cuba (2015); and of the Protocol of 2014 to the Forced Labour Convention 1930, by Argentina and Panama (2016) and Jamaica (2017).

114. There is also a high rate of ratification of governance agreements, like the ratification of the Tripartite Consultation (International Labour Standards) Convention, 1976 (no. 144) by Panama in 2015. Similarly, the special role of countries in the region in ratifying the Domestic Workers Convention, 2011 (no. 189)<sup>39</sup> stands out.

37 ILO (2017). Work in a changing climate: The Green Initiative (Report of the Director-General). Geneva: ILO.

38 The proportion of green jobs varies but they have been identified in sectors such as agricultural livestock; forestry; fishing and aquaculture; manufacturing industry; energy and fuels; waste management; construction; business, social, community and trade services; transport; and tourism.

39 Fourteen of the 25 ratifications of the Convention come from the region: Argentina (2014), Plurinational State of Bolivia (2013), Brazil (2018), Chile (2015), Colombia (2014), Costa Rica (2014), Dominican Republic (2015), Ecuador (2013), Guyana (2013), Jamaica (2016), Nicaragua (2013), Panama (2015), Paraguay (2013) and Uruguay (2012).



115. However, according to the Committee of Experts on the Application of Conventions and Recommendations (CEACR) and the Committee on the Application of Standards of the International Labour Conference, some countries have sometimes longstanding inadequate national labour legislation in relation to certain ratified conventions.<sup>40</sup>

116. At the same time, it is an established practice in many countries to request technical assistance from the ILO with respect to processes for the preparation and review of legislation, and in recent years in some countries, extensive reforms have been adopted in order to respond to several of the comments made by supervisory bodies of the ILO and that have been observed with satisfaction by the CEACR. Likewise, the creation in some countries of tripartite mechanisms in order to follow up on the comments of the ILO supervisory bodies and promote the alignment of national legislation with international labour standards should be noted.

117. Alignment and reform of labour legislation must be addressed both in legal terms, analysing its consistency with international labour standards, as well as in economic and social terms through rigorous analysis of its impact on employment; access to social protection; informality; incomes and income distribution; and productivity.

118. Changing patterns of production and work, limitations in the regulatory role of nation States and the diminished capacity of trade unions with respect to collective representation present challenges for labour legislation.

119. Labour legislation is also under pressure to align due to new forms of contracting that are usually presented in intermediation or triangular relationships: at home or remotely; through part-time and flexible work; or work for a fixed term or period of time. Some of these are associated with new business models that are linked to new technologies via online platforms and special applications, which have given rise to the so-called “collaborative economy”, or “on-demand economy”. The increasingly frequent use of processes involving contracting out, triangulation, subcontracting or outsourcing render it necessary to avoid gaps in regulations that could hinder access to and the exercise of labour rights and, especially, collective rights.

## ■ (2) Respect for and effective application of fundamental principles and rights at work

120. Compliance with fundamental principles and rights at work is a high priority issue in a region that has particularly high rates of inequality, discrimination and exclusion.

121. *Freedom of association:* Difficulties have been observed in the application and enforcement of labour legislation, especially in relation to freedom of association, trade union rights and the right to collective bargaining. Workers’ and employers’ organizations have repeatedly pointed out that the violation of this fundamental right has led to a weakening of the industrial relations system in some countries and has given rise to numerous complaints filed with the ILO by both sides. Some of the most frequent challenges dealt with by the ILO supervisory bodies in the region concern the full guarantee of civil and political rights (in particular, so that the rights and freedoms of workers’ and employers’ organizations and social dialogue can be exercised in a climate devoid of any violence or intimidation), the absence of adequate protection against anti-union discrimination (including adequate sanctions and compensation mechanisms, as well as

40 Reports of the Committee of Experts on the Application of Conventions and Recommendations. For example, in relation to Conventions Nos. 87 and 98 on freedom of association and collective bargaining, the legislative comments of the CEACR regarding certain countries of the region refer, among other issues, to: direct or indirect restrictions on the possibility of union pluralism, excessive requirements to form trade union organizations, excessive restrictions on the autonomy and freedom of action of trade union organizations, insufficient legislative protection against anti-union discrimination or provisions contrary to the promotion of collective bargaining with trade union organizations, etc. Regarding equality of employment and occupation, national legislation in several countries in the region still does not fully reflect the principle of equal remuneration between men and women for work of equal value, which is enshrined in Convention No. 100. This principle is of fundamental importance to address the persistent gender wage gap in the region. Also, the legislation of some countries in the region still does not cover all the grounds for discrimination listed in Convention No. 111 (e.g. political opinion or social origin).

rapid and effective procedures) and insufficient encouragement of collective bargaining, both in law and in practice.

**122.** Latin America has the highest number of complaints filed with the ILO Committee on Freedom of Association. While this does not mean that freedom of association is violated in this region more than in other parts of the world, the frequent appeals made to the Committee on Freedom of Association does illustrate the need to strengthen trust in the national institutions responsible for enforcing labour laws and to consolidate social dialogue mechanisms that allow the recurring issues raised in the those complaints to be addressed and resolved. In this regard, with the support of the ILO, mechanisms have been created to deal with conflicts in some countries (in particular, with respect to freedom of association and collective bargaining) in order to promote their resolution at the national level.

**123.** At the same time, significant progress has been noted in some countries, for example, in relation to the recognition of freedom of association and the right to collective bargaining for public sector workers or the adoption of labour laws that seek to provide effective protection in cases of anti-union discrimination.

**124.** *Child labour and forced labour:* ILO estimates show that between 2012 and 2016, the region of Latin America and the Caribbean registered a decrease of 17 per cent in the rate of child labour and 35 per cent in the rate of hazardous child labour. The progress made in this area by countries in the region has been highlighted by the CEACR.<sup>41</sup>

**125.** Despite the progress made, challenges remain. Estimates show that in the Americas there are 10.7 million children and adolescents in situations of child labour, which represents 5.3 per cent at the global level. Of these, 6.5 million are in hazardous work, which represents 3.4 per cent at the global level. There continues to be a concentration of child labour in agriculture, where 51.5 per cent of working children in the region are to be found, followed by the service sector (27.4 per cent) and industry (13.2 per cent).

**126.** Nevertheless, new ILO estimates show that there are more than 1,280,000 people in forced labour in the Americas, which means a rate of 1.3 people per thousand inhabitants (ILO, 2017).<sup>42</sup> In the framework of the application of the ILO Forced Labour Convention, 1930 (No. 29), while recognizing that the phenomenon of trafficking in persons for labour and sexual exploitation was a widespread and complex phenomenon, the CEACR has pointed to positive measures taken by most of the States of the region in relation to the adoption of legislative and institutional frameworks to combat trafficking in persons.<sup>43</sup> Likewise, it has continued to analyse the situation in certain countries in the region in relation to more traditional forms of forced labour such as “slave labour” or forced labour imposed on indigenous workers and has highlighted the creation of specialized national institutions to fight against forced labour and to coordinate the action of the different public entities in this regard. The CEACR has

41 Referring to its previous recommendations, the CEACR has noted with interest the adoption of legislative measures, for example, in relation to: i) the increase in the minimum age for admission to employment (Argentina, CEACR observation of 2014); ii) the adoption or updating of the list of types of work dangerous to development and health, prohibited to persons under 18 years of age (Chile, observation of 2017, Cuba, observation of 2015, Costa Rica, observation of 2015, Ecuador, observation of 2009, Nicaragua, observation of 2011, Paraguay, observation of 2016); or iii) the criminalization and punishment of certain practices such as child pornography and sex tourism (Panama, observation of 2010), sexual exploitation and trafficking of children (Ecuador, observation 2015). In most countries of the region, governments have adopted programmatic measures, including national action plans to combat child labour and its worst forms, and have adopted conditional cash transfer programs, for example, “Bolsa Familia” (Brazil) or “Opportunities” (Mexico) to keep children in school.

42 ILO (2017). *Global Estimates of Modern Slavery: Forced Labour and Forced Marriage*. Geneva: ILO.

43 See for example the direct requests addressed to Peru in 2017, Nicaragua (2017), Guatemala (2015), Argentina (2014) or Costa Rica (2014). It has been observed that the great majority of the countries in the region have drawn up national plans of action or national strategies to combat trafficking in persons based on the axes of prevention, protection of victims, repression of perpetrators and coordinated action. These countries are faced with the challenge of implementation.

encouraged Governments to redouble their efforts to continue fighting against forced labour and, in particular, to strengthen the presence of the state and of law enforcement institutions in regions where forced labour has been detected.

**127. Gender equality:** approximately one in three women in Latin America and the Caribbean do not have their own income, in part because their participation in the labour market is still much lower than that of men (50.2 per cent against 74.4 per cent).<sup>44</sup> In addition, rates of unemployment and informality are higher for women than for men. Labour markets in the region continue to be highly segregated, with women highly concentrated in the social, community and personal services sector and the commerce sector (63 per cent). Both are sectors of low productivity associated with lower levels of educational attainment, low wages, sparse social security coverage, more insecurity at work and they are often characterized by the absence of a contract. In addition, the gender wage gap in Latin America remains around 15 per cent, which means that women's earnings continue to be 85 per cent of those of men.<sup>45</sup>

**128. Indigenous and Afro-descendent peoples:** In almost all social, labour and income indicators, there are wide gaps between indigenous and non-indigenous populations. And the probability of working in the informal economy and not being covered by social security is much higher for indigenous people than for non-indigenous people. Statistics also show that indigenous peoples are disproportionately represented among victims of discrimination, child labour and forced labour. There is a persistent pattern of social exclusion of indigenous peoples, both in urban and rural areas, which is very closely associated with a disadvantageous productive inclusion and the labour market.

**129.** Despite the scarcity of statistical data, there are many signs of inequality in Latin America suffered by people of African descent in terms of access to education and vocational training, their high unemployment rates, their disproportionate presence in informal jobs and those that require a low level of qualifications.<sup>46</sup> In Brazil, for example, unemployment among people of African descent is 50 per cent higher than that of European descendants, whose average monthly income is almost double that of Afro-Brazilians. In Panama, the unemployment rate of people of African descent, especially young people, is above the national average.<sup>47</sup>

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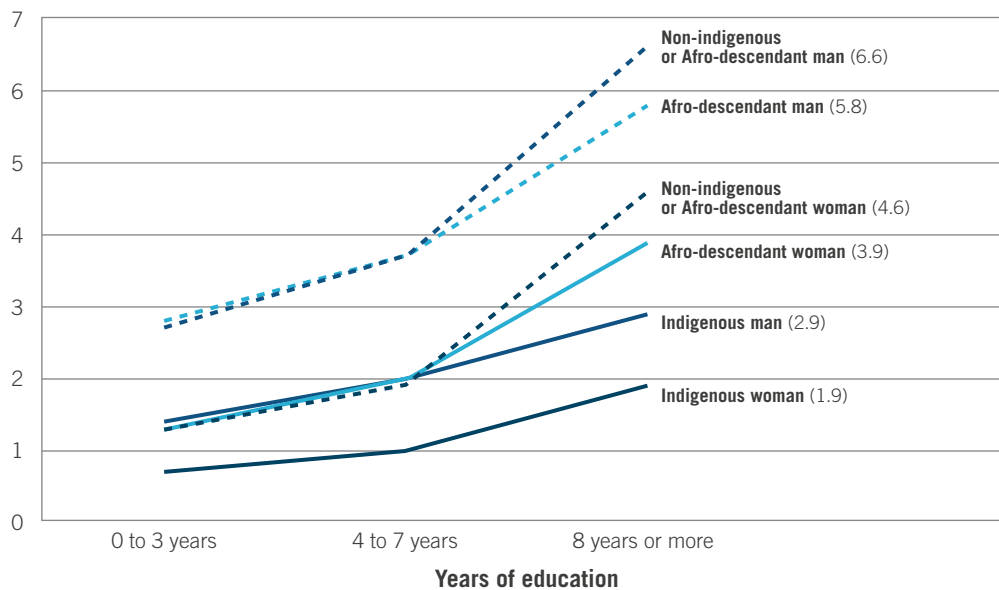
44 ILO (2017). 2017 Labour Overview. Lima: ILO Regional Office for Latin America and the Caribbean. Estimates for the third quarter of 2017 based on official information of household surveys of the countries concerned.

45 ILO (2017). 2017 Labour Overview. Feature Article: Wage trends in Latin America, 2005-2015. Lima: ILO Regional Office for Latin America and the Caribbean.

46 ECLAC (2017). Situación de las personas afrodescendientes en América Latina y desafíos de políticas para la garantía de sus derechos. Santiago de Chile: ECLAC.

47 ILO (2016). Supplementary Report: International Decade for People of African Descent (2015-2024). Doc. Governing Body March 2016. Geneva: ILO.

**Figure 4. Latin America (9 countries). Labour income by sex, race/ethnicity and years of schooling, national totals, around 2013 (multiples of the poverty lines)**



**Source:** Taken from ECLAC (2015). Social Panorama of Latin America 2015. Santiago de Chile: ECLAC. Available at [http://repositorio.cepal.org/bitstream/handle/11362/39965/4/S1600175\\_es.pdf](http://repositorio.cepal.org/bitstream/handle/11362/39965/4/S1600175_es.pdf)

**130.** Available data show how the region continues to be characterized by high levels of inequality, discrimination and exclusion. The effective implementation of Convention No. 111 on discrimination in employment and work and the need to understand and address the multiple dimensions of discrimination, including, among others, the ethnic and gender dimension and poverty alleviation policies focused on the promotion of decent work are critical for more inclusive growth, reducing inequality and greater social justice.

### ■ (3) Labour administration and inspection

**131.** The importance of having effective labour administration systems is a constant focus in the region and one that has been reinforced in recent years. Although ministries of labour in different countries continue to face significant financing problems, they constantly strive to achieve effectiveness. Application of the law is a recurring theme and there are many efforts to guarantee it.

**132.** One of the most interesting advances in recent years in the administrative and social area has been the creation of the Ministry of Labour, Employment and Social Security of Paraguay,<sup>48</sup> which the ILO has continuously helped to strengthen over the past four years. In addition, ministries of labour have opted for modernization, taking advantage of the introduction of digital government by public administrations in many countries. The implementation of different services via the Internet has become widespread, thus making it possible to broaden users' access to information, streamline online processes and, ultimately, improve the quality and efficiency of services.

**133.** Labour inspection systems face major and different challenges in different countries, and they have also undergone specific programmes and substantive reforms. The number of inspectors in Latin America and the Caribbean varies significantly between countries, ranging from one inspector for every forty thousand employees (the smallest) to one inspector for every

48 Act 5115/13 created by the Ministry of Work, Employment and Social Security of 29 November 2013.

five thousand employed persons. The same is true of the number of annual visits per inspector (between 20 and 400).<sup>49</sup>

**134.** The need to improve inspections has led various governments in the region to opt for modernization processes that have included aspects such as: introducing more strategic and proactive inspection models; perfecting electronic management tools; improving data collection and processing in order to achieve greater efficiency; creating integrated inspection systems; and reforming sanctions regimes, among others.

**135.** It is a priority for employers and workers that labour administration and inspection systems are capable of developing procedures and processes that are clear, effective, efficient, predictable and fundamentally free of any discretion, in particular on the part of inspection service officials. The performance of the labour inspection is a direct reflection of the weakness or strength of the ministries of labour in the region. The countries with the highest degree of formalization, economic progress and available fiscal resources have reinforced the autonomy of their ministries of labour and given them broader powers. The relatively less developed countries tend to have institutions with reduced functions, with little or no political influence, marginal resources, few personnel and low salaries and specialization.

#### ■ (4) Labour justice and labour dispute resolution

**136.** Labour justice systems have experienced significant changes with respect to their design and strategies in different countries that have been put in place to counter the poor reputations generated by delays in processes as well as by an inability to enforce judgments or awards, or by their impact - sometimes harmful or inadequate - on companies, in particular, the smallest companies. Employers and workers require efficient, effective and predictable judicial processes, free of discretion in the application of the law and regulations.

**137.** Labour justice has proved to be ineffective in changing labour market conditions and during labour unrest, especially as regards individual rights and protection against anti-union discrimination. In most countries, the main reason for individual conflict was dismissal. Greater efforts are needed to modernize conflict resolution mechanisms, ensure specialized justice is delivered and guarantee greater and more effective protection when fundamental rights at work are at stake. The changes should be aimed at streamlining and simplifying procedures by offering guarantees to the parties.

**138.** In recent years, countries in the region have made efforts to create specialized institutions or to improve processes in existing institutions, for example, through the introduction of oral proceedings in labour trials and the reform of labour legislation to shorten deadlines and simplify processes.

**139.** The ILO has offered support to a large number of countries in establishing institutions to help resolve labour conflicts at the national level. In 2017, a tripartite regional forum on Commissions on Conflict Resolution was organized, with the aim of sharing experiences on this topic. The delegations of the 10 countries recognized the importance of these bodies established to promote dialogue in order to resolve problems before they were taken to international bodies, they expressed their commitment to maintaining them and asked the ILO to support follow up on the agreements.

#### ■ (5) Towards strong employers' and workers' organizations

**140.** In seeking to strengthen their institutions, workers' organizations face external and internal problems. Historically, in their development they have had to position themselves close

<sup>49</sup> See ILO (2015). *Tendencias de la inspección del trabajo frente a la formalización: experiencias de América Latina y el Caribe*. Lima: Oficina Regional de la OIT para América Latina y el Caribe.

to political views or political parties and have supported initiatives and positions in an attempt to try to influence the development of their countries; some of those features are still present and continue to influence the actions of trade unions.

**141.** Currently, a major problem is the low and declining unionization rate, as seen in several countries in the region. According to regional union sources, the unionization rate is 19 per cent for the entire region of the Americas, with 25 per cent for Latin America and the Caribbean and 13 per cent for North America. The countries with density greater than 30 per cent are Cuba (69 per cent), Argentina (48 per cent), Uruguay (34 per cent), Canada (33 per cent) and those with a density of less than 10 per cent are Peru (6 per cent), El Salvador (5 per cent), Colombia and Ecuador (4 per cent) and Guatemala (3 per cent),<sup>50</sup> representing very diverse situations.

**142.** Among the external factors that explain this are: a culture that excludes unionization which is typical of unequal societies, with fragile democracies and labour institutionalization with few guarantees; the existence of restrictive legal frameworks; and the anti-union practices of some employers (public and private). Among internal factors, it is recognized that it is essential to improve union practices; social prospects; image and social leadership; as well as proposals for and responses to social and labour problems; promote self-reform and unity in order to halt the fragmentation and dispersal of unions which embody both freedom of expression and freedom of association.

**143.** Employers' organizations are keen to provide enabling, stable and friendly environments for sustained and sustainable business development, understanding that a clear, simple and predictable regulatory environment is vital in order for companies and enterprises of all sizes and types to be born, develop and to consolidate in bona fide businesses that offer decent and productive work. In this context, respect for labour standards is part of business development.

**144.** It is also essential to strengthen the capacities of employers' organizations so that they remain relevant to their members. Employers' organizations in the region also know and appeal to ILO's standards enforcement bodies whenever they face difficulties in exercising freedom of association.

**145.** The importance of addressing this issue from a sub-regional point of view was demonstrated in the support provided by the ILO to the Caribbean Employers Confederation and the Caribbean Congress of Labour. These institutions can exert important influences not only at a national level but also before supranational institutions such as CARICOM and the Organisation of Eastern Caribbean States (OECS).

**146.** In the region, there is a clear need for strong, free trade union and business organizations with the technical, operational and political capacities to engage in dialogue on the wide range of challenges on economic and social issues; sustained, inclusive and sustainable growth; and productive development and decent employment that the region must address.

## ■ (6) Collective bargaining

**147.** The reality in Latin America, as in the rest of the world, is diverse in relation to collective bargaining. Comparing figures and data from the last decade, Argentina, Brazil and Uruguay show percentages of coverage of collective bargaining very similar to those of high-income countries, which is consistent with the fact that they are the only countries with sectoral

50 Orsatti, A (2016). Densidad asalariada, sindical y negocial en las Américas. Publicado en CSA-OIT, "Panorama Regional Normativo en materia de Libertad Sindical, Negociación Colectiva y Autorreforma Sindical". Sao Paolo, 2016 <http://www.relatos.org/documentos/ORGOrsattiDensidadesALC.pdf>

collective bargaining. According to data from the ILO,<sup>51</sup> countries such as Peru and El Salvador, coverage is around 5 per cent and in Panama it is much lower.

**148.** Notwithstanding coverage and collective bargaining rates, there are interesting examples in the region in relation to traditional issues along with other new issues and labour challenges. For example, collective bargaining in the public sector has become relevant in some countries in the region and the promotion of the ratification of Conventions nos. 151 and 154 has gained impetus. In other countries, the organization of domestic workers in unions has facilitated negotiations, either on minimum wages or on collective agreements, as in Argentina and Uruguay. In Uruguay, the League of Housewives, Consumers and Users of the Eastern Republic of Uruguay joined the Council on Wages of Group No. 21 (Domestic Service), together with the Ministry of Labour and Social Security and the Unified Trade Union of Domestic Workers, and since 2008, with mediation from the Council, they have signed several agreements on wages, working conditions and benefits, all of which have universal application in the sector, including with respect to migrant domestic workers.

**149.** Another area where there has been significant development has been in the recognition of the importance of collective bargaining in promoting gender equality and combating discrimination against women. And that is why collective agreements have multiplied, including specific clauses in areas as diverse as the prevention and combating of sexual harassment; equal pay; equal opportunities for access to more better qualified job positions and vocational training; the elimination of discriminatory factors in selection and promotion processes; and the extension of legal protection to maternity and paternity, as well as other provisions that promote a better balance between the exercise of family responsibilities and paid work.<sup>52</sup>

## 2.2 Social dialogue and governance of the world of work and production

**150.** Social dialogue has been one of the founding principles of the ILO since its establishment in 1919. It is the governance model promoted by the ILO for the achievement of greater social justice, promotion of employment, good labour relations and social and political stability. Social dialogue embodies the democratic principle that those impacted by policies must have a voice in decision-making, but above all it can be a means for economic and social progress because it facilitates consensus on economic, social and labour policies, in addition to promoting the effectiveness of legislation and labour market institutions.

**151.** Unfortunately, in practice, the culture of social dialogue in a majority of countries in the region is weak. Several countries are characterized by a significant degree of social conflict and by deep mistrust of governments and public institutions and between different sectors. The culture of dialogue to reduce social conflict is not embedded in institutions and instead there is a culture of confrontation and situations of great mistrust that affect governability.

**152.** These characteristics of governance and social dialogue affect and, at the same time, are affected by economic and social conditions: inequalities and exclusion increase the possibility of social conflict, corrode confidence in democratic institutions and put great pressure on governments. In turn, the lack of a broad political consensus based on solid processes of social dialogue frequently hinders the promotion of an agenda based on development, employment, inclusive growth and an improvement in social justice that can inspire the efforts of different actors in a constructive direction.

<sup>51</sup> Source: [www.ilo.org/ilostat](http://www.ilo.org/ilostat) (IRData).

<sup>52</sup> ILO (2016). Labour relations and collective bargaining. Negotiating for gender equality. Issue brief N° 4 of INWORK. October 2016. Geneva: ILO. [http://www.ilo.org/wcmsp5/groups/public/---ed\\_protect/---protrav/---travail/documents/publication/wcms\\_531114.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_531114.pdf)

**153.** Research on the economic effects of institutions that promote social dialogue, especially collective bargaining, shows that when it works, there are positive economic effects. In situations in which social dialogue and collective bargaining function well, wage increases frequently align with increases in productivity and a reduction in wage inequality is generated.

**154.** Social dialogue should not be limited to issues of wages or working conditions. There is already a wealth of international experience concerning social dialogue on topics such as vocational training to solve requirements in terms of qualifications, as well as on the effects of improved productivity, and on productive development policies in general.<sup>53</sup> In light of the large and growing gaps in Latin America and the Caribbean with respect to productivity and lack of productive development and diversification, it is important to strengthen and, where necessary, create institutions that promote social dialogue on these issues.

**155.** When there are no representative, free, organized and empowered organizations of workers and employers, it is more difficult for social dialogue to take place and for it to be relevant. The promotion of unionization and association are therefore both important objectives for ILO action on social dialogue. Social dialogue is also a challenge when governments are not sufficiently committed to a genuine process of consultation or inspire little trust and credibility on the part of social partners.

**156.** The benefits of social dialogue must reach an increasing number of workers, including those under new forms of contract in micro, small and medium-sized enterprises (MSMEs), those in the rural economy, migrant workers and other vulnerable groups that are not organized. That is, social dialogue must be inclusive. This challenge is very important for workers' and employers' organizations and they must make an effort to increase their representativeness and affiliation capacity among these groups, but it also demonstrates the need to review labour legislation. Likewise, it is necessary to broaden and maintain the participation of women in social dialogue mechanisms in order to achieve wider promotion of gender equality in the world of work.

**157.** Institutional dialogue has been affected by a lack of regularity in meetings and in the process of formulating tripartite institution agreements. In general, it can be said that social unrest and lack of confidence in governments<sup>54</sup> and in public institutions has affected tripartite interaction. However, some countries have had successful experiences such as the adoption of the Law on Labour Procedure in Costa Rica, which was achieved through a process of consensus, or the Law of 2017<sup>55</sup> in Chile which established the Higher Labour Council, a tripartite and consultative body, with the aim of promoting social dialogue and just, modern and collaborative labour relations. In other examples, processes of tripartite dialogue have led to the adoption of social pacts on issues related to the environment<sup>56</sup> or to formalization of work.

**158.** One tripartite institution that has undergone a major transformation in recent years is the Council for Economic and Social Development in Brazil; it has modified its composition since 2016 by presidential petition, and now includes civil society groups and professionals from various fields, thus expanding its original classic tripartite composition. In addition, the Federal Government has created the National Labour Council, which is focused on the field of labour relations.<sup>57</sup> The Economic and Social Councils of Grenada and the Dominican Republic have undertaken programmes and actions to develop their organizational capacity.

53 See the series of technical notes on the productivity councils of Mexico and Chile, competitiveness councils in Columbia and Chile and other bodies.

54 ILO (2016). 2016 Labour Overview. Lima: ILO Regional Office for Latin America and the Caribbean.

55 Law N° 20.940 that modernizes the labour relations system. April 2017.

56 Global Pact for the Environment 2016.

57 International Conference "Social dialogue and the future of work". Report for the Conference ILO-AICEISIS-OKE, November 23-24 in Athens, Greece. Geneva: ILO.



159. Sub-regional dialogue continues to bear fruit in the region and in 2015 MERCOSUR<sup>58</sup> updated its Social and Labour Declaration with a view to promoting social dialogue and tripartism, including the establishment of effective mechanisms to facilitate permanent consultations between workers, employers and governments.<sup>59</sup> Something similar has taken place in CARICOM where the Caribbean Employers' Federation (CEC) and the Caribbean Congress of Labour (CCL) have made significant progress in representing employers and workers in the Council for Human and Social Development and have developed a joint position on the alignment of educational outcomes with the requirements of the labour market.

## Chapter 3. How to prepare the future of work we want

### 3.1 The future of work and Agenda 2030: shared goals and aspirations

160. The 2030 Agenda for Sustainable Development is a plan of action to build a better future for humanity and it contains a strong component of measurement and monitoring.

161. This vision is aligned with the aspirations of actors in the world of work, placing emphasis on the need to achieve sustained, inclusive and sustainable growth, create productive employment and decent work, formalize labour, reduce inequality and promote respect for rights at work.

162. Agenda 2030 recognizes that labour markets are capable of transmitting and reproducing inequality or inequity. Alternatively, if the necessary measures are taken and agreed objectives are met, they can operate as drivers of social mobility and raise incomes and living standards, thus contributing to social cohesion.

163. The commitment of the ILO to social justice and decent work, to reducing inequality, non-discrimination and respect for human and labour rights is reflected in the objectives of Agenda 2030, which is why it constitutes a powerful instrument to promote the changes necessary to achieve the future of work we want.

164. In seeking to achieve this, however, the region faces difficulties that cannot be underestimated. There are numerous structural and political issues that hinder dialogue and the possibility of making progress to achieving the 17 Sustainable Development Goals.

165. In order to find the right solutions, sustain the effort to achieve them and make the necessary corrections, social dialogue and alliances must be taken very seriously as a method for identifying and solving problems, as well as for recovering the trust eroded by high levels of corruption, informality, poverty, discrimination, and the corrosive effects that these factors have on social cohesion, social pacts and, ultimately, on democratic governance.

166. In the following section, I refer to the policy challenges we must address in order to prepare a better future for work in the region, raising some general points and then setting out a series of policy areas that respond to the diagnosis in chapters 1 and 2. I will highlight some lessons learned and ask what can be done differently.

167. This section can be regarded as a contribution to the discussions of ILO tripartite actors in the region on a series of key issues related to the conversation about how to have a better future of work in the region.

58 Da Costa, I.: *Cross Border Social Dialogue and Industrial Relations: Recent Trends and Issues*, unpublished.

59 MERCOSUR Secretariat (2016). *Social and Labor Declaration of MERCOSUR*. <https://issuu.com/divulgacionmercosur/docs/sociolaboral-v2-final-ing>

## 3.2 Policy responses

168. The debate on policy is complex. However, having a broad agreement on the nature of the problems is already a good starting point in order to progress the conversation about what to do in order to build a better future of work.

169. In the debate on policy responses, it is important to make a distinction between goals, means, tools and requirements.

— The end **goals** are goals such as sustained, inclusive and sustainable growth; the creation of employment; universal social protection and the elimination of poverty; reducing inequalities; the eradication of child labour; greater social justice; respect for labour rights; and non-discrimination. These goals also contribute to other objectives such as improving social cohesion and a sense of community, and strengthening social pacts.

— The **means**, in the form of policies and programmes, are education, professional training, financing, the development of sustainable enterprises, respect for labour rights, the elimination of unacceptable forms of work, the promotion of green jobs and innumerable other policy areas that promote development.

— The **tools** are institutions and social dialogue. Without strong institutions, which incorporate the capacity to formulate, execute and coordinate policies, and make the necessary corrections along the way, social dialogue will be weak.

— Policies do not occur in a vacuum and there are certain essential **requirements**, such as having public institutions with strong technical, operational and political capabilities; the financial capacity to scale up programmes; managing a just transition; strong employers' and workers' organizations and institutional provision for interaction between key actors.

170. There can be multiple failures in the links between the ends and the means used to identify problems, design solutions and ensure the implementation of responses that make the difference between success and failure, or between good performance and poor performance.

171. Below, I comment on some key policy areas and, for each of them, what progress has been made, what has been learned and where adjustments or changes to courses of action may be required. Further details on the contribution of the ILO to these key policy areas since the last American Regional Meeting can be found in Part II of this report.

### (1) Sustained, inclusive and sustainable growth with more and better jobs: the need to focus on coordinated efforts

172. Sustainable Development Goal 8 of Agenda 2030 directly addresses the challenges of the world of work and clearly defines the goal to which we aspire. It is not just about creating jobs or increasing growth as ends in themselves. It is about creating quality jobs and achieving growth with three characteristics: they must be sustained, inclusive and sustainable. In addition, by integrating the concepts of growth and employment, the objective is clear that growth is a necessary condition for job creation, as long as that growth fulfils certain characteristics.

173. “Sustained” means moving away from the volatility that has characterized the region’s growth, due in part to its high dependence on a small number of export products. “Inclusive” has the dual meaning of social and productive inclusion, and it can be achieved most directly through the creation of quality jobs. And “sustainable” implies seeking economic and social progress that respects the environment. Sustained growth should also be accompanied by rigorous countercyclical fiscal policies that will develop and, where they already exist, improve labour market policies that are capable of cushioning the impact of recessions.

174. Lessons have been learned from the cycle of deceleration/contraction, which took place from 2012 to 2016. One lesson is that, without high and sustained growth, there is no traction in labour markets to continue reducing poverty, unemployment and informality; to create quality jobs for young people and excluded groups; and for the middle classes to continue growing. There is also no fiscal space to finance social and redistributive programmes. For these reasons, countries in the region should aspire to steady growth of 5 per cent to 7 per cent.

175. Another lesson is that while growth is indispensable, it is not enough to achieve decent work goals. Countries in the region did not undertake the task of productive development and diversification during the 1990s, at least not in sufficient measure, nor during the decade of greatest growth between 2005-2015. Up to the present time, rates continue to depend on the cycle of commodity prices. Even the slight rise in growth registered between 2017 and 2018 is a rebound that is largely attributable to the more favourable external context and not to internal efforts to create new engines of growth.

176. In order to generate a better future of work, countries must address the task of productive development and diversification based on effective social dialogue processes and clear and concrete visions of how they wish to transform their economies, their productive structures and matrices, and their employment patterns. Success requires a coordinated sum of collective efforts on the part of different national actors, headed by public policy: the public sector, employers, workers, universities, research centres, and international alliances.

177. Productive development policies are essential and central components that impact the pattern or “model” needed to achieve growth that is higher, sustained, inclusive and sustainable and that stimulates the demand for work in the region. These policies, put aside during the adjustment period after the 1980s, are now subject to renewed interest, which is not surprising given the poor performance in the region in terms of productive diversification and productivity.

178. Over the past 10 years, Latin America has begun to incorporate policies on technology, innovation, cluster development and human resources in a more explicit manner. In several countries, institutional changes have been introduced and committees set up to examine competitiveness, productivity and human capital. But this has been done in a faint-hearted manner, without bringing policies to scale, without properly connecting the various elements and without adequate linkage with trade policies, education, professional training and infrastructure.

## ■ (2) Formalization: integrated and sustained effort

179. With respect to formalization policies, governments in the region have been very active in promoting employment and business initiatives. Even so, available indicators demonstrate that informality is a persistent phenomenon that manifests itself in diverse ways and that affects a large number of workers in Latin America and the Caribbean.

180. ILO is promoting Recommendation 204 concerning the transition from the informal to the formal economy which, in terms of diagnosis, recognizes the high incidence of informality and its multiple causes and in terms of policy recommends the adoption of a mutually reinforcing integrated policy framework. The main areas include: (1) policies to improve the productivity of economic units (so that they are able to bear the costs of formalization), promote structural transformation and invest in human resources and skills; (2) making legislative and regulatory changes in order to simplify processes, records, taxes, and procedures for registration of employees in social security institutions as well as information campaigns on the procedures to be formalized; (3) Policies to remove disincentives which cause enterprises to remain small or which do not offer incentives for growth and formalization, for example, streamlined tax schemes for MSMEs and tax reduction during the transition to formality; (4) policies for extension of social security to groups that are difficult to cover; and (5) policies that strengthen the administration of

work. The first two points, along with point 4, have been the most commonly applied in the region and they have been the most evaluated.

**181.** Evidence shows that the combination of these types of policies in a context of economic growth is effective in reducing informality, as happened in Brazil from 2002 to 2012, a period in which informality fell by 13.9 percentage points. Ecuador reduced informality by 10.8 percentage points between 2009 and 2012, and in the Dominican Republic urban informal employment was reduced by 10.7 percentage points between 2005 and 2010.<sup>60</sup> However, the slowdown in growth in several countries has meant significant setbacks in this progress.

**182.** The evidence is also clear in showing that an increase in GDP per capita leads to lower levels of informality, but with markedly different levels of dispersal between countries, which suggests that other factors influence the results. It is also clear that the sectors with the lowest productivity have the highest proportion of informal workers, hence the importance of increasing productivity, diversifying towards sectors of medium and high productivity and of addressing issues related to policies on incentives, regulations and institutional factors.

### ■ (3) Policies for greater equality and social justice

**183.** For the ILO, the promotion of social justice is part of its fundamental mandate, contained in its Constitution and enriched over the years in three declarations of wide-ranging principles and policies (1944, 1998 and 2008).

**184.** Recent experience indicates that increases in the income of low-income households have been essential in reducing both poverty and income inequality. This growth has been underpinned by improvements in the quantity and quality of employment since the year 2000, by the distributive and redistributive policies of countries and by measures related to tax reforms, minimum wages, pensions and transfers linked to strategies on poverty reduction and expansion of social protection systems.

**185.** In order to address the problem of inequality of income and opportunities in the region, a combination of policies are required on growth; tax; social transfers; labour market institutions; education and vocational training; and productive development. Such policies will sustain growth and reduce the structural heterogeneity between sectors and territories, thus allowing the creation of more and better jobs.

**186.** These different policy areas reinforce each other. There is a virtuous circle that is now widely recognized between social and productive inclusion, greater equality and economic growth: greater social and productive inclusion promotes more and better growth; and having the necessary redistributive social policies in place translates into greater well-being for society. For example, between 2000 and 2015, poverty in the region was reduced by half and more than 80 million people were taken out of poverty. This was thanks to a combination of growth that made it possible to finance social programmes and innovative and ambitious conditional transfers.

**187.** However, the virtuous circle was interrupted by a cycle of deceleration/contraction and a change in policy direction. Income inequalities and inequality of access to quality public services, to justice and to governance structures are very high and this is an obstacle to growth, erodes social pacts and complicates democratic governance.

**188.** Productive development policies also make a significant contribution to influencing the reduction of inequality and improving social justice (Goal 10 of the SDGs). This is because inequalities are rooted in the very heterogeneous pattern of growth and productivity that combines

60 ILO (2014). Recent experiences of formalization in Latin America and the Caribbean. Notes on Formalization FORLAC. Lima: Regional Office for Latin America and the Caribbean.

a few sectors and territorial areas with high productivity and high wages with a large majority of sectors, activities and territorial areas with low productivity and low wages. Under these conditions, social policies, however innovative, are not enough.

**189.** In the most developed countries in the region, the United States and Canada, which already have a high level of productive development, accelerated technological change and its consequences pose the greatest challenges. In the absence of mitigation policies to help displaced workers and to re-train the workforce, automation and artificial intelligence exacerbate inequality.

#### ■ (4) Respect for rights at work and fundamental rights

**190.** Chapter 2 contains a diagnosis of the main challenges for countries in the region with respect to the application of labour law. These challenges and issues define a present and future agenda that promotes respect for rights at work and includes several objectives and central themes.

**191.** One issue is the harmonization of national labour law with international labour standards, in accordance with the recommendations of the CEACR and paying particular attention to the elimination of regulatory gaps in order to adequately cover new forms of contracting.

**192.** Another is the need to overcome deficiencies concerning the respect for and effective application of labour standards, in particular, in the matter of fundamental principles and rights. This is an issue of high priority in a region that has high rates of inequality, discrimination and exclusion. It includes: ensuring respect for freedom of association and the right to collective bargaining; the eradication of child labour and forced labour; continuing to progress towards gender equality, reducing gaps, including wage gaps, as well as the eradication of violence against women in the workplace. In addition, various types of discrimination against persons with disabilities persist.

**193.** In the Caribbean, the question of the definition of the list of hazardous work according to Convention No. 182 is of particular relevance with respect to compliance with international labour standards and the elimination of child labour. Several years after ratification, these lists are practically non-existent in Caribbean countries.

**194.** Collective bargaining is a fundamental labour market institution and its coverage remains low in a significant number of countries in the region. It is necessary to continue disseminating good practices with respect to collective bargaining in order to demonstrate that it is a powerful tool for dialogue that enables employers and workers to agree on working conditions and that it enables the inclusion of specific clauses to meet the needs of populations in specific situations of vulnerability such as migrant populations, workers in new forms of employment, women and other groups.

**195.** Redoubling efforts to implement Convention No. 169 on indigenous and tribal peoples is also a priority. It is an instrument for the protection of rights but it is also an instrument for development and orientation of economic and social policies. Convention No. 169 has had a very positive influence on national legislations and on building institutions to deal with indigenous issues that previously did not exist or were very weak. However, it is clear that the outlook is challenging, there are many lags and gaps that must be closed.

**196.** One issue that the region cannot neglect is the need to continue to strengthen labour administrations and inspections, by increasing the number of well-trained inspectors; adopting a more strategic and proactive inspection model; modernizing operating systems through the introduction of electronic and digital management tools; and modernizing the sanctions regimes applicable to different types of offences on issues of gender, outsourcing, safety and health.

**197.** As a complement to the whole system of labour relations, countries should continue to strengthen the resolution of labour disputes and rights at work with measures ranging from modernization of methods on conflict resolution, such as mediation and arbitration, to the improvement of processes in existing institutions, such as the introduction of oral proceedings in labour tribunals in order to shorten deadlines and simplify processes.

**198.** Employers' organizations and workers' organizations are essential in labour relations, and we must continue to strengthen and modernize them. Unionization rates are low in a significant number of countries in the region due to different factors, including an anti-union culture and weak labour institutions, as well as restrictive legal frameworks. Employers' organizations have also been under pressure in some countries where the fundamental right of freedom of association has been violated.

**199.** It is essential to strengthen the technical, operational and political capacities of both types of organization in order to ensure that they are well prepared to facilitate processes of social dialogue on a wide range of labour, economic and social challenges, as well as growth models and productive development strategies in the region.

#### ■ (5) More inclusive labour institutions and coverage of new forms of employment

**200.** The future of work in the region will depend to a large extent on the success of achieving more inclusive labour markets and institutions that do not reproduce inequality and that are engines of social mobility and of improvement in workers' incomes and living standards.

**201.** Fundamental dimensions of economic or productive inclusion are: the capacity to create quality jobs, which depends to a large extent on the pattern of growth and the policies of productive transformation and formalization (sections 1 and 2 of this chapter). Social inclusion depends on issues such as social security coverage (section 7); commitment to education and training that improves employability (section 6); opportunities for young people (section 9) and treatment of migrant workers (section 8). Of equal importance are: action on new forms of employment (this section); respect for labour rights (section 4) and policies to promote greater equality (section 3).

**202.** As has been well documented in recent decades, both in developing and industrialized countries, there has been a marked transition towards new labour relations, such as temporary employment; part-time and "on call" work; temporary work through agency and other multi-party modalities; disguised employment relationships and dependent self-employment.<sup>61</sup>

**203.** In Latin America and the Caribbean, workers in new forms of employment have always constituted a significant part of the labour force and a reduction in their numbers requires a combination of economic growth policies and regulatory efforts. But new forms of employment have also proliferated in sectors and occupations where they did not exist before. In addition, compared to other population groups, it is more likely that women, young people and migrants will be found in new forms of employment.

**204.** The reasons for proliferation are multiple and vary from country to country, but, in general, they include: the growth of the services sector, the competitive pressures of globalization, new platforms and technological advances, and changes in the organizational strategies of enterprises that have led to outsourcing as a way of concentrating on their "core" skills.

**205.** New and emerging forms of employment are associated with greater insecurity for workers and pose important challenges from the point of view of labour rights and the

61 ILO (2016). Non-standard employment around the world: Understanding challenges, shaping prospects. Geneva: ILO. [http://www.ilo.org/global/publications/books/WCMS\\_534497/lang-en/index.htm](http://www.ilo.org/global/publications/books/WCMS_534497/lang-en/index.htm)

corresponding coverage and protections that have been historically designed in labour law and labour market institutions with respect to employment relations.

**206.** The growth of new and emerging forms of work has led to an extensive debate on how to respond to these realities and how to adapt legislation, regulations and labour institutions in Latin America, the Caribbean, the United States, Canada and throughout the world.

**207.** This is a central issue for the future of work in the region. The ILO's research on the subject proposes recommendations that cover four main policy areas: 1) plugging regulatory gaps; 2) strengthening collective bargaining; 3) strengthening social protection; and 4) instituting employment and social policies to manage social risks and accommodate transitions.

**208.** The fact that workers who have temporary or multi-party working relationships are the first to be dismissed or to have their working hours adjusted when macroeconomic conditions worsen is one of the reasons that makes this subject particularly sensitive in a region characterized by a high level of macroeconomic volatility and volatility in growth rates.

**209.** Comparing levels and trends concerning new forms of employment between countries is not an easy task because statistical measurements are scarce, they differ from one country to another and reflect different local practices. The improvement of statistics is in itself an urgent task in order to formulate effective policies.

## ■ (6) Education and vocational training: the best option

**210.** Evidence on the impact of education on employability and the quality of employment is abundant and shows that education improves the chances of getting a job. Individuals with tertiary education are more likely to be hired than those with secondary education, and the latter are more likely than those with a primary education. In Latin America and the Caribbean, the employment rate of adults of working age who have completed tertiary education is seven percentage points higher than that of those who have completed secondary education. Formal employment is also related to a higher level of education. Education and training contribute very significantly to reducing informality.

**211.** On the other hand, the current technological revolution has generated a broad and renewed conversation about the role of skills or competences in employment, in labour markets, and in the present and future of work, and on the interactions between education and vocational training and technology.

**212.** Technological changes challenge educational and vocational training institutions to anticipate new requirements, to offer lifelong learning and to promote and facilitate the transition between different forms and systems of education and professional training. This often requires not only continuous institutional improvements on a linear basis, but also institutional reinvention. And that is precisely what is happening in many countries of the world: a reinvention of professional training.

**213.** The ILO Regional Office, together with the Inter-American Centre for Knowledge Development in Vocational Training (ILO/CINTERFOR), made a broad diagnosis of current gaps and weaknesses and the challenges of professional training with a view to the future. Based on their findings, ten guidelines for work were identified that will make vocational training systems fit to meet the challenges of the future of work.<sup>62</sup> These are:

<sup>62</sup> ILO/CINTERFOR (2017). The future of vocational training in Latin America and the Caribbean: overview and strengthening guidelines. Montevideo: ILO.

- More effective teaching methodologies and approaches, such as dual training or quality apprenticeships with on-the-job practice.
- Improved alignment between vocational training and the requirements of the private sector and enterprises, and between productive development policies and attracting investment.
- Promotion of lifelong learning between formal education and vocational training.
- Anticipation of training needs with a vision based on foresight.
- Improved certification and recognition of skills.
- A focus on entrepreneurship and the coordination of vocational training with business environments.
- Greater focus on twenty-first century skills which include not only technical training but skills such as critical thinking, creativity, communication and collaboration, as well as personal characteristics such as persistence, adaptability, curiosity, initiative and leadership.
- Better coordination of active employment policies and with a greater focus on vulnerable groups.
- “Experimentalist” management and governance in order to discover and identify problems in real time and offer flexible and adaptable solutions.
- Put these measures into effect through social dialogue.

**214.** These ten guidelines provide a road map to guide the collective efforts of governments, employers and workers in order to maximize the contribution expected of vocational training systems and generate a better future of work for all in Latin America and the Caribbean.

**215.** However, taking the direction indicated in this road map is not only a question of vision and political will: it will also require a very considerable allocation of resources and a rethinking of institutional models.

**216.** As technology impacts industry after industry, the United States and Canada will need to establish ways to enable and facilitate their populations’ access to the new opportunities created by technology, in particular, by strengthening the link between education and employment.<sup>63</sup> As in Latin America and the Caribbean, lifelong learning and periodic retraining must become the “new normal.”

## ■ (7) Social protection

**217.** As a result of improvements in employment and greater fiscal space, contributory and non-contributory components of social protection have expanded in recent years in almost all countries in the region, which has enabled the closure of gaps in coverage, albeit in a fairly unequal way.

**218.** Many countries expanded legal coverage to groups of workers who had not been included in protection systems and indicators related to salaried employment and formality improved as a result of progress in labour institutions. Labour administration, labour inspection and innovations in the collection of social security contributions played a leading role in explaining this performance.

**219.** However, in many countries many groups continue to be excluded.

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63 Council on Foreign Relations (2018). *The Work Ahead: Machines, Skills, and U.S. Leadership in the Twenty-First Century*, Independent Task Force Report No. 76.



**220.** Changes we expect to see in the organization of production and work in the coming decades represent an urgent call to reflect on the future of social protection and the policies that will determine its performance. This reflection must consider critical aspects such as the modalities under which affiliation is defined, conditions for access and the management and financing of different social security benefits.

**221.** Since labour informality in Latin America and the Caribbean affects five out of ten workers in a structural manner, it is essential to expand the coverage of contributory programmes, especially for groups that are difficult to cover and, at the same time, to address the need to strengthen social protection floors through non-contributory systems that provide guarantees of economic security for all ages, regardless of the existence of formal employment. This is a fundamental strategy in the fight against poverty.

**222.** The main challenges of any social protection system are to expand coverage, improve the adequacy of benefits and provide economic sustainability to the system over time. Thus, for Latin America and the Caribbean, it is necessary to establish strategies that increase fiscal space and improve the distributive impact of fiscal policy, including spending on social protection. At the same time, it is necessary to incorporate elements of countercyclical fiscal policy that provide a leading role for social protection, especially during recessions or economic crises, by supporting workers and their families so that their well-being is not negatively impacted and they can contribute to economic recovery. On the other hand, improving formalization of the economy, and particularly employment, is crucial to allow a sustained increase in the coverage of contributory components of social protection.

**223.** With regard to the components of social protection, and in accordance with ILO Recommendation 202 on national social protection floors, the following four guarantees of income and access to health and pensions require specific actions: (i) expand social protection coverage for children; (ii) ensure the sustainability of contributory pension systems, and increase coverage for the older adult population; (iii) guarantee the population's access to a social protection floor for health; and (iv) improve functioning and scale up guarantees of economic security for people of working age and strengthen links with programmes that increase employability and access to productive employment.

**224.** In the United States and Canada, the growth of independent work associated with the technological revolution, as well as the expectation of multiple jobs throughout life, puts a focus on the need to create portable social protection benefits that are linked to individuals instead of jobs.

## **(8) Policies for labour migration**

**225.** Addressing labour migration from a rights-based approach in accordance with the principles of social justice and decent work is an imperative for countries in the Americas.

**226.** As in the rest of the world, on the American continent the phenomenon of migration has been expanding in size, speed and complexity in recent decades and it is closely linked to the world of work and the search for employment opportunities, better incomes and decent work. The violence and insecurity that affects populations and enterprises is also a driver of migration.

**227.** Governments in the region have made important progress in taking migration issues into consideration in their policies. Several have included a focus on labour in the international migration agenda and in public policies. In this regard laws, on migration, labour and other related fields have been revised and numerous programmes and initiatives have been designed at local, national and regional levels.

**228.** However, in order to made progress in the direction agreed, it is necessary to overcome a number of weaknesses in public policies on migration governance which have been identified and documented by the ILO:<sup>64</sup>

- i) Fill the gaps and repair fragmentation of migration governance in regional integration agreements;
- ii) Strengthen labour rights in immigration institutions and governance;
- iii) Promote participation of world of work actors in regional migration consultation processes;
- iv) Include social dialogue on migration in regional integration processes;
- v) Include Ministries of Labour in inter-governmental commissions;
- vi) Promote measures to achieve coherence between migration policies and employment policies;
- vii) Improve the competencies of labour market institutions to deal with the issue of labour migration;
- viii) Increase participation of migrant workers in trade union and collective bargaining processes; and
- ix) Improve the knowledge base on labour migration, including information systems and statistics.

**229.** Similarly, in order to promote full and productive employment and decent work for immigrants and generate the most positive impact possible in the labour markets of countries of destination, it is important to coordinate policies not only on migration and labour, but also on social issues, education, health, security, social security, development and trade, among others, as well as incorporating social inclusion and the protection of rights. At the same time, given that this issue goes beyond geographical limits, countries need to agree on collaborative instruments in order to solve various aspects related to the movement of people. The protection of the social security rights of migrant workers through bilateral and multilateral agreements is fundamental if countries are to take advantage of the potential benefits of migrant labour.

**230.** *The ILO Multilateral Framework on Labour Migration: non-binding principles and guidelines for a rights-based approach to labour migration*,<sup>65</sup> contains practical guidelines and measures that allow all parties to take full advantage of the contribution of labour migration by addressing the main issues facing policymakers on migration at the national, regional and international levels.

**231.** Based on experiences of migration at the global level, the framework integrates a broad set of principles, guidelines and best practices on policy relating to migrant workers, such as the promotion of decent work, management of migration, protection of migrant workers and promoting links between migration and development.<sup>66</sup>

## ■ (9) Youth employment

**232.** With different levels of scope and progress, many countries in the region have implemented initiatives to promote decent work trajectories for young people, highlighting those

64 ILO (2016). Labour migration in Latin America and the Caribbean. Diagnosis, strategy and ILO's work in the region. Lima: Regional Office for Latin America and the Caribbean.

65 ILO (2007) *ILO Multilateral Framework on Labour Migration: Non-binding principles and guidelines for a rights-based approach to labour migration*, Geneva, 2007.

66 Discussion and work that is taking place within the United Nations for the adoption of the Global Compact for Safe, Orderly and Regular Migration (GCM) will complement and promote the actions of the countries of the Americas on the issue of migration.

aimed at promoting employment, employability and entrepreneurship. There is vast regional experience in this type of programme.

**233.** The diagnoses and evaluations carried out in the region indicate the need to continue promoting policies and action programmes. Key areas include: (a) stimulating job creation and impacting demand. The demand for employment requires economic and growth policies, policies to promote entrepreneurship and independent employment, and job creation programmes in the public sector; (b) Facilitating the transition from school to work, which requires measures related to supply, such as policies on technical and vocational education and training, and active labour market policies that facilitate adjustment of supply and demand; (c) promoting employability by improving the quality and relevance of education and professional training; (d) Policies to improve the quality of employment and social protection for young workers; (e) Protecting rights, promoting respect for labour standards and strengthening social dialogue in order to ensure greater participation of young workers and more effective dissemination of their opinions.

**234.** The promotion of youth participation is also important. Young people are part of the solution. Their voice must be heard, their creativity must be utilized and their rights must be respected in actions taken to address the youth employment crisis.

## ■ (10) Wage policies

**235.** When considering the performance of wage policies, the trend of real wages in Latin America highlights the importance of factors such as economic growth, inflation and labour market conditions. A medium-term analysis of wage trends in the region in the period 2005-2015, included as a feature article in the ILO 2017 Labour Overview of Latin America and the Caribbean, has shown that in an environment of sustained economic growth, relatively low inflation and improvements in the creation and quality of jobs, real wages in the region rose on average in a sustained manner.

**236.** At the sub-regional level, however, different behaviours were observed. In the same period, real wages grew more in the Southern Cone and the Andean region, sub-regions that had benefited from the commodity super cycle. In contrast, wage performance in Central America was modest, in line with more moderate economic and labour market performance during the period. The significance of strong economic performance for wage policies was also observed in recent years, after the commodity super cycle. Indeed, in a context of economic slowdown and a more precarious labour market, real average wages in several countries decreased or slowed down. Therefore, economic performance and its impact on the composition and quality of employment are important factors in setting wage policies.

**237.** In this sense, wage policies should connect economic performance with wage trends, particularly insofar as they reflect changes in productivity and protect the incomes of the most vulnerable workers. Therefore, mechanisms that incorporate social dialogue, such as collective bargaining, at the level of businesses or economic activity, facilitate a better response to economic conditions within productive units and economic sectors.

**238.** Another area that is important for effectiveness of wage policies is the institutional strengthening of mechanisms that reinforce compliance with legal standards. The best performance of policies on extension of collective bargaining and application of a minimum wage goes hand in hand with the existence of effective labour inspection mechanisms and institutions that enable labour mediation. This is particularly significant in cases where there is a failure to comply with wage regulations, especially among workers with more precarious institutional coverage, such as rural workers and domestic workers.

**239.** Finally, in Latin America there has been important progress in relation to the gender wage gap at regional and sub-regional levels. This improvement is principally due to

wage increases for women (approximately three quarters of the improvement) and, to a lesser extent, to changes in the composition of women's employment, with a reduction in the burden of domestic work and an increase in the proportion of employment in the private sector. There was an improvement in the gender wage gap among salaried workers in the public sector and, to a lesser extent, among salaried workers in the private sector. The challenge then remains to reduce wage gaps among a large number of non-salaried workers, including those who work in situations of informality.

### ■ (11) Policies to facilitate fair transitions in labour markets

240. Three of the factors that impact labour markets are: trade; environmental imperatives; and the technological revolution (digitization, automation, etc.). These three major change factors have three different effects on jobs: destruction of occupations with displacement of workers; creation of new jobs and occupations; and accelerated transformation of existing occupations. There are several estimates on the effects of job destruction and displacement of workers in developed countries. There is, however, a great shortage of reliable estimates with respect to developing countries. But there is no doubt that in middle-income countries such as those in Latin America and the Caribbean there will also be job losses, although perhaps to a lesser extent than in developed economies.

241. Furthermore, quality jobs that are being created are, in general, jobs that require high levels of educational attainment and more advanced communication, cognition, teamwork and social and emotional skills than the jobs that are destroyed. A significant proportion of new occupations demand the ability to interact with “intelligent machines” and data processing. And finally, there is also a tendency for existing occupations that are being transformed to move towards higher levels of technical knowledge and cognitive and digital skills.

242. Therefore, societies will have to choose responses to the changes brought about by technology, production patterns and “green” consumption and the continuing impacts of globalization. Stopping these changes does not seem to be a viable or desirable option; the best option is to respond proactively in order to facilitate the transition and adaptation of the workforce.

243. A basic framework to address the challenges of a just and efficient transition agreed by the International Labour Conference (ILC) in its 2013 discussion on “Sustainable development, decent work and green jobs” includes several elements: (1) macroeconomic and growth policies, since without high and sustained economic growth there will be insufficient creation of new jobs; (2) industrial and sectoral policies aimed at creating employment and formalizing informal jobs; (3) policies for businesses; (4) development of skills with solid interaction between the world of work and the world of education and training and a lifelong learning approach; (5) policies on occupational safety and health that ensure that new jobs are safe and healthy; (6) the promotion of solid and comprehensive social protection plans that support displaced workers and those affected by the transition; (7) active labour market policies which include methodologies that anticipate demand for the skills that are needed now and in the future; and (8) a guarantee of respect for labour rights.

### ■ (12) Policies to promote gender equality in labour markets

244. Embedding gender equality in labour markets is still a pending issue in our countries. Commitment to social justice cannot be achieved if women are left behind on the road to development. The progress made, however, has been slow: the ILO, through its initiative on women at work, has identified four areas in which there have been obstacles to progress: 1)

stereotypes, discrimination and access to work; 2) wage disparity, 3) unequal distribution and undervaluation of care work; and 4) violence in the workplace.<sup>67</sup>

**245.** The challenges posed by the future of work make these issues even more relevant today. Without strategic interventions, the gaps between women and men may increase, since the opportunities and risks implied by the changes will not be shared equally between them.

**246.** Policies that promote the training of women in technical and technological areas are of particular relevance. The efforts made in this direction must be proactive in order to remove cultural barriers and socially acceptable stereotypes. Rapid technological changes increase the urgency of developing efforts in this regard.

**247.** Care work is another core issue, since its provision, both paid and unpaid, is essential to the future of work (ILO).<sup>68</sup> This is so because women provide most unpaid care. This limits the duration and types of work they can perform and accentuates gender gaps in occupations, salaries and career development. Paid care work represents almost a fifth of female employment. Characterized by low pay and poor working conditions, its direct impact on gender inequality in the labour market is overwhelming. In this context, the ageing of populations in most countries gives rise to a very worrying picture, in which these conditions could worsen. Addressing this situation will require the adoption of transformative care policies that dedicate resources to implementing the principle of social co-responsibility and guaranteeing decent working conditions for those who perform paid care work.

**248.** The formalization of women's work in the region is a challenge that cannot be postponed. Women often find employment in the most unprotected categories of work, such as domestic work or own-account work.<sup>69</sup> Women with informal jobs face structural limitations that prevent them from accessing a decent paid job. Removing these barriers requires complex strategies that aim to guarantee their access to social protection and to sufficient income, property, financial services, education and promotion in their organization.

### 3.3 Obstacles to advancing towards the future of work we want

**249.** It could be argued that there are three main kinds of obstacle to moving towards a better future of work in Latin America and the Caribbean: political, economic and institutional.

**250.** The political and governance obstacles include issues such as: how to mobilize the will of social actors and of society as a whole; how to create shared visions, given the great mistrust that prevails in many countries; the absence of a common vision on the future of production, growth and employment; and how to reduce inequality and poverty, which can be seen as a root cause of the lack of rapid progress towards development goals. Social pacts fractured by conflict and lack of trust lead to serious problems of governance and become obstacles to progress. Concrete answers to these questions depend on the context of each country. Clearly, more effective democratic governance and strong social dialogue are required. In this sense, economic, social and labour performance within countries depends critically on the quality of democracy, not only in the electoral sense but also in the processes of democratic governance.

**251.** Economic obstacles include fundamental questions such as: how to finance and mobilize the necessary resources and how to create new engines for growth. There are serious

67 ILO (2018). The women at work initiative. Geneva: ILO. Available at: [http://www.ilo.org/global/about-the-ilo/history/centenary/WCMS\\_480301/lang--en/index.htm](http://www.ilo.org/global/about-the-ilo/history/centenary/WCMS_480301/lang--en/index.htm)

68 ILO (2018). Issue Brief No.3. Addressing care for inclusive labour markets and gender equality. Geneva: ILO. Available at [http://www.ilo.org/global/topics/future-of-work/WCMS\\_618595/lang--en/index.htm](http://www.ilo.org/global/topics/future-of-work/WCMS_618595/lang--en/index.htm)

69 ILO (2018). Issue Brief No.4 Empowering women working in the informal economy. Geneva: ILO. Available at [http://www.ilo.org/global/topics/future-of-work/WCMS\\_618595/lang--en/index.htm](http://www.ilo.org/global/topics/future-of-work/WCMS_618595/lang--en/index.htm)

fiscal restrictions in many countries and debates on spending as well as tax revenues and debt levels. Without clear national agreements, or fiscal pacts that define adequate balance sheets on taxation, and efficient and effective ways to spend and invest, it will not be possible to finance the extensive investments required to achieve the Sustainable Development Goals and the creation of a better future of work. An important condition is to include the goals and indicators of Agenda 2030 in national development plans and budgets. In addition, the issue of financing is facilitated in an environment of high and sustained growth, so the lack of engines and dynamic sectors for growth is also an important requirement. Hence the centrality of development policies and productive diversification.

**252.** Institutional obstacles arise because, with weak and fragmented institutions, which are often characteristic of the region, it is impossible to formulate and implement effective policies and channel collective action towards desired objectives. Many public institutions lack the technical, operational and political capacities to carry out their mandates, which reduces the effectiveness of the State and forms a vicious circle with a citizenry that does not receive the quality public services that it expects.

**253.** In addition, capacity for forecasting and long-term planning in countries in the region has been weak. Indeed, one of the most important institutional gaps is the existence of short-term planning, either because of institutional weakness or because of the vagaries of political and electoral cycles.

### 3.4 The way forward

**254.** The countries of Latin America and the Caribbean are going through an era characterized by a pattern of economic and social growth with high volatility, insufficient economic and social inclusion, low traction in labour markets, high informality and inequality, poor environmental results and serious problems concerning respect for and application of labour rights.

**255.** It is because of these persistent patterns that the concept of *sustained, inclusive and sustainable growth*, with the creation of *full and productive employment and decent work for all* (Goal 8) as well as the goal of achieving *greater equality* (Goal 10), and other goals that are part of the 2030 Agenda for Sustainable Development are so relevant to the future of work in the region and in the world.

**256.** The 2030 Agenda for Sustainable Development is an excellent framework of shared objectives and, as such, a good starting point to move forward. However, any progress will require us to overcome important practical obstacles in the political, economic and institutional spheres.

**257.** In the political sphere, it will be imperative to forge common goals, overcome mistrust, improve democratic governance and strengthen social dialogue.

**258.** In the economic sphere, it will be necessary to resolve issues of financing and public investment, of healthy taxation and fair tax systems in terms of the efforts and contributions of different sectors. In addition to the macroeconomic conversation, greater emphasis must be placed on specific topics such as the strategic directions of the future productive and technological matrix and the growth of productivity. Because it will not be possible to create a better future of work without a better future of production.

**259.** Overcoming institutional obstacles will require us to build capacities in order to develop visions and ambitious long-term plans; strengthen institutions that provide quality services to citizens as well as helping to maintain the course of policies, even when governments change.

**260.** And fundamentally, it will be necessary to assume and strengthen processes of social dialogue at national, sectoral and territorial levels in order to identify solutions to problems, follow up on their implementation and change course in the light of experience.

**261.** Labour markets can transmit and reproduce inequality, inequity and discrimination and thus be corrosive to social cohesion, or they can function as great engines of social mobility, increase incomes, comply with labour rights and raise standards of living and thus contribute to social cohesion.

**262.** In terms of the aspirations of Agenda 2030, that no one is left behind, the evidence from the previous sections is clear: in the labour markets of the region in the twenty-first century, many are falling behind. And this reality confronts us with key challenges on social cohesion and governance in the region by 2030 and beyond.

**263.** Only by addressing this challenging and, at the same time, very complex scenario will it be possible for societies in the Americas to create the future of work we want.

## PART II

# ILO performance and achievements in Latin America and the Caribbean during the period 2014–2018

## Introduction

264. This second part of the Report describes the main activities carried out by the ILO constituents and the ILO Regional Office for Latin America and the Caribbean since the adoption of the Lima Declaration at the 18<sup>th</sup> American Regional Meeting, in October 2014. The information presented below supplements that contained in the reports issued during the same period on implementation of the ILO programme, which are examined by the Governing Body every two years.

265. The Lima Declaration, together with the results of the programme and budget, constituted the roadmap for the region's work. Additional momentum was provided by the adoption in 2015, in a major shift, of the 17 Sustainable Development Goals (SDGs) under the 2030 Agenda for Sustainable Development, as the SDGs are closely aligned with tripartite views. In order to present the ILO's work in the region synthetically and on an aggregate basis post-adoption, in 2015 the Regional Office grouped the 19 themes of the Lima Declaration into three strategic priorities: productive development policies for inclusive growth with more and better jobs (closely aligned with SDG 8); the transition to formality; and respect for and application of international standards and labour legislation.<sup>70</sup> As can be seen in Table 1 below, 14 of the Declaration's 19 themes are covered by those three priorities. The ILO also reaffirmed its commitment to social dialogue and institutional strengthening in the region, and in 2016 the International Labour Conference reconfirmed the ILO Declaration on Social Justice for a Fair Globalization.

266. Part II of the Report is structured along the 19 points of the Lima Declaration in order to facilitate monitoring of the Declaration's implementation between 2014 and 2018.

**Table 1. Lima Declaration and priorities of the ILO Regional Office for Latin America and the Caribbean**

The Lima Declaration – ILO assistance required with a view to:	Regional priorities
1. A comprehensive policy framework to <b>promote employment</b> .	I
2. Promoting respect for <b>freedom of association and collective bargaining</b> .	III
3. Promoting an enabling environment for the <b>creation and development of enterprises</b> .	I
4. Facilitating the <b>transition</b> from the informal to the formal economy.	II
5. Promoting policies to <b>diversify production</b> based on industrial transformation.	I

(continues...)

70 See ILO (2016). *Productive development, transition to formality and labour standards. Priority areas of work for the ILO In Latin America and the Caribbean*. ILO Americas, Technical Reports, 2016/4. ILO, Regional Office for Latin America and the Caribbean, Lima. Available at: [http://www.ilo.org/wcmsp5/groups/public/---americas/---ro-lima/documents/publication/wcms\\_551772.pdf](http://www.ilo.org/wcmsp5/groups/public/---americas/---ro-lima/documents/publication/wcms_551772.pdf)



The Lima Declaration – ILO assistance required with a view to:	Regional priorities
6. Developing <b>regional integration</b> policies to promote wider trade markets and investment.	I
7. <b>Minimum wage</b> policies.	Other key topics
8. Action to address the <b>youth unemployment</b> crisis.	Other key topics
9. Promoting policies aimed at <b>eradicating forced and compulsory labour</b> .	III
10. Promoting policies aimed at <b>eliminating child labour</b> .	III
11. Promoting policies to promote <b>non-discrimination</b> in employment and occupations.	III
12. Promoting transition policies for achieving decent work, <b>green jobs and sustainable development</b> .	Other key topics
13. Promoting migration policies taking into account the ILO Multilateral Framework on <b>Labour Migration</b> .	Other key topics
14. Promoting policies aimed at eliminating the gap between labour demand and supply, with an emphasis on <b>micro-, small and medium enterprises</b> .	I
15. Promoting policies aimed at establishing <b>social protection floors and social security measures</b> .	Other key topics
16. Promoting policies to improve <b>occupational safety and health</b> .	III
17. Promoting strategies to improve the performance of and strengthen <b>labour inspection</b> services.	III
18. Promote the ILO Tripartite Declaration of Principles concerning <b>Multinational Enterprises</b> and Social Policy.	III
19. Promote issues of tripartite interest that make up the <b>2030 Agenda</b> .	Other key topics

## ILO structure and resources in Latin America and the Caribbean

267. The ILO structure in the region comprised the Regional Office in Lima, Peru, and seven country offices: Buenos Aires (for Argentina), Brasilia (for Brazil), Mexico City (covering Mexico and Cuba), Santiago de Chile (for Latin America's Southern Cone), Port-of-Spain (covering countries and territories in the English- and Dutch-speaking Caribbean), Lima (Andean countries) and San José, Costa Rica (Central America, Panama, the Dominican Republic and Haiti). In addition, the region had four multidisciplinary decent work teams – in Santiago, Lima, San José and Port-of-Spain – made up of specialists providing technical assistance to the Organization's constituents.

268. Thanks to ILO reform and the Director-General's pledge to increase technical capacity in external offices, the number of technical staff assigned to the above offices was increased with the creation of five new posts. Technical assistance was consequently strengthened in both the country offices and the Regional Office. A final component of the ILO in Latin America and the Caribbean is the Inter-American Centre for Knowledge Development in Vocational Training (CINTERFOR), located in Montevideo, Uruguay.

269. ILO activities in the region were financed by the regular budget, regular budget technical cooperation, support income from technical cooperation programmes, and the Regular

Budget Supplementary Account. Table 2 below shows the total resources used by the ILO in the region during the 2014–2015 and 2016–2017 biennia, with the corresponding funding sources. It is important to point out the difficulties the region faces in mobilizing technical cooperation resources, given that a large number of countries are middle-income and therefore not eligible for funding. In addition, the small island developing States, which are heavily indebted, are seriously constrained in terms of spending. That being said, the region’s countries themselves raised the funds attributed to the ILO, a sign of their confidence in the Organization’s technical capacity and in the legitimacy of its tripartite structure to implement programmes and projects to advance the Decent Work Agenda.

**Table 2. Structure of the resources deployed by the ILO in Latin America and the Caribbean in the 2014–2015 and 2016–2017 biennia (US\$ thousands)**

Programme in the Americas	2014-2015 Implemented	2016-2017 Implemented
Regular budget	55,272	59,698
Regular budget technical cooperation	4,237	4,846
Regular Budget Supplementary Account	6,960	6,823
Support for technical cooperation programmes	2,267	1,661
Extra-budgetary technical cooperation	41,284	40,091
<b>Total</b>	<b>110,021</b>	<b>113,119</b>

270. Through their activities, the country offices endeavoured to respond to the needs expressed by the constituents in tripartite agreements set out in Decent Work Country Programmes (DWCPs), in memoranda of understanding and in biennial programming. During the four years covered by this Report, the third consecutive DWCP was being implemented in Argentina (2012–2015), the second in Guyana (2017–2021), and the first in Costa Rica (2013–2017) and Haiti (2015–2020); DWCPs were adopted in the Bahamas (2010–2014), Barbados (2012–2015), Belize (2009–2015), Chile (2008–2016), Dominica (2010–2015), Honduras (2012–2015), Panama (2015–2019) and Suriname (2014–2016); and a subregional DWCP was adopted in the member countries of the Organisation of Eastern Caribbean States (Anguilla, Antigua and Barbuda, the British Virgin Islands, Montserrat, Saint Kitts and Nevis, and the Windward Islands of Dominica, Granada, Martinique, Santa Lucia, and San Vincent and the Grenadines) (2010–2015).

271. The complex environment in which the ILO works has prompted the Director-General to put forward a reform agenda that the Region of the Americas is implementing with a view to ensuring greater management efficiency and effectiveness. In the four years covered by this Report, all the offices in the region fully integrated the Integrated Resource Information System (IRIS), a process that required considerable financial, personnel training and process modernization efforts.

272. Results-based management – the principles of which are ongoing learning, the achievement of coherent results, strategic resources management, and constant feedback between country offices, decent work teams, the Regional Office and headquarters throughout the programming cycle – was also strengthened.

273. Following the previous American Regional Meeting, a decisive moment in the programming cycle was the reporting exercise on ILO programme implementation 2016–17,<sup>71</sup>

71 See ILO (2018). ILO programme implementation 2016–17. ILO: Geneva. Available at: [https://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---relconf/documents/meetingdocument/wcms\\_618128.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_618128.pdf)

which generated valuable lessons and provided guidelines for the programming of activities in the region for the 2018–2019 biennium. Greater coherence was achieved among country activities in each thematic area, resulting in more coordinated and interrelated work, and new computer tools, including the Dashboard,<sup>72</sup> were incorporated to facilitate the distribution of reports and thus heighten accountability.

**274.** The aim of ILO evaluation policy is to strengthen the practice of independent monitoring and evaluation. In Latin America and the Caribbean, more than 30 project evaluations were carried out from 2014 to 2018. The resulting recommendations served to adapt ongoing activities and design new ones. At the same time, new impact evaluation methodologies, cluster-type regional evaluations and thematic evaluations were incorporated. Five regional evaluations were carried out in 2017: four of them were thematic (formalization, social protection floors, promotion of environments conducive to the development of sustainable enterprises, labour migration) and one reviewed the effectiveness of ILO technical assistance implementation models in four countries in the region.

**275.** In 2016, a high-level evaluation was carried out of the technical assistance provided through the DWCPs in the Caribbean subregion between 2010 and 2015. Given the complexity of providing technical assistance to a large number of geographically dispersed countries, the evaluation recommended that a subregional labour strategy be developed to supplement activities carried out at country level.

**276.** Lastly, in order to heighten evaluation effectiveness and efficiency and obtain more accurate measurements of the ILO contribution to the SDGs, the ILO's internal evaluation capacities and those of its constituents will continue to be bolstered. Similarly, in order to spread their reach and use, summary notes will be drawn up of the principal findings of each evaluation.

### Box 1. Recommendations of the five regional evaluations

1. Promote the inclusion of systematic mechanisms for tripartite participation when designing technical assistance activities encompassing both technical cooperation and programmes financed out of the Regular Budget Supplementary Account.
2. Promote comprehensive technical assistance by strengthening the tripartite dialogue in order to ensure that the ILO cooperation agenda is aligned with the priorities established by the ILO's supervisory bodies and with national priorities.
3. Generate an advisory line for the constituents' technical teams on subjects such as policy planning, formulation, implementation and evaluation.
4. Position the Decent Work Agenda among broad target groups using ICTs and user-friendly print media.
5. Focus on products voicing proposals for gender-oriented policy, standards and legislation that seek changes in the population's working conditions.
6. Promote the follow-up and evaluation of such policies, programmes and legislation.
7. Ensure a steady flow of information to the constituents.

**277.** The Regional Office's communication staff continued in recent years to prepare press material aimed at heightening the ILO's visibility and impact in Latin America and the Caribbean. In addition to more traditional methods, it made greater use of social networks, registering a growing number of followers: 14,000 people followed the regional Twitter account @oitamericas; over 25,000 followed the ILO Spanish account operated from the region, @OIT; and 44,000

72 See Decent Work Results - ILO - 2016-2017. Available at: <http://www.ilo.org/IRDashboard/#azfoxn0>

followed the Facebook page. Communication staff also produced a relevant series of publications, the Technical Reports, with a total of nine issues published in 2016 and 2017.

## Follow-up to the Lima Declaration

**278.** This section describes the Regional Office's work in respect of each of the 19 themes or areas of work defined by the constituents during the 18<sup>th</sup> American Regional Meeting.

### I. Employment

**279.** The ILO strategy to promote more and better jobs is one of the Regional Office's main areas of work and encompasses multiple topics: promotion of comprehensive employment policy frameworks, promotion of employment for young people, training system development, promotion of macroeconomic and/or industrial policies that create more and better jobs, promotion of labour market institutions, and strengthening of employment services and active labour market policies. This section covers the first main area of work, centred on promotion of the comprehensive employment policy frameworks approved at the 103<sup>rd</sup> Session of the International Labour Conference, in 2014.

**280.** In this area, the ILO organized an international workshop in Costa Rica (2016) with key economic policy institutions. As a result, the Central Bank of Costa Rica pledged to add to its research agenda the relationship between the unemployment and inflation rates, and the Planning Office of Suriname received technical assistance to integrate considerations of employment, poverty and inequality into its macroeconomic model.

**281.** In Guatemala, the ILO helped draft the national policy for dignified employment (*Política nacional de empleo digno 2017–2032: Crecimiento económico sostenido, inclusivo y sostenible*), which was the outcome of tripartite discussions and was drawn up in consultation with all parts of the country. A national dignified employment commission and a tripartite interinstitutional technical board were set up to monitor the policy's implementation, in collaboration with the ILO. In Peru, support was provided in 2015 for the preparation of the draft productive employment plan for the Labour Ministry's Intersectoral Employment Commission, and in 2016 a note was drafted on public policy for sustainable economic growth and quality employment (*Nota de política pública sobre crecimiento económico sostenible y empleo de calidad*), to provide input for the public policy dialogues held as part of the electoral process.

**282.** In terms of employment services, Barbados, Mexico, Paraguay, Saint Kitts and Nevis, and Saint Martin, working together with the ILO, enhanced their staff training and the operations of public employment services. In Panama, support was provided to the Ministry of Labour and Labour Development for the establishment of a labour market intelligence unit. In Costa Rica, in the framework of implementation of the National Strategy for Employment and Productive Development, the Ministry of Labour and Social Security received cooperation to implement an integrated employment programme management model coordinating the services offered.

**283.** In other countries, such as Argentina, the emphasis was on specific training for more vulnerable persons; in Paraguay, help was provided to reinforce the network of employment offices, in the form of detailed operational proposals, and for the establishment of a rural employment office in San Pedro Department.

**284.** In Guatemala and Honduras (2016), technical assistance was provided to evaluate the impact of sectoral employment policies: tripartite working groups were formed that, once they had been trained, evaluated specific subsectors. In Guatemala, for example, they evaluated the housing and local market sectors.

**285.** In Chile and Paraguay, support for the activities of labour market observatories took the form of participation in technical boards and guidance on labour statistics standards, with a view to encouraging sustainability and tripartite participation. Likewise, in Guyana and Suriname, support was provided for the development of a new questionnaire and the constituents' labour statistics capacity was strengthened. In addition, technical assistance was provided to the Caribbean Community (CARICOM) Caribbean Single Market and Economy Unit for the implementation of the Caribbean Labour Market Information System platform, a tool for circulating labour statistics. In 2017, the Regional Office, working in coordination with the Organisation of Eastern Caribbean States, organized a tripartite capacity-building workshop, attended by participants from nine countries, on the development of labour and social policies.

## **II. Freedom of association and collective bargaining, and respect for international labour standards**

**286.** As indicated in Part I of this report, trade union organizations are key players that should rethink their strategies with a view to expanding beyond their traditional member base and supporting collective organization in relation to new forms of work and informal employment. As trade union membership declines almost everywhere in the world, it is of strategic interest to include informal workers, thereby ensuring that trade unions fulfil their role to promote social justice and decent work for all. This implies re-assessing internal strategies to enable more workers in non-standard employment to organize collectively and obtain formalized jobs.

**287.** In this context, the ILO provided technical support enabling trade union organizations to review the strategic focus of their structures and organizational and membership strategies, their promotion of the rights to freedom of association and collective bargaining, and their bipartite and tripartite relationships. Their role as defenders of progressive policies and their active participation in the democratic processes driving sustainable development and decent work for all were thus strengthened.

### **(1) Training on freedom of association and collective bargaining**

**288.** Around 5,000 trade union representatives from the region's countries participated in workshops and engaged in remote learning on strategic areas relating to the Decent Work Agenda, chiefly those related to programmes and policies for expanding trade union and collective bargaining coverage rates; strategic use of the ILO system of standards and supervisory mechanisms; promotion of the ratification and implementation of new conventions and recommendations approved by the International Labour Conference (Domestic Workers Convention, 2011 (No. 189), Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204), Protocol of 2014 to the Forced Labour Convention, 1930) and of fundamental labour rights and principles; strengthening of trade union participation in labour reform processes and impact on national standards, tripartite/bipartite processes of social dialogue and dispute settlement mechanisms; the design of collective bargaining programmes and of equality and social inclusion plans; strengthening of trade union networks and platforms at national, subregional and regional level, and of trade union teams specialized at national level; and training of trainers.

**289.** A region-wide approach was adopted to the array of standards and legislation on collective bargaining and freedom of association (Costa Rica in 2015 and Argentina in 2016), identifying shortcomings in terms of collective rights and legal obstacles to their effective implementation, pursuant to the comments of ILO supervisory bodies. Training in Costa Rica (2015) was part of a regional campaign on the subject and broached national and international standards in the context of labour reform processes; in Argentina (2016), previous training was followed up and the benefits and impact of national trade union plans on domestic legislation were evaluated.

**290.** Through that regional initiative and national action, the ILO provided support enabling trade union organizations to identify shortcomings in terms of collective rights in organizations and collective bargaining, stressing the legal obstacles to greater trade union membership in various sectors. Similarly, work was done to devise trade union strategies aimed at having an impact on labour reform processes in respect of the Freedom of Association and Protection of the Right to Organize Convention (1948) No. 87, the Right to Organize and Collective Bargaining Convention, 1949 (No. 98), the Workers' Representatives Convention, 1971 (No. 135), the Labour Relations (Public Service) Convention, 1978 (No. 151) and the Collective Bargaining Convention, 1981 (No. 154), strengthening of national legal teams and the regional union legal network.

**291.** Public sector bargaining was another subject of particular concern for the region's organizations. Assistance was therefore provided for the establishment of a regional union network made up of lawyers specialized in the public sector, and exchanges between more advanced countries and those involved in change processes were facilitated. Similarly, the ratification and implementation of Conventions Nos 151 and 154 (Dominican Republic and Brazil) were promoted.

**292.** By the same token, a regional strategy was deployed during the period under review to implement activities aimed at improving gender mainstreaming in collective bargaining, including the publication of studies and the creation of specific tools to help men and women trade unionists incorporate gender issues into the bargaining processes in which they participate. Support was also provided for the identification of priorities in the framework of the 2030 Agenda for Sustainable Development, including wage equality, the prevention of violence and dependent care.

**293.** At subregional level, work was done in the Caribbean to support the right to freedom of association of domestic workers, including the formation of networks of domestic workers, the development of skill certification programmes so that domestic workers could take advantage of the CARICOM free circulation system, rights training, and promotion of the workers' inclusion as such in domestic legislative reform processes.

**294.** At national level, in Colombia, a process to strengthen the three trade union confederations – the Single Federation of Workers of Colombia (CUT), the General Confederation of Labour (CGT) and the Confederation of Workers of Colombia (CTC) – resulted in the affiliation of 46,000 new workers (approximately 40 per cent of whom were women) in 25 departments and 16 sectors. The fact that 148 new organizations consequently joined those confederations shows that it is possible to increase union membership despite the currently difficult context. In the Plurinational State of Bolivia, support was provided to the Bolivian Confederation of Workers (COB) for the preparation and adoption of the strategic plan *Unidad en Acción 2017–2022* and trade union officials were trained.

**295.** In Paraguay, support was provided in 2016 and 2017 for trade union efforts to promote the rights of migrant workers, including a campaign to promote the ratification of the Migration for Employment Convention (Revised), 1949 (No. 97) and the Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143). In addition, the subregional union network continued to receive support with regard to border countries and bilateral trade union agreements were signed to promote rights-based labour migration. In the countries of Central America, the Dominican Republic and Panama, trade union organizations established, with ILO support, inter-union committees and action plans to improve the impact of confederations on migration law reform and on the defence of the rights of migrant workers.

## Box 2. Public sector collective bargaining in Colombia – a historic experience

Colombia has ratified Conventions Nos 87, 98, 151 and 154, which together constitute the broadest legal framework of international rights governing freedom of association and collective bargaining.

After 15 years of intense debate, under the terms of Convention No. 151 and Decree 160 of 2014, a final agreement, the *Acta final de acuerdo de la negociación colectiva pliego de solicitudes de las organizaciones sindicales de empleados públicos*, was adopted in 2015 and renewed in 2017. In both cases, the agreement was signed by many trade unions, including the CUT, the CGT, the CTC, the Colombian Federation of Educational Staff, the National Union of State Employees of Colombia, the Federation of Workers in the State Service, the Colombian Federation of Workers and Public Servants, UNETE, the National Federation of Public Servants, the Union of Workers of Colombia, the National Confederation of Workers, the Confederation of Public Servants and Public Services of Colombia, and the CTU, accompanied by Public Services International. The signing of those agreements marked a milestone in the country's labour relations.

The agreements cover 1,200,000 workers, representing a qualitative leap in the country's collective bargaining coverage. A pending challenge is collective bargaining in the private sector, which remains rare, despite the existence of emblematic cases such as the banana and petroleum sectors.

## ■ (2) Training in international labour standards

**296.** One of the ILO's core concerns is to spread knowledge of the content of international labour standards and to enhance understanding among national stakeholders of their scope. In so doing, it buttresses ratification processes, reinforces implementation of ratified conventions and promotes the incorporation of principles set out in the international standards in domestic legislation.

**297.** With this objective in mind, priority was given to training for officials from ministries, the judiciary, parliament and workers' and employers' organizations on the contents of the eight fundamental conventions in El Salvador and Guatemala; the Private Employment Agencies Convention, 1997 (No. 181) in Brazil; and the Forced Labour Convention, 1930 (No. 29), the Abolition of Forced Labour Convention, 1957 (No. 105), the Minimum Age Convention, 1973 (No. 138), the Worst Forms of Child Labour Convention, 1999 (No. 182) and Workers with Family Responsibilities Convention, 1981 (No. 156) in Paraguay (2017).<sup>73</sup> In 2016, a training programme was organized, in cooperation with the International Training Centre in Turin, on the system of standards for public officials from the labour and external relations ministries of six countries (the Plurinational State of Bolivia, Colombia, Ecuador, Paraguay, Peru and the Bolivarian Republic of Venezuela).

**298.** The workings of the ILO's supervisory bodies and system, fulfillment of the obligation to submit reports and other constitutional obligations were covered in training for over 300 people in El Salvador, Guatemala, Panama and Paraguay. In El Salvador, the ILO also helped draft an internal protocol on the submission of instruments adopted by the International Labour Conference to the competent authorities (article 19 of the ILO Constitution). In Argentina (2017), organizations of domestic workers were strengthened with a view to the promotion of and respect for their fundamental rights and to understanding of the ILO supervisory mechanisms. The ILO standard supervisory bodies were also the subject of a specialization programme in Ecuador (2016), which studied the international labour standards on the municipal public sector. Antigua and Barbuda (2016) examined the ILO conventions and recommendations relating to social protection and occupational health and safety, identifying priority areas in line with national realities.

<sup>73</sup> The training was provided to officials on the Tripartite Equal Opportunity Commission, the Fundamental Labour Rights and Prevention of Forced Labour Commission and the National Committee for the Eradication of Child Labour.

299. Traditionally, the region's workers' and employers' organizations have been very active in the tripartite entities established to follow up on the recommendations of ILO supervisory bodies, including the ILO Committee on Freedom of Association. In 2017, delegations from ten countries met at the tripartite regional forum on dispute settlement commissions, which was held in Colombia. The participants exchanged experiences and lessons learned, and discussed initiatives to promote social dialogue as a means of resolving conflicts; they made proposals to meet new challenges to industrial relations, enhance respect for rights and promote improved labour relations, with a view to having a positive impact on improved corporate productivity.

### ■ (3) Ratification of conventions and incorporation of international labour standards into domestic legislation

300. Many countries in the region were able to incorporate the principles set out in international labour standards into their domestic legislation thanks to ILO technical assistance. In Chile (2016), pursuant to the recommendations set out in successive reports of the Committee of Experts on the Application of Conventions and Recommendations, Law No. 20.940 was published with a view to modernizing labour relations: it incorporated, inter alia, articles on the right to bargain, occupational health and safety, and working conditions and days of various groups of workers.

301. The Government of Guatemala (2017) adopted measures for responding to the observations of the ILO supervisory bodies with regard to Convention No. 87. Among those having the greatest impact was Decree 7/2017, which was the object of a tripartite agreement and which modified the Labour Code: it introduced a new system of penalties for labour law violations to be applied by the General Labour Inspectorate, to which it restored sanctioning authority. A direct contacts mission visited El Salvador in July 2017, pursuant to a request from the Committee of Experts relating to the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144). The Government of El Salvador requested ILO support for the follow-up. In Costa Rica, the Labour Procedure Reform (2017) entered into force, incorporating amendments to the Labour Code regarding the right to strike and the introduction of orality in labour trials. This required a major effort of improvement in various agencies of the Ministry of Labour and Social Security and the judicial system. In Colombia, as a result of the intervention of the Special Committee for the Handling of Conflicts referred to the ILO, 80 agreements were reached on 120 cases submitted between 2014 and 2017 to the Special Committee and alleging failure to uphold rights related to freedom of association and collective bargaining. There is some concern, however, about the degree to which those agreements are being implemented.

302. In terms of ratifications of conventions, Honduras (2016) and Jamaica (2017) ratified the Maritime Labour Convention, 2006 (No. 185), which had been tabled in parliament in Chile. In El Salvador, an analysis was made of the rules relating to the convention's contents with a view to possible ratification. In addition, Chile, the Dominican Republic, Jamaica and Panama ratified Convention No. 189 (see Formalization of the Economy below).

## ■ III. Enabling environment for the creation and development of enterprises

303. In the framework of the 2007 conclusions of the International Labour Conference concerning the promotion of sustainable enterprises, the ILO cooperated with its tripartite constituents in the region to promote an enabling environment for the creation and development of enterprises. To that end, a regional study was published in 2016 on the current state of the 17 conditions for a conducive environment for sustainable enterprises identified in those conclusions. During the period under review, special attention was paid to implementation in the region of methodologies for driving the sustainable development of enterprises.



**304.** One of these is the assessment tool, Enabling Environment for Sustainable Enterprises, which was applied in Argentina, the Plurinational State of Bolivia, Chile, Costa Rica, Ecuador, Guyana, Nicaragua, several Mexican states and Uruguay. As a result, several of those countries (the Plurinational State of Bolivia, Costa Rica, Ecuador, Nicaragua) and the Mexican state of Chihuahua publicly presented their respective strategic agenda for the corporate sector, aimed at improving the quality of the business environment and promoting productive development. The work done in Ecuador led to the formation of a national agenda called “Ecuador 2030”, which proposes strategies for advancing towards the SDGs. The Plurinational State of Bolivia made regulatory changes to improve the competitive capacity of the private sector, in particular among small and medium enterprises (SMEs). In addition, in Honduras and the Mexican state of Jalisco the tool’s second stage was implemented: fresh evaluations were conducted of the business environment and their strategic agendas were updated.

**305.** Another of the methodologies applied was the Start and Improve Your Business Programme (SIYB), which consists of products for business management training designed for various stages of enterprise development. Starting in 2014, the SIYB was used in the Bahamas, Colombia, the Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Mexico and Peru: over 270 trainers, who went on to provide training to entrepreneurs from all the region’s countries, received instruction. In Ecuador, over 1,000 entrepreneurs were trained as part of the post-2016 earthquake reconstruction project; in Haiti, 70 young students from the National Occupational Training Institute received training.

**306.** Organizations from the social and solidarity economy also benefited from ILO cooperation. In the Andean region, a study was conducted on cooperatives in the Cauca Valley and a workshop was organized to relaunch the MyCoop methodology (a training package for the management of agricultural cooperatives) in the Plurinational State of Bolivia. MyCoop was introduced in 2017 in Haiti, where it was deployed to train 70 representatives of peasant and fishing cooperatives in the south of the country. In Guyana and Suriname, two studies on the cooperative sector resulted in recommendations for future work. In Costa Rica, the 7th Edition of the Academy of the Social and Solidarity Economy (2017) was held in cooperation with the Ministry of Labour and Social Security and the University of Costa Rica and in conjunction with the International Training Centre in Turin.

**307.** The SCORE Programme (Sustaining Competitive and Responsible Enterprises), which uses a specific methodology to help businesses increase their productivity through worker-management cooperation, served 264 businesses and 57,000 workers in the Plurinational State of Bolivia, Colombia and Peru between 2014 and 2018, contributing to an average increase in productivity in those businesses of 15 per cent. In other countries, such as the Dominican Republic, Paraguay and Suriname, the ILO financed ad hoc activities, providing support for government training centres and employer associations.

**308.** In Colombia, the programme also leveraged funds from the Ministry of Industry, Commerce and Tourism during this period. In Peru, new local partners emerged, including the Ministry of Productivity, which allocated specific resources and will maintain its support for several years. The Confederation of Private Employers of Bolivia (CEPB) was also active, converting itself into the platform for SCORE Programme training services to the country’s businesses.

**309.** For businesses to develop, they have to be able to rely on strong and modern member organizations. For this reason, the ILO, through its Bureau for Employers’ Activities (ACT/EMP), continued to work with the employer organizations of the region’s 21 countries.

**310.** In the Plurinational State of Bolivia, cooperation with the national employer organization resulted in improved services in six departmental federations of entrepreneurs and, together with the CEPB, in a new corporate social responsibility unit and economic information

service. In Peru, the ILO provided technical assistance for the establishment of an association of unions in SMEs and the drafting of the agenda for the development of SMEs. It also worked with the National Confederation of Private Business Associations (CONFIEP) to bolster the know-how of the business associations of Cajamarca and Ica.

**311.** In Colombia, ILO technical assistance focused on the establishment of the Centre for Social and Labour Studies of the National Business Association of Colombia (ANDI) and the Unit for Investment and Infrastructure Analysis in the Centre's Logistics Division. In Aruba, technical assistance was provided to the Board of the Trade and Industry Association for the development of its strategic plan 2017–2020, with a view to improving services for members.

**312.** The challenging situation in the Bolivarian Republic of Venezuela notwithstanding, the ILO backed the creation, in nine of the country's states, of an academy for trade union leaders by the Federation of Chambers and Associations of Commerce and Production of Venezuela, the founding of the Centre for Business Development and the reinforcement of the Association of Young Entrepreneurs of Venezuela.

**313.** With a view to improving member service, various business organizations started using software developed by the ILO for customer relations management, including in Argentina, the Plurinational State of Bolivia, Chile, Ecuador, Trinidad and Tobago, and Uruguay.

**314.** Between 2012 and 2018, the ILO maintained its support for the Latin American Institute for Organisational Management course (ILGO), an emblematic programme aimed at the leadership of employer organizations throughout the region. High demand led to the organization of similar but shorter training possibilities in the Plurinational State of Bolivia, Ecuador and Peru.

**315.** In the Caribbean, the natural phenomena afflicting the region prompted the ILO Employer Activity Programme to focus on bolstering the preparedness of employer organizations and enabling them to support business continuity in the face of natural disasters.

#### **IV. Formalization of the economy**

**316.** In line with Recommendation No. 204, the ILO boosted the Programme for the Promotion of Formalization in Latin America and the Caribbean (FORLAC). Launched in 2013, FORLAC emerged in 2015 as one of three regional labour priorities.

**317.** The ILO generated and spread knowledge<sup>74</sup> on the transition to formality in a rural economy and its ties to social protection, strategies for specific economic sectors (domestic work, young workers, migrant workers and disabled workers). It researched production, standard-related and tax-related aspects in order to promote formalization, and established diagnoses on the design, coverage and financing of social protection for self-employed workers.

**318.** Statistics institution officials received technical assistance enabling them to better measure informality, in line with the recommendations of International Conferences of Labour Statisticians. The Regional Office produced current statistics for the period 2012–2016, using an updated methodology validated by the statistics institute officials themselves. A handbook on how to estimate these indicators using the household surveys available in the region was published in 2018.

**319.** In the same way, technical discussion spaces were created to consolidate the constituents' capacities; the regional knowledge-sharing forum on the transition to formality (2015), the workshop with CARICOM members on Recommendation No. 204, and the fifth ILO seminar on the formalization of the informal economy in Argentina, are but a few of many examples.

74 A complete list of publications is available at: <http://www.ilo.org/americas/temas/economía-informal/lang-es/index.htm>.

**320.** Following the approval of Recommendation No. 204, a wide-scale national and regional dissemination campaign was launched in countries such as Brazil, Costa Rica, Guyana, Mexico and Paraguay. As a result, a tripartite agreement on implementation was signed in 2016 in Costa Rica, the first country in the region to adopt Recommendation No. 204. The tripartite board subsequently established concluded its deliberations by adopting a strategy for transitioning to the formal economy, the goal of which is to lower informality by 10 per cent by 2025 through technical training, social protection, administrative facilitation and tax simplification work. In Mexico, the Federal Government and the Mexico City authorities designed a critical path for developing the strategy and action plans needed to facilitate the transition to formality, again based on Recommendation No. 204 and in consultation with workers' and employers' organizations (2017). In Paraguay, the Ministry of Labour approved the Integrated Formalization Strategy 2018–2013, in line with Recommendation No. 204 (February 2018).

**321.** The technical assistance provided for the review and updating of legislative and policy frameworks with a view to incorporating integrated formalization strategies as design elements bore fruit in countries such as Argentina (Law No. 26.940, on the promotion of registered work and labour fraud prevention), Mexico (the “Crezcamos Juntos” programme) and Peru (strategies and sector plans for labour formalization 2014–2016, 2015 and 2017–2021). In Guatemala, formalization was added as a national employment policy objective.

**322.** In order to formalize informal employment, it is also crucial to strengthen labour administration and inspection. The ILO therefore supported various initiatives to that end. In Argentina, for example, a battery of government measures included the creation of a register of employers subject to labour sanctions (REPSAL), inspection reinforcement in a pilot programme in Santa Fe province, the promotion of Law No 26.940 and the dispatch to 100,000 employers of domestic workers of information letters on the formalization process. In Colombia, the Labour Ministry signed 416 labour formalization agreements whereby employers undertook to formalize their workers. In Guyana, labour inspection capacity (occupational health and safety) was bolstered in the informal mining sector.

**323.** Informality is complex in nature, and specific measures have to be devised for the various forms it takes. The formalization of micro- and small enterprises is indispensable for reducing informality. Different approaches were used to that end. Brazil, Caribbean countries (Barbados, Guyana, Jamaica and Saint Lucia) and Paraguay drew up specific diagnoses to learn about the situation in depth. In Chile in 2017, the National Chamber of Commerce established a support centre for the labour formalization of micro- and small enterprises. In Jamaica, a proposal to extend the Formalization of the Informal Economy Programme through occupational training was submitted to the Labour Ministry. In other countries, including Mexico, sector strategies were being implemented, for example in the retail sector in Mexico City.

**324.** The formalization of domestic work also received a big push in the region, spearheaded by trade union organizations. Five more countries ratified Convention No. 189 between 2015 and 2018 (Brazil, Chile, the Dominican Republic, Jamaica and Panama), bringing the regional total to 14. These campaigns were carried out under the leadership of trade union organizations in countries such as Brazil, the Dominican Republic, Guatemala and Mexico.

**325.** In addition, campaigns were carried out to promote the rights of domestic workers in a fair number of countries. In the Plurinational State of Bolivia, the National Federation of Bolivian Household Workers and the COB promoted health insurance. In Peru, a pilot campaign to register home workers was carried out in a district of Metropolitan Lima together with the National Federation of Household Workers of Peru and the National Federation of Paid Household Workers of Peru. In Mexico, a model contract was promoted in the framework of the “Empleo justo en casa” campaign. In all countries, trade union organizations strengthened unions of

domestic workers, training their leaders and increasing the number of members. For example, in the Dominican Republic, the alliance between the Inter-Union Committee of Working Mothers and unions of domestic workers led to greater unionization. In Ecuador, the newly created Union of Household Workers received support with a view to making it stronger. In Guyana, a model contract was developed for domestic workers, and in Guyana, Jamaica, and Trinidad and Tobago, support was provided for the formation of a cooperative of domestic workers.

**326.** The region's governments, with support from the Regional Office, also took steps to deal with the informality of domestic work. The resolution adopted by the Common Market Council at the MERCOSUR Summit (2017), on the legal equivalency and portability of social security for paid domestic workers, is a positive development for migrant workers. Similarly, Brazil (2015) approved Supplementary Law 150, governing contracts for domestic workers; and in Paraguay, the Domestic Labour Act introduced better pay and the right to a pension. With a view to improving insurance coverage for domestic workers, regulations were approved in Costa Rica (2017) on the registration of domestic workers with multiple employers and on an insurance subsidy for part-time workers.

**327.** Lastly, the ILO compiled impact evaluations of various formalization initiatives in the region, some of which it helped to evaluate. For example, evaluations were carried out of the REPSAL and the professionalization programme for domestic workers implemented by the Ministry of Labour, Employment and Social Security in Argentina, and of the Plan to Combat Employee Informality (PLANCITE) in Brazil. FORLAC underwent internal evaluation in 2017, in consultation with various constituents. The evaluation highlighted successful outcomes and made a series of recommendations aimed at strengthening FORLAC and ensuring its continuity.

## **V. Production reorganization and industrial transformation**

**328.** ILO research and technical assistance regarding productive development policies in the region's countries is centred on the need to strengthen the technical, operational and policy capacities of both the agencies tasked with developing production and productivity, and workers' and employers' organizations, and on reviewing and strengthening relevant social dialogue institutions, such as productivity, competitiveness and human talent committees.

**329.** Countries and international bodies are showing renewed interest in productive development policies, production reorganization and industrial transformation. The Inter-American Development Bank (IDB), the Development Bank of Latin America, the Organisation for Economic Co-operation and Development (OECD) and the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) are among those that have published flagship reports on the subject, and in some of the region's countries there has been a sharp rise in the number of competitiveness, productivity and human talent councils, with mixed methodologies and results requiring greater analysis from a tripartite perspective.

**330.** Productive development policies come with a "tool box" for reshaping the growth pattern or model to make it more sustained, inclusive and sustainable, with greater traction and positive impacts on employment and job quality, in line with SDG 8. They also form the core of SDG 9, on industry, innovation and infrastructure, via instruments such as infrastructure, support for SMEs, financial services, value chain integration, technological and innovation policies, improved Internet access infrastructure and information and communication technologies. All are key areas for preparing a better future for labour and production in the region.

**331.** The Regional Office therefore spearheaded processes to generate knowledge and stimulate social dialogue on those subjects and to identify areas in which the ILO can make the best contribution with its constituents, supplementing instead of duplicating the efforts of other

international and regional bodies, with a special emphasis on employment aspects. Major advances were made in terms of knowledge generation, capacity-building activities and social dialogue.

**332.** The ILO significantly expanded its knowledge base on productive development policies, inclusive growth and job creation in Latin America and the Caribbean, and developed an integrated approach thereto. The Regional Office's research and publications<sup>75</sup> encompassed the following: diversification and improved integration of global supply chains; environments conducive to sustainable enterprises; cluster policies as a valuable and innovative approach to accelerating productivity, learning processes and growth in SMEs; decent work challenges and productive development in rural areas; a flagship report on the future of occupational training in the region, with a diagnosis of gaps and needs, particularly at a time of accelerated technological development and changing skills demand, along with clear guidelines and recommendations for strengthening and rethinking such systems; the contribution of enterprises to job creation, analysing existing decent work gaps by size of enterprise; the effects of relations with China (trade, foreign direct investment and infrastructure) on job numbers and quality; and the story of how Costa Rica managed to move up the value chain in the operations of the multinational INTEL and the lessons to be learned from that experience.

**333.** One particularly innovative project involved the production of two studies with the same approaches or terms of reference in four countries: Argentina, Brazil, Mexico and Uruguay. One study presented an overview of productive development policies and the debate on productivity in each of those countries. The other considered three successful and three less successful policies in different sectors or value chains in the same country, and analysed the factors of success and failure with a view to drawing lessons. The studies, which were completed in 2018, have been the subject of many social dialogue activities in the countries concerned and are of great value for promoting social dialogue on productive development in the future.

**334.** In addition, a document was produced on the very successful experience of productive development and diversification, and of job creation, in Mexico's Jalisco state. The document includes an analysis of the factors of success, the role of the government, employers and workers, current challenges and the lessons to be learned from the experience for other countries and regions of Latin America and the Caribbean.

**335.** In terms of capacity building, a course was organized in Lima on productive development policies, inclusive growth and job creation (or SDG 8), together with the International Training Centre of the ILO. The course comprised sessions on complementary subjects relating to productive development policies and their relationship to the promotion of more sustained, inclusive and sustainable growth, with more and better jobs. The course is a new capacity-building tool that can be replicated in the future. In addition, various capacity-building activities were carried out on other specific productive development aids, such as sustainable enterprises, the use of tools such as the diagnosis of conducive environments, and the SCORE Programme.

**336.** A particularly important angle promoted by the Regional Office as an ILO entry point into the discussion of productive development policies is social dialogue, not only on classic labour themes, but also on productive development and reorganization policies and industrial and technological transformation in an era of automatization, digitalization and other technological revolutions. Social dialogue on those topics is essential to lay the groundwork for a better future for work. To that end, diagnoses were established of how the institution of social dialogue functioned in various bodies, such as productivity, competitiveness or productive development committees. Various experiences were documented – the national production councils of Mexico and Chile; Panama's National Competitiveness Centre; the sector boards of the Ministry of Industry, Energy

<sup>75</sup> A complete list of the publications is available at: [http://www.ilo.org/americas/sala-de-prensa/WCMS\\_538231/lang-es/index.htm](http://www.ilo.org/americas/sala-de-prensa/WCMS_538231/lang-es/index.htm).

and Mining in Uruguay; and the Production Centre in Jamaica – with relevant lessons for the tripartite constituents.

**337.** Bilateral meetings were also organized (Lima, May 2016; Mexico, February 2017), specifically to analyse social dialogue institutions for productive development policies and to promote better and more fruitful involvement on the part of the ILO's constituents in such institutions. All these events and dialogues were organized in close cooperation with the Bureau for Workers' Activities (ACTRAV) and ACT/EMP, and all involved the sharing of research and documented experiences.

**338.** In Costa Rica, through a participative process involving the social players (chambers of commerce, economic study centres, social organizations and international agencies) and promoted by the ILO, the Ministry of the Economy, Industry and Trade formulated the Productive Development Policy up to 2050, the aim of which is to identify the action needed to strengthen the country's production apparatus.

## VI. Regional integration

**339.** ILO country offices provided support for the region's various subregional and regional integration blocs, above all in the form of technical assistance for bodies specializing in labour and economic development issues.

**340.** At regional level, they actively participated in the XXV Ibero-American Summit of Heads of State and Government, which was held in Cartagena in 2016 under the theme "Youth, Entrepreneurship and Education". In that context, a report was published entitled *Promoción del emprendimiento y la innovación social juvenil en América Latina* (Spanish only). Previously, technical assistance had been provided to the IX Ibero-American Conference of Ministers for Labour and Social Affairs, which included a session on young people and the future of work. Similarly, as part of the Summit preparatory activities, ACT/EMP supported the work of the Ibero-American Business Council for the XI Entrepreneurial Meeting. In connection with the XXVI Ibero-American Summit, which will take place in Guatemala in November 2018, the Regional Office supported the organization of the first meeting between indigenous authorities and government representatives, in April 2018.

**341.** Elsewhere, the ILO provided technical assistance, through the Joint Summit Working Group, to the member countries of the Organization of American States for the preparatory process for the VIII Summit of the Americas, which was held in Peru in 2018. In that connection, a report was drawn up on ILO contributions to the follow-up to the Declaration of the VII Summit, "Prosperity with Equity", in the areas covered by its terms of reference.

**342.** In addition, the Regional Office continued to provide support for the technical work of the Inter-American Conference of Ministers of Labor (IACML). Between 2014 and 2018, the ILO lent support for the meetings of the XIX IACML, in Cancún, Mexico, in 2015, and the XX IACML, in Bridgetown, Barbados, in 2017. In 2015, the Ministers adopted a declaration, "Achieving Decent Work with Social Inclusion and Sustainable Development in the Americas", in which they called for the promotion of "the creation of decent and dignified work with equity, social inclusion, and sustainable development". In 2017, the Declaration of Bridgetown, "Building on our achievements and advancing towards social justice, decent work and sustainable development in the Americas", emphasized education and training for work, achievement of the 2030 Agenda for Sustainable Development and the promotion of gender equity and guaranteed labour rights and opportunities for vulnerable groups. ACTRAV and ACT/EMP provided technical assistance to the Business Technical Advisory Committee on Labor Matters and the Trade Union Technical Advisory Council, which participated in those meetings in order to provide employer and worker input for government priorities, thus helping to strengthen tripartism.

**343.** At the request of the countries of the Pacific Alliance (an economic and development initiative launched in 2011 by Chile, Colombia, Mexico and Peru), the Regional Office formed a joint working alliance with the International Organization for Migration (IOM) and the International Social Security Organization for the adoption of common agreements on labour migration consonant with ILO principles and guidelines. After establishing a diagnosis of labour migration in the countries concerned, they formulated recommendations for the Pacific Alliance Labour Technical Group.

**344.** In the same domain, the ILO provided technical assistance to the Latin American Parliament, which consequently adopted a declaration in 2017, “Migration in Latin America and the Caribbean: Realities and Commitments towards the Adoption of the Global Compact for Safe, Orderly, and Regular Migration”. The declaration is a statement in favour of universal adherence to ILO Conventions Nos 97, 143 and 189, and of the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families; it calls on the members of the international community and of the Latin American Parliament to promote their ratification.

**345.** The Labour and Social Security Commission of the Latin American Parliament received ILO assistance to revise the Model Law on Youth Employment, approved in 2013, in the light of the current situation in Latin America and ILO provisions and recommendations. A resolution on that revision was adopted at the Commission’s XXIV Meeting (2017).

**346.** Following joint work with the Community of Latin American and Caribbean States, the subject of “Decent work and migration” was addressed at the Community’s V Meeting on Migration (Chile, 2016). The final declaration incorporated many of the ILO’s priorities for Latin America and the Caribbean in terms of labour migration.

**347.** In addition, throughout the period under review, support was provided to the Council of Labour Ministers of Central America and the Dominican Republic, chiefly for the implementation of the Regional Strategic Agenda on labour affairs and work, approved in 2013. Noteworthy activities included the production of reports on the employment situation in the subregion (CARD Employment Barometer) and the signing of major agreements on subjects such as labour migration, child labour and technical training.

**348.** Another area of interest to the region’s countries was the analysis of the impact of labour provisions on free trade agreements. The ILO Research Department did a study of this in Colombia and Peru in late 2014; the findings were discussed in 2015 with the social partners, academics and a global advisory committee at a seminar in Lima entitled “Effectiveness of Labour Provisions in Free Trade Agreements”, and served as input for the global report, *Assessment of labour provisions in trade and investment arrangements* (2016). The report concluded inter alia that the labour provisions included in trade agreements neither destroyed nor distorted trade flows, and that they facilitated access to the labour market, especially for women.

**349.** Along the same lines, Uruguay (2016) received support for a tripartite meeting that analysed the importance of social labour clauses in trade agreements. In Colombia, the ILO cooperated in the implementation of the United States–Colombia Labor Action Plan in the framework of the approval of the free-trade agreement between the two countries.

**350.** In connection with the Association Agreement between the European Union and Central America, the Regional Office provided technical assistance to governments, social partners and other relevant parties (judges and magistrates, the legislature), with a view to bolstering their knowledge of international labour standards.

**351.** Regarding sector affairs, the Regional Office worked with horizontal partnership bodies to draw up a standardization agreement for the certification of labour skills between

Argentina and Chile. Regarding microbusinesses, the ILO backed the relaunch of the Andean Community's Andean Committee for Micro-Small and Medium Enterprises.

**352.** The constituents also received support to strengthen public trade policies. Since 2016, the ILO has provided technical assistance to help Guatemala and Honduras evaluate the impact of trade policies on employment. In Guatemala, tripartite groups received capacity building in trade, value chains and international labour standards. Panama (2015) organized a workshop on labour relations and trade union strategies relating to union rights in export free zones and global supply chains. Another workshop, held in Brazil (2016), covered global supply chains, decent work and trade union strategies, with a view to developing trade union capacity on the protection of fundamental worker rights in export free zones. In 2017, an analysis was published of such zones in Central America, the Dominican Republic and Panama. In addition, support was provided for the recent formation of UNICOM (Mercosur Confederation of Trade Unions) in the Mercosur countries and Chile, as one of the strategies to promote labour formalization in the trade sector.

## VII. Minimum wages

**353.** Minimum wage adaptation helps improve worker incomes in the lowest revenue percentiles. Unfortunately, minimum wage policies do not provide for periodic adjustments based on technical criteria. Various countries therefore requested ILO technical assistance. In Costa Rica, the National Wage Council was established to consider effective pay policies (2015) and a methodology was agreed (2016) and introduced (2017) for setting minimum wages in the private sector. In Mexico, the ILO provided advice in a similar process to the Advisory Board established by the National Minimum Wage Commission, in the framework of a programme to push for gradual recovery of the minimum wage. As a result, the real value of the minimum wage was increased in January 2017.

**354.** Nicaragua is noteworthy when it comes to setting sector minimum wages. A process of dialogue resulted in the signing of the New Tripartite Agreement on Free Zones (2018–2022), which will benefit 115,000 workers in the textile and clothing sector. The agreement includes a salary increase of 8.25 per cent annually and benefit clauses relating inter alia to health, housing and education.

**355.** In 2016, the ILO provided advisory services to ANDI on the preparation and presentation to the government of a draft standard for the establishment of a new system of integrated remuneration. The aim was to unify the different wage bills. The Ministry of Labour and Employment Promotion of Peru received similar technical assistance before it readapted the minimum wage (February 2018).

**356.** One sector in which minimum wages are particularly low is domestic work. Support therefore continued to be provided to countries like Costa Rica, where the National Pay Board approved increases in addition to general rises, in order to close the gap between the minimum wage of domestic workers and the general minimum wage. In all the countries mentioned, trade unions joined campaigns for dignified salaries in the sector. Noteworthy efforts were made by the Inter-Union Committee of Working Mothers in the Dominican Republic to set a first ever minimum wage for domestic work; and by the National Union of Household Workers in Mexico, which demanded minimum pay in a campaign for dignified conditions in the sector. In Paraguay, unions of paid domestic workers were advised on how to ensure that their views were reflected in the Domestic Labour Act (2015), which set better labour conditions and stipulated an increase of between 40 and 60 per cent in the minimum wage.



## VIII. Youth employment

**357.** The ILO continued to provide technical assistance in many fields with a view to improving the employability of young people.

**358.** First, it generated quality information. As part of the ILO and Mastercard Foundation Work4Youth project, the School-to-Work Transition Survey was applied in El Salvador (2014), Brazil (2016), Colombia (2016), Jamaica (2016), Peru (2016) and the Dominican Republic (2016). Then, in 2017, the ILO, working with the CARICOM Secretariat, the Caribbean Employers' Confederation and UNESCO, launched the Caribbean Virtual Policy Network on Youth Education and Employment, the aim of which is to help Caribbean countries and strategic partners identify, devise and implement activities to promote youth employment on the basis of scientific evidence. To that end, the youth employment programmes of nine Caribbean countries were reviewed in 2017.

**359.** In consultation with the social partners, the ILO also drew up action plans to promote youth employment. During the four years under review, it provided technical assistance for that purpose to Brazil (Rio Grande do Sul state and the city of Recife), Ecuador, El Salvador and Peru. In Mexico, it contributed to a programme, "Empleo joven: Alianza estratégica por el trabajo y empleo para jóvenes", run by the Mexican Youth Institute and the Department of Labour and Social Welfare for an anticipated three million young people. The ILO also worked to foster first job policies, allowing young people to have a first work experience: in Argentina it drew up a draft "Primer Empleo" act that is pending before parliament, and in Paraguay it developed a manual to support the efforts of the Ministry of Labour, Employment and Social Security to implement the Youth Job Insertion Act (2013) and its regulatory decree.

**360.** In a third field of endeavour, the ILO empowered skills development systems facilitating young people's transition from school to work. In Jamaica, the National Unattached Youth Programme of the HEART Trust/National Training Agency, established in 2015, was strengthened. In Panama (2017), 120 apprentices in three places benefitted from the implementation of the Dual Training Pilot Plan by the National Institute of Occupational Training and Capacity-building for Human Development, working with the Private Sector Council for Educational Assistance. In El Salvador, the ILO advised the National Youth Institute on the development of tools for improving labour market access and integrating 100,000 young people into production activities. In Ecuador in 2015, a youth employment initiative was implemented that emphasized vocational guidance services and identification of the occupational profiles required by the productive sector.

### Box 3. Result of the survey of young people on the future of work

In 2016, the Regional Office conducted an online survey of young people aged between 15 and 29. In all, 1,544 young people from 26 countries in Latin America and the Caribbean responded. In interpreting the results, it must be borne in mind that the survey was conducted online and that young people that were neither studying nor working were underrepresented in terms of the real percentage in the region (4 per cent as opposed to 20 per cent).

What are young people's expectations for the future? Over 60 per cent of young respondents were very confident about their occupational future, while the remaining nearly 40 per cent were uncertain or fearful. Their expectations in terms of future as opposed to present jobs differed: fewer than 10 per cent were working in their own enterprises, but 70 per cent would prefer to do so in the future.

They were also optimistic about working conditions: 76 per cent hoped to earn a good salary and over 60 per cent were confident that they would be able to work in decent conditions, fully develop their skills, obtain health insurance and contribute to a pension fund, and find satisfaction at work. In addition, 40 per cent hoped to work from home and 59 per cent hoped to have flexible hours, in line with the changes in the organization of work already being observed.

When asked about the most important features of a job, the respondents listed, in order of importance, pay, the working atmosphere and the opportunity to grow in the company. The results differed depending on age: older respondents attached greater importance to social protection and trade union representation.

When asked about the mismatch between studies and actual work, about 40 per cent responded that they did not apply the knowledge obtained during training at work or that they were overqualified. However, 94 per cent considered that their studies would help them find a good job and, possibly for that reason, the majority hoped to pursue post-graduate studies in the future. This is in keeping with their views about how the introduction of new technologies, robotization and process automatization would affect their occupational future: 61 per cent thought that they would be affected, 59 per cent that the effect would be positive, and only 10 per cent that it would be negative. For the majority (73 per cent) that reality implied continued training in technological fields.

In short, young Latin Americans have an optimistic outlook. However, meeting their expectations will require State efforts to generate quality jobs that take advantage of the talent of the best-trained generation ever.

**Source:** ILO (2017). *The Future of Work We Want: The Voice of Youth and Different Perspectives from Latin America and the Caribbean*. Lima: ILO Regional Office for Latin America and the Caribbean, 2017 (ILO Technical Reports, 2017/7). Available at: [http://www.ilo.org/wcmsp5/groups/public/---americas/---ro-lima/documents/publication/wcms\\_567273.pdf](http://www.ilo.org/wcmsp5/groups/public/---americas/---ro-lima/documents/publication/wcms_567273.pdf)

## IX. Forced labour

**361.** As was stated in Part I of this report, in 2017 the ILO published, for the third time, estimates on the prevalence of forced labour around the world. The need for reliable data on this subject prompted the 19<sup>th</sup> International Conference of Labour Statisticians to recommend the establishment of a working group to analyse experience to date. The group met in Brazil in March 2018, in the presence of representatives of the statistics offices of Argentina, Brazil, Chile, Mexico and Peru. With ILO support, Brazil is studying the subject of forced labour by conducting surveys in specific parts of the country. The 20<sup>th</sup> International Conference, meeting in October 2018, will discuss draft directives for measuring forced labour.

**362.** The region's countries made serious efforts to fight forced labour. Argentina (2016), Jamaica and Panama adopted the Protocol of 2014 to the Forced Labour Convention (1930). Peru approved Legislative Decree 1323, which incorporates the crime of forced labour into the Penal Code. The Andean Parliament (2017) approved Resolution No. 333, urging its member parliaments (the Plurinational State of Bolivia, Chile, Colombia, Ecuador, Peru) to ratify the above-mentioned Protocol and to adopt public policies to prevent and eradicate forced labour.

**363.** Enforcing respect for the law was a priority during the years under review. Paraguay and Peru concentrated on designing tools and building the labour inspectorate's capacity to use

them. Peru's judicial authorities (2017) validated a handbook on forced labour aimed at justices of the peace, and in Argentina (2017), the Public Prosecutor's Office for Trafficking and Exploitation of Persons, under the Attorney General's Office, updated its guide on the procedures and criteria for detecting trafficking for the purposes of labour exploitation, the main instrument enabling prosecutors throughout the country to take action.

**364.** Paraguay's tripartite National Commission on Forced Labour agreed on a national strategy to prevent forced labour (2016), and in Argentina (2016), the Government established the Federal Council to Fight Trafficking and Exploitation of Persons and Protect and Assist the Victims. In Brazil, as part of the national plan to eradicate modern slavery, a system was designed to monitor direct beneficiaries; it handled the cases of more than 300 vulnerable workers.

**365.** With regard to the social partners, the Autonomous Workers' Confederation of Peru, which sits on the National Anti-forced Labour Commission, incorporated the prevention of forced labour into its members' training, and in Brazil, the National Confederation of Agricultural Workers developed a system of grievances to sound the alarm about and denounce forced labour situations.

## **X. Child labour**

**366.** There was a considerable drop in child labour in Latin America and the Caribbean: between 2012 and 2016, rates fell by 1.5 percentage points, i.e. two million fewer boys, girls and adolescents were working. This is undoubtedly a significant advance towards achievement of target 8.7 of the 2030 Agenda for Sustainable Development.

**367.** Child labour rates fell in Brazil, Colombia, Costa Rica, Ecuador, El Salvador, Mexico and Panama. These countries, like Argentina, Guatemala, Paraguay and Peru, took periodic measurements providing good quality information for decisions on policies, programmes and services centred on territories and productive sectors.

**368.** In terms of the public response, Argentina, Colombia, Ecuador, Honduras, Guatemala and Paraguay renewed their specific policy instruments aimed at preventing and eradicating child labour. Argentina, Chile, Ecuador, Honduras, Panama and Uruguay updated their hazardous work lists and made progress in terms of their application by the labour inspectorate and authorizations for permitted adolescent labour.

**369.** Action in the region against child labour was characterized by ongoing social dialogue in national commissions and in recently established and/or strengthened local spaces, with the active participation of employers, workers and civil society representatives in Argentina, Brazil, Chile, Colombia, the Dominican Republic, Ecuador, El Salvador, Guatemala and Peru.

**370.** Employer action through company networks and regional coalitions such as the Global Compact fostered shared responsibility in the fight against child labour, especially in the supply chain and in key productive sectors such as agriculture, in Argentina, Colombia, Costa Rica, El Salvador, Guatemala and Mexico.

#### **Box 4. Dialogue and innovation to accelerate the eradication of child labour: the Regional Initiative**

Since its inception in 2014, at the 18<sup>th</sup> American Regional Meeting of the ILO, the Latin America and the Caribbean Free of Child Labour Regional Initiative has created a platform for intergovernmental action with 28 member countries and the active participation of employers' and workers' organizations. The Regional Initiative is intended to accelerate the eradication of child labour and the protection of adolescent workers, and has the potential to become a global benchmark for advancing towards achievement of target 8.7 of the 2030 Agenda for Sustainable Development.

The Initiative's principal achievements include the following:

- The consolidation of a space for coordinating participants and policies and for repositioning, through social dialogue, the goal of eradicating child labour on the region's political agenda;
- The design, together with ECLAC, of a model for identifying the risk of child labour, which serves to focalize territories and identify associated factors for the development of multisectoral preventive activities aimed at blocking channels for child labour; in 2017 a pilot project was carried out in Argentina, Brazil, Colombia, Mexico and Peru, the main results of which were presented at the IV Global Conference on the Sustained Eradication of Child Labour (Argentina, November 2017);
- The expansion of the knowledge base, with research connecting persistent child labour to inequality, the agricultural sector and migration; updating of the cost-benefit study of eradicating child labour to 2025; the development of virtual toolkits on migration and indigenous peoples, and of a web and smartphone application on the interdependence of target 8.7 (available in English, French, Portuguese and Spanish at <http://www.iniciativa2025alc.org/es/biblioteca-virtual>);
- Capacity building, in the form of online courses, for the Regional Initiative's Focal Points Network on subjects relating to South-South cooperation, agriculture and child labour, sustainable development and social policies;
- The organization of the first round table on South-South cooperation for accelerating the eradication of child labour in key areas: education, agriculture, indigenous peoples, decentralization, migration, youth employment and new information technologies; 82 agreements were reached between the participating countries and carried out via exchanges between 2015 and 2017 (see <http://www.iniciativa2025alc.org/acelearar/>);
- The organization of the IV Face-to-Face Meeting of the Regional Initiative's Focal Points Network, in Lima in May 2017; with the broad and active participation of the 28 member countries, together with employers' and workers' organizations, the Meeting approved the Strategic Plan for the Second Phase of Implementation (2018–2021), with five outcomes in respect of: (i) preventive action; (ii) removal of boys, girls and adolescents from work, in particular hazardous work; (iii) protection and/or job retraining for adolescents old enough to work; (iv) the approach to unlawful forms of child labour; and (v) consolidation and effective management of the Regional Initiative as a coordination and advocacy mechanism aimed at enhancing policy achievements at national level. This results-based planning is a major step forward in the platform's implementation and will help accelerate achievement of target 8.7 in the region.

The Final Declaration of the IV Global Conference on the Sustained Eradication of Child Labour calls for the promotion of regional and subregional initiatives aimed at achieving target 8.7 of the 2030 Agenda and refers explicitly to the Latin America and the Caribbean Free of Child Labour Regional Initiative as a platform for concerted policies and innovation.

**371.** Workers also remained engaged on the issue: the continent-wide anti-child labour network was reinforced, at the instigation of the Trade Union Confederation of the Americas, and child labour was made a priority of the Development Platform for the Americas. In addition, capacity-building processes were carried out in Argentina, Chile, Costa Rica, El Salvador and Haiti.

## **XI. Non-discrimination**

**372.** The economic data presented in Part I of the Report underscore the region's structural inequalities, which affect in particular certain territories and groups: rural areas, women, indigenous peoples and those of African descent, persons with HIV/AIDS and the disabled.

**373.** The region's women were being integrated into the market at a pace that resulted in a participation rate of over 50 per cent in 2016. While that figure was positive, it remained almost 25 percentage points lower than the rate for men. In addition, a very high percentage of women continued to have no incomes of their own, and labour market conditions were worse for women than for men. In response to that reality, the region's governments approved the Montevideo Strategy for Implementation of the Regional Gender Agenda within the Sustainable Development Framework by 2030 (2016). ILO input to discussion of the agenda consisted in information and strategies for incorporating women's needs into SDG 8 targets, compiled in a document entitled *La autonomía económica de las mujeres en el corazón de la Agenda 2030, el camino para que nadie se quede atrás* (Spanish only).

**374.** Iniciativa 8.5, on pay equality, is of special relevance to the achievement of SDG 8. It prompted the establishment, in 2017, of the Equal Pay International Coalition, which is headed by the ILO, UN Women and the OECD and was launched region-wide in Panama in January 2018. In Latin America, the ILO data presented in the Labour Overview show that the monthly pay gap between men and women was 15 per cent in 2015, having dropped by 6 percentage points over a decade (2005–2015). The situation varied by subregion: the gap was wider in the Southern Cone (23.4 per cent) and the Andean region (16 per cent) than in Central America and Mexico (9.9 per cent).

**375.** The report entitled *Las mujeres en la gestión empresarial: cobrando impulso en América Latina y el Caribe* (Spanish only) was launched before 300 participants at a regional conference (Lima, 2017) organized in conjunction with CONFIEP. A similar report published in 2018 focused on the characteristics of women's participation in enterprises in the Caribbean. In Honduras and Panama (2018), employers' organizations conducted national business surveys to ascertain the participation of women in enterprises and business structures in both countries, inform their members and propose measures for moving forward. In addition, the ILO launched a project (2018) with UN Women to promote gender equality in enterprises in Argentina, Brazil, Chile, Costa Rica, Jamaica and Uruguay.

### Box 5. Narrowing the pay gap in Chile through social dialogue

In 2015, the Government of Chile – represented by the Finance Minister, the Minister for Labour and Social Welfare and the National Association of Public Employees (ANEF) – and Public Services International signed a memorandum of understanding on a study to be conducted in a government agency that would spotlight the gender pay gap using the equal value criterion set out in the Equal Remuneration Convention, 1951 (No. 100).

The pilot project was carried out in Chile's Labour Security Institute, which employs 475 people. The first step was to set up and train a joint committee made up of members of the Institute's administration and trade union representatives. The committee was tasked with applying the ILO gender-neutral job evaluation methodology, with the support of external specialists and the ILO.

The evaluation produced data on the gender pay gap at the Institute and documented the processes needed to adapt the methodology to the characteristics of the country's public sector. Based on that experience, the Government and the ANEF agreed to continue working to fine-tune the methodology and thus broaden its application to other public sector agencies in Chile.

**376.** With regard to technical assistance for countries, the Ministry of Labour and Social Welfare of Guatemala received support to implement the Labour Equity Stream of the National Policy for the Promotion and Integrated Development of Women. In order to help meet the goals of the “Plan Quinquenal de Desarrollo 2014–2019: El Salvador productivo, educado y seguro”, which calls for gender mainstreaming in all policies, the ILO provided advisory services to the Ministries of Labour and the Economy and to the national commission for micro- and small enterprises for

the development of institutional gender policies. By the same token, the Salvadoran Occupational Training Institute (INSAFORP) incorporated specific gender-mainstreaming activities into its institutional operational plan for 2015 and following years. That commitment resulted in the evaluation in 2016 of one of the Institute's most emblematic programmes, Empresa-Centro, and in the publication by the Executive Board (2017) of a series of guidelines, *Lineamientos para la aplicación de la Guía para la prevención y erradicación de la discriminación contra las mujeres en los centros de formación fija del INSAFORP* (Spanish only), implementation of which is mandatory.

**377.** In the Plurinational State of Bolivia (2016 and 2017), together with the Bolivian Chamber of Construction (CABOCO), efforts were made to incorporate women into a non-traditional and high-growth employment sector: women were trained in construction-related fields and entered into a database created for that purpose. In addition, a network was put together of trainers in occupational health and safety, specialized in working with indigenous women construction workers, from the Trade Union Confederation of Construction Workers of Bolivia, CABOCO, the municipal governments of El Alto and La Paz, the Association of Women Construction Workers and the non-governmental organization Red Hábitat. The network provided technical support for the tripartite preparation of eight technical standards on health and safety in the construction sector, which were approved by the Plurinational State of Bolivia in 2017.

**378.** In Honduras (2016), in conjunction with the Private Enterprise Council of Honduras and the Honduran Export Processing Association (AHM), 650 human resources managers and personnel from five of the country's departments received gender training; training was also provided (2017) on the *Guía de buenas prácticas para la gestión de la diversidad y la promoción de la igualdad en la empresa* (Spanish only) to human resources managers and occupational health specialists representing firms employing 80,000 people.

**379.** In Guatemala (2017), global and independent trade unions, working in coordination with the Trade Union Confederation of the Americas and with ILO support, implemented a programme, "Empoderamiento, participación y fortalecimiento del liderazgo de las mujeres sindicalistas e indígenas", in the context of the International Trade Union Confederation's worldwide "Count Us In!" campaign to promote women union leaders.

**380.** Violence against women remains a grave problem in the region and has serious repercussions in terms of enjoyment of rights and corporate productivity. The ILO supported activities aimed at prevention and at heightening awareness of the law. In Costa Rica (2014–2017), it helped create and consolidate the Network of Men for Gender Equality in the Public Sector in Costa Rica. In Honduras, a private sector information and awareness-raising campaign, "Erradicar la violencia en el mundo del trabajo: una responsabilidad compartida", was launched by the AHM to prevent violence against and harassment of men and women in the workplace: between 2016 and 2017, 304 firms in the *maquiladora* sector received information material on harassment and violence and over 1,300 people received training. The participating firms employed over 16,300 people.

### Box 6. What Latin America's women think

A 2016 survey carried out by the ILO in collaboration with Gallup in 142 countries revealed that women relied on the support of their male peers when looking for productive employment and decent work. In Latin America and the Caribbean, 71 per cent of men and 72 per cent of women preferred women to have paying jobs. The percentage of women who wanted a paying job obviously included a large proportion who were not currently participating in the labour force; judging by the data, it is therefore to be anticipated that women's participation will continue to rise. Almost all women (92 per cent) and men (89 per cent) agreed that it was acceptable for the women in their families to take on paid work outside the home.

In a significant shift from the past, a large share of women (60 per cent) considered that their contribution to the household did not merely back up the man's, but constituted a truly substantial contribution to total household income.

The survey also tried to identify the challenges women faced in joining the labour market on the same terms as men. In so doing, it endeavoured to guide future action. In most of the region's countries, it was work-life balance – including the existence of accessible daycare – that posed the biggest problem. In Brazil, on the other hand, the main problem was unfair treatment, and in the United States of America and Canada, pay inequality. Those three subjects (work-life balance, preventing and fighting discrimination, and pay inequality) are covered by many ILO conventions and are among the priorities identified in the women at work centenary initiative.

**Source:** ILO-Gallup survey (2017).

**381.** Preventing and fighting other forms of discrimination was another of the issues on which the ILO worked with its constituents in the region. In Brazil (2017), for example, employers from 38 multinational enterprises and representatives of 30 civil society institutions (members of the National Forum of Enterprises and LGBT Rights) promoted an internal and external campaign on equal treatment at work, paying special attention to the LGBT population. In Costa Rica (2016–2017), 33 private firms signed the San José declaration, which sets out ten principles against discrimination based on sexual orientation, identity and gender expression.

**382.** In Brazil (2016), the Ministry of Labour, in coordination with workers' and civil society organizations, launched a campaign, "El Futuro que queremos: trabajo decente y la inclusión de personas con discapacidad", that reached more than 20,000 women workers. In Costa Rica (2015), the Ministry of Labour and Social Security launched the "Empléate Inclusivo" programme to meet the specific needs of disabled persons looking for work. As part of the programme, local networks were established at municipal level to act as employment intermediaries in five of the country's cantons. In Peru, the Peruvian Enterprises and Disability Network was created; it already has over 50 members and published and distributed the *Guía para la inclusión de personas con discapacidad en el lugar de trabajo* (Spanish only).

**383.** In Guatemala (2016), the National Coffee Association, through its Funcafé Foundation, advised and trained coffee associations in the implementation of the coffee growers' labour policy on HIV/AIDS. During 2017, Funcafé, in coordination with the Health Ministry, developed a programme to prevent mother-to-child transmission of HIV in three of the country's departments. In Haiti, the Company for Industrial Development (CODEVI) implemented a policy on HIV/AIDS in the workplace (2015) together with the SOKOWA trade union; the policy was extended to more than 700 workers. Similarly, CODEVI and trade union representatives agreed to include a clause on HIV prevention and non-discrimination in the collective work agreement, and incorporated those concerns into the handbook on health and safety in CODEVI's six firms. In 2017, the Ministry of Public Health, acting through the National Anti-AIDS Programme, included the workplace as a strategic sector for action to prevent HIV in the National Strategic HIV/AIDS Plan 2018–2023. In Trinidad and Tobago, the National Workplace Policy on HIV/AIDS was approved, with the ILO forming part of the HIV Workplace Advocacy Unit at the Ministry of Labour and Small Enterprise Development.

**384.** Another area of growing relevance was the provision of technical assistance for the implementation of the Indigenous and Tribal Peoples Convention, 1989 (No. 169), which had been ratified by 15 countries in the region. In Costa Rica (2016), the ILO, working with the Office of the United Nations High Commissioner for Human Rights (OHCHR) and the United Nations Development Programme (UNDP), assisted the Executive throughout a process of dialogue with over 3,000 people from the country's eight indigenous peoples aimed at drawing up a consultation tool meeting international standards. In Guatemala (2017), the Government received support for the development of a roadmap that included the creation of a mechanism regulating consultations with indigenous peoples. In Honduras (2015), an interinstitutional board was created on implementation of Convention No. 169. Through the board, the ILO provided technical assistance for the development of a consultation tool and accompanied the process of dialogue with indigenous peoples.

**385.** In Argentina (2017), the ILO and OHCHR organized a workshop with the peoples of Salta province to mark the 10th anniversary of the United Nations Declaration on the Rights of Indigenous Peoples.

**386.** In Chile (2016), the Government convened indigenous peoples in a participative process in the context of the national proceedings for a new constitution. More than 17,000 people from nine indigenous groups participated. Over the course of 605 meetings they discussed subjects they considered should be covered by the new constitution. Months after the process had ended, the report on the systematization of the indigenous constituent process was delivered to the country's president. It referred inter alia to the political rights of different groups, especially in the nation's Congress and territories; cultural and linguistic rights; and the right to land, territory and natural resources.

**387.** Given the relevance of this subject for the business sector, more work was undertaken during the years under review with employers' organizations, to deepen their knowledge of Convention No. 169 and conduct activities to promote it.

**388.** In 2016, a regional report was published, *Convenio núm. 169 de la OIT sobre pueblos indígenas y tribales en países independientes y la consulta previa a los pueblos indígenas en proyectos de inversión* (Spanish only), with case studies from Chile, Colombia, Costa Rica and Guatemala. The report focused on the implementation of prior consultations, challenges and recommendations for the Convention's application. Two additional studies were conducted in Guatemala with ILO cooperation: a comparative analysis of the regulations and jurisprudence on prior consultations, and a study on the direct and indirect impact of suspending permits granted to the mining and hydropower sectors on the grounds of prior consultation. In the case of Honduras, the employers' organization received support in the form of a study on best regulatory practices for prior consultations, based on a comparison of experiences in Latin America.

**389.** Also in 2016, an online and face-to-face training course was organized to bolster the capacity of employers to apply and implement Convention No. 169. Representatives of business organizations from the Plurinational State of Bolivia, Chile, Colombia, Guatemala, Honduras, Paraguay and Peru participated. In addition, together with the International Training Centre in Turin, the Regional Office published the *Guía para fortalecer las capacidades de los empleadores en la aplicación del C.169 sobre pueblos indígenas y tribales* (Spanish only), which was drafted in close cooperation with the region's business organizations. In terms of promotion, the Regional Office worked with umbrella/sector employer organizations in the Plurinational State of Bolivia, Chile, Guatemala, Honduras and Peru on activities to promote business involvement in the proper application of Convention No. 169. For example, in Guatemala and Honduras the challenges of conducting prior consultations were discussed at public forums, each of which was attended by 150 people, including the highest executive, legislative and judicial authorities.



### **Box 7. High-level regional forum on the implementation of Convention No. 169 on indigenous and tribal peoples: Sharing experiences, building alliances and sustaining progress (November 2017)**

During the forum, delegates from Argentina, the Plurinational State of Bolivia, Brazil, Colombia, Costa Rica, Chile, Ecuador, Guatemala, Honduras, Mexico, Panama, Paraguay and Peru deliberated on progress towards, and challenges to, implementation of Convention No. 169, and on the problems facing the sustainable development of indigenous peoples. The reference frame was the strategy for ILO action concerning indigenous and tribal peoples, which was endorsed by the Governing Body in 2015.

As a result, the governments asked for ILO assistance to strengthen State units tasked with indigenous matters, with a view to promoting South-South cooperation. Their priorities were the development of tools enabling them to deploy appropriate consultation and participation mechanisms, and learning about experiences of indigenous participation in projects relating to the use and exploitation of natural resources.

The employers' organizations underscored the role of Convention No. 169 in the framework of international law and its importance and validity. They called on the Regional Office to continue to lead on the subject within the United Nations system and underlined the need to ensure enjoyment of rights, process predictability and legal certainty.

The workers' organizations, for their part, noted the Convention's importance as a tool for good governance and for strengthening democracy, expressed the importance for governments to have public policies guaranteeing access to and protection of indigenous lands, and issued an appeal in the face of violence against indigenous leaders. Lastly, they noted the transcendent nature of the social dialogue and the need to include indigenous peoples in discussions of issues relating to their rights.

At the end of 2017 and throughout 2018, the Regional Office followed up the results of the meeting in a variety of ways:

- it provided technical assistance on governance and institution building for the Indigenous Forum for Latin America and the Caribbean, participating in the Forum's meetings in Panama (2017), Lima and Guatemala (2018);
- in coordination with the International Training Centre in Turin, it organized a regional course on Convention No. 169 (April 2018);
- it designed a digital information platform on Convention No. 169, with tools, case studies and other relevant material (2018).

## **XII. Green jobs, sustainable development and post-disaster economic recovery**

**390.** Sustainable development is a challenge for the countries of Latin America and the Caribbean. The process of shifting the region towards a more sustainable model comprising action on climate change requires integrated efforts. In this connection, the ILO centenary Green Initiative emphasizes practical implementation of the decent work dimension in the transition to sustainable development. With the ILO's support, the region's countries made progress promoting policies, interventions and capacity building for a just transition to environmentally sustainable economies and societies.

**391.** A central component of the ILO strategy to promote green jobs is the generation of knowledge to nourish debates and decision-making. In Argentina and Uruguay (2016–2017), studies were published in collaboration with the government on the number of jobs that could be created and their contribution by sector. In addition, green employment in the production and use of energy derived from biomass was mapped in Argentina. In Peru, the Partnership for Action on Green Economy (PAGE), which is headed in that country by the ILO, helped design proposals for green growth in the urban transport and forestry sectors and worked with the Ministry of Labour on a green employment policy. Similarly, through PAGE, the implementation of a green industry policy was analysed in the metal mechanics, cement industry and forest industry subsectors. Barbados and Guyana also joined the PAGE initiative, with the ILO focusing its contribution on labour force training needs and the impact on employment.

**392.** Between 2015 and 2017, the ILO provided technical assistance for the development of green growth methodologies and tools. Brazil's Environment Ministry adopted a methodology for planning local development in conservation areas in order to generate sustainable jobs, especially for women and young people, in Amazonia. In Peru, through the PAGE initiative, the T21 model was deployed to measure the impact on the economy of the incorporation of green growth policies.

**393.** In addition, the Regional Office provided support to help national institutions and territorial development entities bolster their capacities to design sustainable development policies. Between 2015 and 2017, spaces were created for raising awareness among local players of the challenges to and opportunities for green employment growth and promotion: in Colombia, at an academy for rural development and peace building, and at a forum on the green economy; in Argentina, in a course on the green economy, technological changes and labour implications.

**394.** ILO technical assistance for the promotion of sustainable enterprises encompassed issues of responsible environmental management. In Honduras, the National Occupational Training Institute incorporated the ILO Greener Business methodology (2015), which it offered chiefly to hotels so that they could use green business models to improve productivity and working conditions. The impact was observed in a pilot model in ten hotels. In Mexico, the National Skills Standardization and Certification Board and the Labour and Social Welfare Secretariat drew up (2015) skills standards on green practices in the workplace. In Costa Rica, regional forums were held on the role of employers' organizations and businesses in the creation of environmentally sustainable and socially inclusive economies.

**395.** Trade unions also helped put together proposals along these lines. For example, in Peru, trade union proposals for greater green growth were published for the mining, fisheries and water management sectors.

**396.** In addition, the ILO made available its technical capacity for natural disaster response, supporting its constituents' economic recovery efforts. In September 2016, after Hurricane Matthew swept through Haiti, a workplace training programme was developed with ILO support for the rehabilitation of fruit trees and destroyed plantations. Similarly, in Ecuador, at the request of the Government and in coordination with the United Nations system, the ILO estimated reconstruction costs in the provinces affected by the 2016 earthquake. As a result, an initiative was implemented for training in the management of micro-, small and medium enterprises and job promotion. In Mexico, following the 2017 earthquake, Chiapas state receives technical support for the implementation of employment programmes, livelihood recovery among the people affected, the promotion of labour skills for the reconstruction and development of earthquake-affected zones, the promotion of social protection floors and the prevention of increased child labour.

**397.** The ILO also did substantial work to help improve community resilience to climate change. In Barbados, a risk-management tool was used to develop an insurance product enabling small producers to cope with the effects of climate change. In Peru, the ILO helped develop recommendations to improve agricultural output, including loans when harvests are lost owing to a weather event.

**398.** The 2017 hurricane season will be remembered in the Caribbean as one of the most severe and destructive ever, causing unprecedented damages and loss. It prompted recognition that, given the growing impact of climate change, such events would reoccur and intensify, and that boosting the resilience of small developing island States is an investment-worthy priority. The emergency response mobilized various United Nations agencies, donors and non-governmental organizations working to respond to life-threatening situations and at the same time conduct assessments with a view to designing an integrated response that included restoring the means of subsistence of the communities concerned. The ILO worked with the teams dispatched to Dominica and Sint Maarten,

and provided technical support enabling governments, employers and workers' representatives to integrate decent work into recovery programmes. More concretely, staff from the ILO Decent Work Team and Office for the Caribbean and an international consultant worked directly with the labour departments of Dominica and Sint Maarten to assess the impact of natural disasters on the labour market, including by analysing the skills needed in such situations and social protection gaps. They also worked together to identify the activities to be included as a priority in national recovery plans. A technical note, drawn up on the basis of the ILO Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205), was used to build the constituents' capacities through tripartite workshops held in 2017. The ILO continues to work with both governments; it presented a project proposal to the Government of Dominica entitled *Rebuilding Sustainable Livelihoods to Support Poor and Vulnerable Hurricane Maria-affected Communities in Dominica*. The ILO Office for the Caribbean bolstered its capacity to tackle decent work in disaster situations and participated in coordinated action involving United Nations agencies and the donor community. More broadly, throughout the Caribbean, the ILO worked with employers' organizations, providing technical assistance for the development of contingency plans for businesses that could be affected by disasters of this kind, so that they are prepared for the future.

### ■ XIII. Labour migration

**399.** Labour migration is a high priority on the public agenda of Latin America's countries. Between 2010 and 2015, according to ILO data (2016), the number of migrant workers in the region rose from 3.2 to 4.3 million, an increase of 34 per cent over five years. In that context, the Regional Office provided technical assistance enabling its constituents to design regional strategies, generate institutional frameworks, create discussion spaces, and compile knowledge and statistics, thereby bolstering their capacity to have an impact.

**400.** In terms of knowledge, the report entitled *Labour migration in Latin America and the Caribbean. Diagnosis, Strategy and ILO's work in the Region* was published in 2016, and another report issued with ECLAC in 2017, on the labour situation in the region, underscored social security and labour migration.

**401.** Similarly, technical assistance was provided, for example, to Brazil (2015) and Argentina (2016) to consolidate the capacity to produce labour migration statistics.

**402.** In terms of the law, the ILO helped prepare and/or modify legislative frameworks protecting the rights of migrant workers. For example, in Chile it promoted the incorporation of such rights into draft migration legislation, and in Brazil it provided technical assistance to the Government for the drafting of the new Migration Law 13.445/2017, which stipulates that public policies on labour migration are to be developed through social dialogue. In 2016, Municipal Law 16.478 was approved in São Paulo, giving continuity to the assistance policy for migrants in that city. The ILO also provided technical support enabling the National Immigration Board of Brazil, which is tripartite in constitution, to extend a resolution granting visas to Haitian nationals.

**403.** At the same time, the ILO promoted the creation of spaces for discussion and updates on labour migration and the protection of migrants together with the Trade Union Confederation of the Americas (2016) and in cooperation with Mercosur (2017). It helped organize a workshop on the recruitment and contracting of migrant Guatemalan workers in Mexico (2015), aimed at strengthening a bilateral agreement between governments. In addition, it joined the Regional Conference on Migration<sup>76</sup> as an observer.

<sup>76</sup> The member States of the Regional Conference are Belize, Canada, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama and the United States of America.

404. The social players also boosted their capacity to participate actively in the policy discussion on the migrant population. Thus, in 2017, the ILO provided technical assistance enabling Costa Rica's Inter-Union Committee for Migrant Labour formally to request that the Government ratify Conventions Nos 97 and 143. In Argentina (2015), together with the Union of Auxiliary Staff in Private Homes, it designed an "information passport" on the rights of migrant workers. On the basis of that document, it provided technical assistance between 2016 and 2017 for the tripartite design of a guide for employers on domestic workers, including migrant workers. In Chile (2016), the Regional Office provided the inter-union board on migration with technical material for tripartite regional social dialogue meetings. In Argentina, an application and an "information passport" were developed for migrant domestic workers and distributed on the border with Paraguay, in agreement with the National Migration Directorate.

#### XIV. Training for work

405. Investment in human capital is a major, if not the most important component of more inclusive growth and productive transformation that leads to poverty reduction, strengthening of the middle class, the creation of more formal jobs and a reduction in inequality. As stated in the document *Conclusions on skills for improved productivity, employment growth and development* of the International Labour Conference of 2008, development strategies should be based in a virtuous circle in which skills fuel "innovation, productivity increase and enterprise development, technological change, investment, diversification of the economy, and competitiveness that are needed to sustain and accelerate the creation of more and better jobs". In other words, vocational training is an intersecting space or fundamental point of connection between productive development policies, labour policies and the aspiration for decent work.

406. The Office has worked on strengthening skills through various routes, including by improving institutional frameworks, certification and recognition of skills, identification of more effective teaching methodologies and approaches, design of technological research methodologies, strengthening social dialogue within vocational training and promoting quality apprenticeships.

407. In terms of certification of skills and the development of National Qualifications Frameworks (NQF), ILO has supported the process through CINTERFOR (Inter-American Centre for Knowledge Development in Vocational Training) in Argentina, Costa Rica, Chile, Colombia, Dominican Republic and Uruguay.

408. With technical support from CINTERFOR, ILO is promoting a focus on quality apprenticeship<sup>77</sup> in several countries which are currently opting for this method in the region in order to combat youth unemployment, low productivity and insufficient labour skills. Costa Rica, Dominican Republic and Mexico are cases where more systematic actions were taken while dissemination activities were developed in Argentina, Brazil, Bolivia, Jamaica and Uruguay.

409. Strengthening the capacities of employers' and workers' organizations through participation in spaces for social dialogue in and about training has been another area addressed by ILO. Examples of this are the training programmes on management for trade union representatives in vocational training institutions through face-to-face (workshops) and distance learning activities, as well as the development and application of negotiating methodologies with respect to sectoral competencies by ILO/CINTERFOR in Uruguay in the construction, pulp and paper, gastronomy and tourism sectors, which can be transferred to representatives of employers' and workers' organizations.

<sup>77</sup> Quality apprenticeship can be defined as a unique form of vocational training, which combines on-the-job training of work and learning based on the classroom, for the development of competences and work processes specifically defined. Quality apprenticeship for work is regulated by law and is based on a work contract, for a specific period, with a compensatory payment and standard social protection coverage. It has a formal evaluation and final certification of the acquired skills and competences.

**410.** Following support provided to the continuing education teams in the Ministries of Labour of Argentina and Chile, a Homologation Agreement was reached on certification of skills in the construction sector.

### **Box 8. Training for work and labour insertion in Colombia: a success story**

In Colombia, between 2017 and 2018 the ILO implemented, in coordination with stakeholders, two programmes of the Ministry of Labour and the Ministry of Information Technologies and Communication (MinTic), and signed a Memorandum of Understanding with the public employment service to generate routes into employment aimed at young people with training.

The first, Educándonos Para La Paz, with the Ministry of Labour, was launched in eight cities in the country and by 2017, it had graduated 1,544 students who were victims of conflict as technicians in software, hospitality and tourism and as agents in call centres and contact centres. In post-training monitoring the labour insertion of 236 people was verified with work contracts issued in more than 50 enterprises in different sectors.

The second, in mid-2018, graduated around 8,600 students in Information Technology and Communications Programmes (IT Talent Initiative of the Government of Colombia). These processes will help to close the human resource gaps in this sector. According to research carried out by MinTic, EAFIT University and InfoSys (2013), in 2018 Colombia will require between 35,504 and 94,000 professionals with skills in this sector of the economy.

**411.** In Panama (2016-2017) measures have been taken to address the gaps between labour supply and demand, especially with respect to the young population. The Government is promoting the implementation of the Recommendations of the High Commission on Public Policy on Employment in Technical and Vocational Occupations: among them, to establish a permanent tripartite consultative council. In addition, the ILO has provided advice on strengthening the national technical and vocational training system for mid-level technical staff. This resulted in a dual training pilot plan (2017) in three locations with 120 apprentices. The National Institute of Vocational Training and Human Resource Development (INADEH) is responsible for the plan in partnership with the Private Sector Council for Educational Assistance (COSPAE). With the same purpose in mind, INADEH established the Institute for Prospective Technological and Occupational Studies in 2017.

**412.** In Costa Rica (2017-2018), the Ministry of Public Education convened a tripartite dialogue process on dual training. The purpose was to define a model of quality learning for the country, including an eventual implementation strategy. With technical support from the ILO, the tripartite commission was able to define the main principles and components of this model. As a result of this process, the Government issued a decree in May 2018, institutionalizing the tripartite governance of the new dual training model. The decree was signed by the President of the Republic, the Minister of Education and the Minister of Labour and received the support of employers and workers. The new body will follow up on pending issues, including aspects linked to the legal framework, with a view to promoting dual training in Costa Rica.

**413.** In the Dominican Republic, the National Vocational Training Institute (INFOTEP) has had a dual training programme since 1988 that has trained more than 8,000 apprentices in 42 occupations. In 2017, the constituents of ILO, represented on its executive board, expressed interest in improving and scaling up the programme. The aspiration of INFOTEP was to graduate 12,000 apprentices in the ensuing four years. To support the process, a partnership was established between ILO/Cinterfor and the IDB. The purpose was to offer technical and financial assistance to meet the goal. Priority sectors were identified as well as the main institutional and technical challenges that must be addressed to achieve it. With the support of ILO/Cinterfor, INFOTEP specialists have been trained on the subject

and the basic components of the upscaling strategy have been outlined. The IDB/ILO coordination on quality apprenticeships is a pioneering experiment with great potential in the region.

**414.** In Peru, an initiative has been developed to promote the employment of young people and women, promoting entrepreneurship and the certification of work-based skills. Likewise, in Haiti, the ILO has supported the National Vocational Training Institute (INFP) in training trainers in the IMESUN methodology. It aims to incorporate this methodology in the training offer of the institute and thereby support the development of rural youth enterprises. Also in Haiti, with technical assistance from ILO/Cinterfor, actions to strengthen the INFP, build occupational profiles and standards of labour competencies for prioritized sectors and plans for recognition and validation of competencies have been promoted.

**415.** In Bolivia, a project is underway to strengthen the technical and vocational training system in compliance with the Avelino Siñani-Elizardo Pérez Law, which places special emphasis on technical and vocational education and training (TVET) as a means to increase the country's productivity and reduce the decent work deficit. The project is the result of coordination with tripartite actors and agencies of the United Nations System and it has generated a process of dialogue to develop a national TVET strategy. In this same area, with the technical assistance of the ILO, capacities for technical and vocational training, as well as for implementing training models, have been developed.

**416.** The Regional Office and Cinterfor Management issued a report entitled *The future of vocational training in Latin America and the Caribbean: overview and strengthening guidelines*. It provides an overview of the state, backwardness and gaps in vocational training in the region as experienced for a career that spans education, vocational training and technology. In addition, it contains ten guidelines derived from the overview that will enable vocational training systems to meet the challenges of the twenty-first century.

### **Box 9. The inter-American Centre for Knowledge Development in Vocational Training (ILO/Cinterfor): a successful example of ILO reform on the ground**

ILO/Cinterfor was founded in 1963 by ILO at the request of Member countries in the region in order to promote horizontal technical cooperation in the field of training for work. Its relevance, over more than 50 years, can be explained by the strategic value of vocational training for economic and social development and by the efforts to adapt its operation and services to changing environments and emerging challenges. The ILO/Cinterfor reform process carried out from 2014 to the present is a recent example in this regard.

At the 42nd Technical Committee Meeting (Buenos Aires, 2015) the future strategy of the Centre was presented and at the 43rd Meeting (San José, 2017) a report on its implementation was given. Some of the most notable advances were:

- Strengthening the technical capacities of the Centre (three additional technical positions), without increasing personnel costs.
- Increasing research activities and studies in fields such as prospective training, training for work (especially quality apprenticeships), certification of competencies and social dialogue in and about training.
- Increase in the number and coverage of technical assistance activities and South-South cooperation.
- Resuming editorial work: four new series (notes on training, Skills Development Outlook, Pensar la formación (Think Training) and reference documents).
- Seeking strategic alliances that have enabled cooperation agreements to be established and/or developing joint initiatives with a multitude of actors.

Subsequently, in November 2017, the Governing Body approved the 2018-2019 ILO-Cinterfor work plan, which constitutes an agenda to place vocational training at the service of social and economic development of countries in the region, responding to the challenges posed by the future of work. With this, ILO / Cinterfor not only consolidates its position as a tool responding to the demand of countries, institutions and constituents, but also as a proactive agent and adviser in matters of training policies for development.

417. The ILO participated in the International Congress on Vocational and Professional Education “Learning for the Future” organized by the Basque Government (Donostia-San Sebastián, 30 May to 1 June 2018). This meeting was attended by delegates from more than 50 countries and institutions such as the European Commission, UNESCO/UNEVOC and the World Federation of Vocational Training Centres, among others. The region was represented by 37 participants, representing 17 vocational training institutions that are members of the ILO/Cinterfor network, from 12 countries. The Conference discussed different topics related to the fourth industrial revolution and a panel was held in which six international networks working in the field of professional training participated. The participation of the ILO made it possible to consolidate the links with the Undersecretary for Vocational Training of the Basque Country and to exchange experiences with the main vocational training institutions in Europe.

## XV. Social protection floors and measures

418. Since 2014, three countries have ratified the Social Security (Minimum Standards) Convention, 1952 (No. 102): Saint Vincent and the Grenadines (2015), Argentina and the Dominican Republic (2016). The positive trend in the ratifications of this instrument during the past decade have thus been maintained. In recent years, the ILO has intensified its work to reduce the gaps in real maternity protection and to promote more modern labour legislation that recognizes the role of fathers and mothers as care givers. In 2016, Peru and the Dominican Republic joined Cuba, which until that time was the only country in the region that had ratified the Maternity Protection Convention, 2000 (No. 183). Several countries have approved paid paternity leave and 15 countries in the region have incorporated it into their legislation. However, only Chile, Cuba and Uruguay have parental leave, which combines maternity and paternity leave.

419. With respect to knowledge generation, the region has continued to strengthen its specialized knowledge base. 2018 saw the publication of the *Thematic Labour Outlook on social protection* and the *Study on the costs and benefits of maternity protection and early childhood care*.

420. Concerning legislation on social protection, in this period the promotion of the two-dimensional strategy on the extension of social security has continued. For example, Honduras approved the Framework Law on Social Protection (2015); and for its application, support was given to the tripartite Economic and Social Council (CES) in order to draft a bill on social insurance approved by the CES and submitted to Congress in 2017. This law establishes the basis for implementation of the Social Security (Minimum Standards) Convention, 1952 (No. 102) ratified by the country in 2012. In addition, the Ministry of Development and Social Inclusion (SEDIS) received assistance and in 2017 approved a reform to the non-contributory pensions programme for older adults in order to expand coverage.

421. In the design and implementation of social protection floors, countries such as Colombia stand out: its Ministry of Labour has drawn up, with the cooperation of the ILO, a proposal for a social protection floor with a focus on extension to rural areas. The Government of El Salvador launched the Strategy “Towards the Eradication of Poverty” (2017), creating inter-institutional and inter-sectoral actions of priority attention for families living in poverty and extreme poverty. In Argentina, tripartite discussions were facilitated around the basic guarantees included in the Social Protection Floors Recommendation, 2012 (No. 202). This contributed to the approval of the Family Allowance Mobility Law (2015) which stipulates that it must be updated twice per year with the Universal Child Allowance.

422. With the purpose of expanding social protection, advice has been provided on the design of strategies for the expansion of social security to groups that are difficult to reach. In Argentina, insurance instruments were modified to extend coverage to rural workers and their families; in the Dominican Republic, a specific strategy was approved to promote affiliation for banana producers

and workers; in Peru an EsSalud Health Insurance was launched for independent workers; and in El Salvador, the Salvadorans Abroad Regime (Health 503) to protect the families of migrant workers abroad and the special regime for incorporating independent workers were implemented. Finally, in Costa Rica, an insurance programme was approved in 2018 for workers in the coffee sector.

**423.** Similarly, the ILO has provided technical assistance for reforms and improvements in the functioning of social security institutions. In Costa Rica, it accompanied the design of a financial-actuarial model of health insurance. In El Salvador, the ILO worked with the Actuarial Department of the Salvadoran Social Security Institute (ISSS) on an actuarial model for the Professional Risks Regime and supported the Information and Communication Technologies (ICT) area to improve affiliation systems. In Paraguay, the General Directorate of Social Security (DGSS) of the Ministry of Labour worked on the design of its statistical database, which was used in the Statistical Social Security Bulletin and published for the first time in 2015. In Ecuador, an ILO technical assistance mission recommended the need to establish a roundtable dialogue on the financial sustainability of the Ecuadorian Social Security Institute (IESS).

**424.** Training of the constituents in this area has also been essential. In Colombia, Costa Rica, El Salvador, Mexico, Paraguay and Peru programmes have been developed in response to the needs of the actors and national dynamics.

**425.** With this training, an active and informed participation is ensured in the different tripartite bodies that govern social security and other specific topics. The ILO has given support to these bodies in different countries such as Peru, which in 2017 formally created the Technical Roundtable on Social Security to develop and implement an Inter-sectoral Strategy for the Promotion of Social Security. In Argentina, the MTESS created the Commission for Strengthening of the Social Security System in order to generate the necessary consensus to improve the social security system; and in Costa Rica, a Roundtable Dialogue was created to discuss a reform of the pension system. In Dominica and Saint Lucia, the tripartite councils of the social security systems have reviewed and approved the recommendations of actuarial studies carried out in 2014 with the support of the ILO.

**426.** In the social protection policies of the region, caring for dependents is still a pending issue. Costa Rica, Chile and Uruguay are a few steps ahead in the development of comprehensive care systems. El Salvador, with support from the ILO, UNDP and ECLAC, approved the Comprehensive Care Policy (2018), thus adding to the countries that prioritize this issue as part of their social policies. In Peru (2016), at the request of the Ministry of Labour and a trade union organization, the ILO provided technical assistance for the development and costing of a proposal to expand care services for children aged 0-5 years. In the Dominican Republic, in partnership with UNDP and UN Women, social protection programmes coordinated by the Cabinet for Coordination of Social Policy (GASO) have been analysed and recommendations for strengthening the gender focus in programmes have been delivered.

## **XVI. Safety and health at work**

**427.** ILO has cooperated on the design and revision of national occupational health and safety frameworks in several countries. The Dominican Republic has ratified the Promotional Framework for Occupational Safety and Health Convention, (No. 187). In order to comply with this same Convention, Chile (2016) approved a National Policy on Safety and Health at Work. In Colombia, the Ministry of Labour (2017) also approved standards to promote the adoption of management systems to prevent risks in businesses and, in conjunction with the National Association of Employers of Colombia (ANDI), launched a model for micro and small enterprises in the supply chains of large companies affiliated to ANDI.

**428.** Countries such as Granada, Guyana, Jamaica, Santa Lucia and Saint Vincent and the Grenadines are updating their health and safety systems and modernizing their legislation



in response to the strategic framework proposed by the ILO. The proposals on legislation and policies have emerged from national and regional dialogues on which there has been fundamental consensus among stakeholders.

**429.** In some countries, the work has been sectoral. In Guyana, the ILO supported the revision, piloting and implementation of training tools for inspection of artisanal mining. In Chile, the creation of joint health and safety committees in port operations was promoted, as well as training for members of joint health and safety committees in the construction sector (ConstruYO-Chile).

**430.** Risk prevention systems in the region continue to incorporate methodologies developed by the ILO. The SafeWork methodology has been incorporated by the Cuban Sugar Group (AZCUBA) in its health and safety policy (2015), and by the Secretariat of Labour and Social Security (STPS) of Mexico (2016). In addition, the STPS added in its National Programme of Emotional Well-being and Human Development at Work (PRONABET) components of the SOLVE methodology (2015). Both the STPS and the Mexican Social Security Institute (IMSS) trained part of their staff in 2016. Argentina, Guyana and Nicaragua have also provided training to health and safety inspection personnel.

## **XVII. Labour inspection**

**431.** Legislative reform processes that strengthen labour inspection systems have continued to receive collaboration from the International Labour Office. For example, the Labour Relations Act in the Cayman Islands, sent to Parliament in 2017; and in Chile, the Government has drafted a bill to strengthen the institution, proposing a strategic and more proactive inspection model and perfecting electronic management tools.

**432.** Institutional strengthening is an area of great importance. It translates into very diverse actions suited to the needs of each country. The improvement of information management in terms of inspection was prioritized in Colombia and Ecuador. In Colombia, moreover, work was done on the preparation of guidelines and action protocols, with emphasis on the promotion of labour formalization and a virtual classroom was created to guarantee the sustainability of the training of labour inspectors in a continuous manner. In Argentina, Chile and Peru the focus was on the development of a methodology to increase the efficiency of inspections, while in Paraguay a joint inspection programme was developed by the Ministry of Labour and the Social Security Institute; and in Guatemala the implementation of a single inspection protocol was initiated, which consolidates the code of conduct for inspectors throughout the country. In all of them, staff training was an essential part of the strategy.

**433.** Costa Rica deserves a special mention. The Labour Procedural Reform that entered into force on July 25, 2017 has required the MTSS to increase a number of inspectors, legal advisers and labour conciliators and to adjust its guidelines and procedures. Likewise, the judiciary is hiring public labour advocates and preparing the courts to assure that there are oral proceedings, with reorganization and specialization of the labour jurisdiction. In addition, the inspection has modified its legal instruments: it has incorporated new offences concerning gender discrimination, an inspection guide on gender and an inspection and prevention report that incorporates the gender issue.

**434.** Guatemala presents a similar case. After a process of preparation, revision and tripartite consultation, through the Economic and Social Council (ESC), the National Congress approved (2017) the new Labour Inspection Law, which substantially modifies inspection procedures and the functions, organization and structure of Labour Inspection and the Ministry of Labour and Social Security in the country. This forced it to proceed with a training plan for personnel throughout the country.

435. Finally, the regional study<sup>78</sup> on the use of information and communication technologies to improve labour inspections should be highlighted. The study compiles experiences that identify the potential of these tools and their strategic role in strengthening labour administration and labour inspections.

## **XVIII. Multinational enterprises**

436. The ILO has supported its constituents in promoting the principles of the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (MNE Declaration) – 5th Edition (2017) taking into account the various updates, the most recent having been carried out in 2017. This update incorporated the regional follow-up as part of the operational tools of the Declaration, for which a new regional report will be prepared for the 19<sup>th</sup> American Regional Meeting.

437. One of the areas that has been most successful during these years has been training. In 2017, for example, a tripartite regional workshop on multinational enterprises, development and decent work was organized: the focus of the ILO Declaration on MNEs in which delegations from 14 countries of the region participated. There were also participants from stakeholders and governments of the region in courses held at the ITCIL in Turin.

438. Technical assistance was also provided to employers' organizations in this area. For example, in 2015, the National Association of Employers of Colombia (ANDI) created an advisory service on legal, commercial, labour, social and economic issues aimed at Colombian enterprises seeking to expand to other countries. In 2015, the ILO facilitated workshops on corporate social responsibility and the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy and, as a result, the Confederation of Private Employers of Bolivia (CEPB) created a specialized social responsibility unit. The ILO also participated in a workshop organized by the Ministry of Foreign Trade of Costa Rica, together with the European Union and the OECD, on corporate responsibility and sustainable development (May 2017) organized in the framework of the Association Agreement between Central America and the European Union.

439. The Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy calls on governments to study the impacts of multinational enterprises, which requires the availability of data. In order to provide technical assistance to governments in this work, the ILO collaborated with the National Institute of Statistics and Geography (INEGI) and the Secretariat of Labour and Social Welfare of Mexico to identify the weaknesses and strengths of existing methodologies. The reports made as a result of this work were validated in a tripartite workshop (Mexico City, Mexico, 2016) and presented at a regional workshop for statisticians (Lima, Peru, 2017). A report, synthesizing the results and conclusions of these workshops, will be presented at the International Conference of Labour Statisticians (2018).

440. In 2018, in collaboration with the European Union, the OECD and the Office of the High Commissioner for Human Rights (OHCHR), the ILO began an initiative in nine countries of the region aimed at promoting policies and practices of responsible business conduct. This initiative is aligned with the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the ILO Declaration on Multinational Enterprises.

441. Governments also received support to formulate strategies that promote relations between multinational companies and local SMEs. Thus, in 2016, a policy note was published on the role of multinational enterprises in the formalization of their suppliers, analysing experiences

78 ILO (2017). *Utilización de tecnologías de la información y de la comunicación en las inspecciones del trabajo. Una visión comparada en torno a países seleccionados*. Informe Técnico OIT Cono Sur n. 2. [http://www.ilo.org/santiago/publicaciones/informes-tecnicos/WCMS\\_614905/lang-es/index.htm](http://www.ilo.org/santiago/publicaciones/informes-tecnicos/WCMS_614905/lang-es/index.htm)

in five countries in the region. In Jamaica, the ILO conducted three studies in the hotels, catering and tourism sector focused on the role of multinational enterprises in generating employment at the local level. In Barbados, the ILO conducted a tripartite dialogue (2016) on how to maximize the positive impact that multinational companies can have, where they operate and tripartite constituents are working on the development of a protocol (2018).

## **XIX. Agenda 2030**

**442.** In order to respond to the international objectives set out in the 2030 Agenda, the ILO coordinates its actions with other specialized agencies of the United Nations System in the region in general, with the sub-regions and at the national level.

**443.** One of the premises of this agenda is the interrelation between its objectives and the need to advance towards all of them jointly. For this reason, the ILO Programme and Budget for the Biennium 2018-2019 has set out to clarify the multiple contributions that the Office will contribute to fulfilment of the agenda. From the Office, special importance will be given to the monitoring of those indicators of which the ILO is custodian and which are linked to several SDGs: 1, 5, 8 and 10. With the intention of obtaining reliable information with which to report on these indicators, work is being done with the competent institutions of the countries in areas such as social protection and labour statistics, among others.

**444.** At the regional level, the ILO, as a member of the United Nations Development Group for Latin America and the Caribbean, has participated in the meetings of the Forum of the Countries of Latin America and the Caribbean on Sustainable Development (Mexico, 2017 and Santiago, 2018) and has contributed with the corresponding documentation. In addition, it has contributed to the achievement of target 8.5 of SDG 8 with the regional launch of the Equal Pay International Coalition (EPIC) in Panama in 2018 and target 8.7 through the Latin America and the Caribbean Free of Child Labour Regional Initiative, with a substantive contribution to the organization of the IV Global Conference on the Sustained Eradication of Child Labour (Argentina, 2017).

**445.** In an effort to eliminate duplication and optimize efforts, the eighteen countries and territories of the Caribbean have collaborated in the elaboration of a regional United Nations Multinational Framework for Sustainable Development (UNDAF) for 2017-2021. In this field, the ILO continues to support the participation of tripartite constituents in national consultation processes. UNDAF contributes to the achievement of the SDGs, the SIDS Accelerated Modalities of Action (S.A.M.O.A) Pathway and other national development frameworks of the countries covered.

**446.** At the national level, the ILO has actively participated in the elaboration of the UNDAF framework, focusing its efforts on ensuring that the decent work agenda is properly reflected and that stakeholders contribute to the discussions on labour issues. In the same way, actions are being taken to cooperate with countries in the collection of information to present in the voluntary national reviews. However, one of the challenges facing the ILO is the lack of offices in all countries, which makes it difficult to participate in this type of exercise on a daily basis.

**447.** In this regard, cases like Costa Rica stand out: it was the first country to sign a national agreement on compliance with the SDGs, with the participation of the Government and endorsed by stakeholders, who participate in the governance structure of the 2030 Agenda in the country. In Argentina, the National Council for the Coordination of Social Policies and the SDGs is linked to 100 government goals, of which around 20 per cent are linked to SDG 8. In Mexico, a specialized technical committee on sustainable development, chaired by the Presidency and the National Institute of Statistics and Geography (INEGI), and a National Council for the 2030 Agenda for Sustainable Development were established, and an implementation plan has been developed.

448. Within the efforts made by countries to prioritize actions within the framework of the wider 2030 Agenda, progress on the decent work agenda has been included as a priority in a significant number of countries, as reported in the voluntary national reviews of Argentina, Brazil, Chile, Colombia, Costa Rica, El Salvador, Guatemala, Panama, Peru and Uruguay.

## XX. The future of work

449. In the framework of the commemoration of the ILO centenary, seven initiatives are being implemented, among which the Future of Work initiative seeks to address the changes undergone by the world of work. Regarding the first phase of this initiative, 26 countries in the region have participated in national or regional tripartite dialogues, in which topics such as work and society; decent work for all; the organization of work and production; and labour governance have been addressed.

450. The ILO has produced publications that contribute to the Future of Work initiative. As part of a regional technical report, in 2016 young people from 26 countries in the region were surveyed to learn their perceptions and expectations about the future of work. The 2016 edition of the Labour Overview of Latin America and the Caribbean devoted a section to exploring the trends of some factors associated with the future of work, as well as their impact on the labour market.

451. In 2017, articles on *The future of work, employment and skills in Latin America and the Caribbean*<sup>79</sup> and *La metamorfosis del trabajo en América Latina y el Caribe* (“The transformation of work in Latin America and the Caribbean”, Spanish only)<sup>80</sup> analyse the different realities of the region in terms of the world of production and work, grouping those factors that drive change and that are determinants for the future of work. Similarly, a report entitled *The future of vocational training in Latin America and the Caribbean: overview and strengthening guidelines* was published in 2017, analysing the gaps and challenges of vocational training in the region and proposing a series of guidelines to promote and strengthen training systems for work and for life.

452. En 2018, a report on the future of social protection in Latin America and the Caribbean was published, containing an overview of the progress and challenges in the area of social protection and addressing the new issues that have arisen in relation to social protection in the region as a result of new trends associated with the present and future of work. Additionally, a document was published that discusses the trends of factors associated with the future of work in Peru and its effects on the labour market.

453. In Argentina, on May 3 2018, the ILO together with the Center for the Evaluation of Evidence Based Policies (CEPE) of the Universidad Torcuato di Tella organized a seminar entitled The Future of Work: A Perspective from Latin America, which included a tripartite presence as well as the presence of the Minister of Labour and the Ministry of Finance.

454. In addition, in 2016, in line with the Future of Work initiative, the Bureau for Workers’ Activities (ACTRAV) organized a Trade Union Regional Meeting on Collective Bargaining and Gender Clauses and its link to the future of work. In the same year, the Bureau for Employers’ Activities’ (ACT/EMP) organized a Forum on the future of productivity in Latin America in which a discussion was held on an ILO study on factors enabling sustainable enterprises and a number of recommendations for improvement were tabled.

455. And as a core activity on the future of work, the 19<sup>th</sup> American Regional Meeting will focus specifically and reflect broadly on the theme.

79 Revista Pensamiento Iberoamericano. *Juventud, Emprendimiento y Educación*. 3ra Época. Número 2. Pp 54-66.

80 Revista Integración y Comercio: Año 2: No. 42: Agosto, 2017: *Robot-lución: el futuro del trabajo en la integración 4.0 de América*. Pp. 70-83.





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