

2003 Labour Overview

LATIN AMERICA AND THE CARIBBEAN



International Labour Office

10
years

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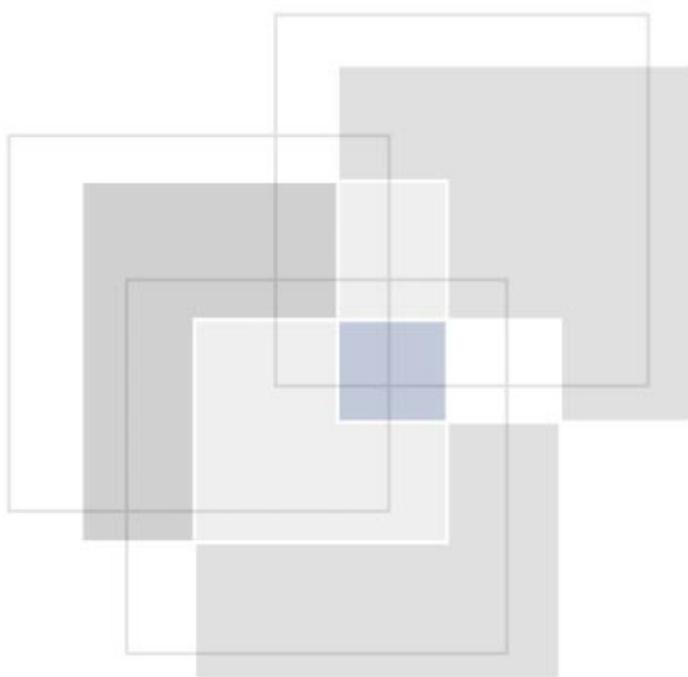
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International Labour Office

Foreword

Labour Overview is celebrating its 10th year since it was first published in 1994. At that time, a novel initiative in the heart of the ILO was proposed – to deliver exhaustive information annually on the labour market situation in Latin America and the Caribbean and the factors influencing its performance. This involved investing resources to produce and collect timely data, organize them in a standardized framework, regularly update them and analyze them in a reader-friendly summary document. Looking back over the road travelled since then, we recognize that this publication has grown, matured and adapted to new challenges. Above all, in response to growing demand, it has become a useful information tool for understanding the annual trend not only of the labour market situation but also of the broader framework of decent work in the region.

Ten years ago, in 1994, the region was emerging from the foreign-debt crisis of the early 1980s, and was advancing down the path of structural reform. Although economic growth had improved slightly, the jobs created were mostly informal and precarious. That year, in its first edition the *Labour Overview* expressed concern about the possibility that a period of growth without employment was beginning. GDP growth was modest compared with the period before the debt crisis and was insufficient for slowing the deterioration in the quality of employment.

Today, 10 years later, there are similar concerns as the region faces an equally complex labour situation. As the *2003 Labour Overview* maintains, the current labour market environment in Latin America –2003 data on the Caribbean and some Central American countries were unavailable for analysis at the time of publication– is ambivalent. On the one hand, the recessionary cycle affecting the regional economy last year has ended. In 2003, a modest recovery was evident in a GDP growth rate (1.5%) below that projected in late 2002. This growth is fuelled mainly by a stronger global economy, especially that of the United States and Japan, and the perception of less risk in the region – especially in Argentina, due to the waning of the crisis, and Brazil, due to the reforms implemented. This has permitted the partial recovery of investment and capital flows into Latin America and has positively affected forecasts and economic results in the region, as reflected in an estimated GDP growth rate of 3.5% in 2004 and an unemployment rate slightly below that of 2003.

Nevertheless, the economic recovery in 2003 is insufficient to improve labour market performance since no advances were made in the five main indicators used in this report to measure progress and setbacks in this area. The results are sobering: unemployment continues to be high, with an estimated average urban unemployment rate of 10.7% in 2003; jobs are of poorer quality than in the past, leading to the expansion of the informal labour market; the purchasing power of minimum wages fell by -1.6% in the first three quarters of this year compared with the same period in 2002; average real wages in the manufacturing sector declined by -4.8%, due both to the rise in the



average inflation rate and the slowdown in activity of this sector; and the average productivity of workers fell by -0.5% given that GDP growth (1.5%) was accompanied by a greater increase in employment (2%) in the first nine months of the year.

Labour market indicators have been consistently negative in the last five years. During this period, there was an increase in the primary decent work deficit, which in 1998 affected 49.5% of Latin American workers, compared with 51% currently. This means that more than half of the labour force in the region is confronted with unemployment and informality, characterized by volatile income levels bordering on the poverty level and/or lacking social security.

The lack of decent work has contributed to the deterioration in income distribution and has hindered progress in the fight against poverty in recent years. Unequal income distribution, and the fact that over four of every 10 Latin Americans do not earn enough income to satisfy their basic needs, have contributed to eroding social unity and have threatened governance in some cases.

The modest results for 2003, with a slight economic upswing, confirm our concern for promoting farther-reaching development policies since the beginning of the 1990s. These policies have been characterized by their lack of social dimension. During the past decade, marked by shorter and more volatile GDP growth cycles and unstable capital and investment flows from abroad, the most vulnerable groups rapidly suffered the consequences of an economic slowdown or recession but were slow to recover during periods of growth, if they managed to do so at all.

We wonder whether we are capable of responding to this discouraging context. The answer is yes. This *Labour Overview* summarizes some of the main ILO proposals for creating quality employment and decent work, proposals that respond to the key demands of social actors and governments.

In several recent declarations, which are summarized in a feature article of this report, top-ranking officials of the countries in the region have publicly committed themselves to the objectives of decent work, from the perspective of integrating economic and social policies. Government officials, employers and workers agreed on these objectives at the XV American Regional Meeting of the ILO (Lima, December 2002). The ministers of labour of the Americas likewise committed themselves in the Salvador Declaration of September 2003 – as did the ministers of trade, in the the Ministerial Declaration signed in Miami in November 2003. Public commitments were also made by the presidents of Argentina and Brazil at the Buenos Aires Consensus of October 2003. The heads of state and government attending the XIII IberoAmerican Summit voiced their support in the Declaration of Santa Cruz de la Sierra of November 2003.

In the opinion of the ILO, the real social emergency resulting from the current style of development in the region has to be addressed urgently. Under these conditions, countries must be encouraged to adopt a comprehensive set of economic and social policies with *sustainable macroeconomics* capable of absorbing the effects of the shocks, and a labour market in which *more and better jobs* are created. Effectively implementing these policies requires ongoing *social dialogue* among the government,



employers and workers that will permit more equal risk-sharing and will lend credibility to the policies. It is an effort to create good quality jobs and to expand *social protection*, which will contribute to reducing inequality and poverty.

The ILO will be a part of this process, as it has done to date, by developing new labour information services, carrying out studies, providing guidance and training, serving as a meeting place for its constituents and facilitating dialogue among them. The task of creating more and better jobs is part of our principle to build freer, more just, united and equitable societies.

Agustín Muñoz Vergara
Regional Director for the Americas

Lima, December 2003



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The *2003 Labour Overview* is the result of the teamwork of the different people who participated in the tasks of preparing, editing and disseminating the report. Every year, the ILO Regional Office for Latin America and the Caribbean analyzes the labour market situation in Latin America and the Caribbean in this document, which contains five parts: the foreword, the labour situation report, feature articles, the explanatory note and the statistical annex. The Office's Regional Director, Agustín Muñoz, would like to express his gratitude to those who made this publication possible.

The preparation of the *2003 Labour Overview* was coordinated by Mónica Castillo and Ricardo Infante, who also helped prepare different texts.

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The *Labour Situation Report*, which contains an analysis of current conditions of work, wages and labour performance in Latin America and the Caribbean, as well as short-term forecasts and policies to promote decent work, was prepared by Ricardo Infante and Juan Jacobo Velasco, who received suggestions from Mónica Castillo and Daniel Martínez.

The *feature articles* are brief reports on different topics relevant to the world of work. The first, *Social Protection and the Labour Market in Latin America*, is based on a study by Leonardo Gasparini, with the collaboration of Fabio Bertranou. Mónica Castillo and Manuel Délano prepared the article *Labour Aspects Associated with Integration Processes and Free Trade Agreements in the Region*, based on unpublished works of Virgilio Levaggi and Daniel Martínez. *Labour Adjustment in Latin America: a Gender Perspective (1995-2002)* was prepared by Julia Medel and Manuel Parra based on the research carried out as part of an ILO project on this subject. Silvia Berger also contributed to this report.

Laís Abramo wrote the article *Inequality and Gender and Race Discrimination in the Brazilian Labour Market*, based on the supplement on Brazil included in the ILO Global Report: *Time for equality at work (2003)*. Ana Bocanegra and Mónica Castillo translated the document into Spanish. Daniel Martínez wrote the last feature article, *Political*



Declarations on Economic Growth, Social Progress and Decent Work, which presents three political declarations made in the region in recent months.

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LOW ECONOMIC GROWTH WITHOUT LABOUR PROGRESS IN THE REGION

The data and analysis presented below on the key labour market indicators in Latin America and the Caribbean during the first three quarters of 2003 indicate that, even with the economic recovery of the region, high levels of unemployment persist, real wages have not recovered from declines experienced last year and labour productivity, while improving in several countries, continues to experience negative growth. Taken together, these findings indicate that the weakness of the labour situation continues and that the improvements in labour market conditions experienced by some countries do not extend to the entire region.

Nonetheless, the economic trend in the region for the period January-September 2003 indicates a less critical situation than observed last year. As a result of a recovery of world economic growth and due to a turnaround of the 2002 crisis that affected several countries of the region, especially Argentina, most of these countries are experiencing a higher growth rate in 2003.

Changes in Economic Growth Forecasts

- The 2003 forecast for Gross Domestic Product (GDP) growth in Latin America (1.5%) is lower with respect to the level projected at the end of last year (3%). Although lower than expected, the economic growth this year signals a modest recovery from the 2002 recession, when the GDP in the region fell -0.6%.
- The 2003 forecasts for some of the key world economies also changed. According to recent projections of the Organisation for Economic Co-operation and Development (OECD), the GDP growth rate for the United States, estimated at 2.5% at the end of last year, now stands at 3.5%, while in Japan expected growth rose from 1.8% to 2.2%. In contrast, the economic growth projections for the countries of the European Union were lowered from 2% to 0.7%.
- Global economic recovery is a basic condition, but not sufficient by itself to reactivate the Latin American economies in 2003, since the financial and trade uncertainties resulting from the more unstable political environment have led to a decline in investment and capital flows worldwide. The positive effects in the region yielding from the turnaround in the Argentine crisis were offset by economic and social events associated with the political crises affecting Bolivia and Venezuela.
- *Regional risk* declined in 2003, paving the way for renewed foreign investment flows during the year. Nevertheless, the *labour risk*, arising as a result of the global decent work deficit remains high, curtailing investment flows and thereby limiting the strength of the economic recovery in 2003.

Labour Performance: Real Wages Decline and the Urban Unemployment Rate Remains High

Based on data for the first three quarters of 2003 for a selected group of countries, it is possible to observe the following trends in the key labour indicators for the region:

- Following the economic contraction experienced in 2002 (-0.6%), the GDP growth forecast of 1.5% for 2003 indicates that the recession that began in the third quarter of 2001 has ended. As a result, employment growth (2%) slightly exceeded labour force growth (1.9%), leading to a modest decline in the unemployment rate for the region in 2003. This trend in labour supply and demand differs from that

observed in 2002, when the labour force participation rate remained unchanged, while the employment-to-population ratio fell.

- Currently, there are 19 million urban unemployed in Latin America and the Caribbean. The average urban unemployment rate, which reached 11% in the first three quarters of 2003, is slightly lower than the value observed for the same period in 2002 (11.2%). The unemployment rate presented in the 2003 Labour Overview differs from the values appearing in past issues due to the methodological changes made in Brazil's employment survey. As a result, it is estimated that the regional unemployment rate experienced an average increase of approximately 2 percentage points beginning in 2001.
- The urban unemployment rate indicates different trends by country. In the first three quarters of 2003, compared with the same period in 2002, there was a decline in Argentina (-5.9 percentage points), Chile (-0.4), Colombia (-0.5), Costa Rica (-0.1), Panama (-0.9) and Peru (-0.3).
- The urban unemployment rate increased in five countries during this period: Brazil (12% to 12.4%), Ecuador (6.3% to 6.7%), Mexico (2.8% to 3.2%), Uruguay (16.5% to 17.4%) and Venezuela (15.7% to 18.9%).
- The unemployment rate among women showed signs of worsening in the region. Changes in the urban unemployment rate among countries have not demonstrated similar trends among men and women. Thus, in countries with a decline in unemployment, different results are observed as regards the impact on men or women. However, in most of the countries where unemployment rose, the effect is greater among women than men.
- The unemployment rate among youth rose in six of the nine countries with current information on unemployment. In nearly all of them, the rate doubled or nearly doubled the total unemployment rate. Data for the period January-September 2003 for nine countries of the region (Argentina, Brazil, Chile, Colombia, Costa Rica, Mexico, Peru, Uruguay and Venezuela) indicate that nearly one in three youths is unemployed in the region, on average.
- There is more employment but it is of poorer quality. Average productivity fell by -0.5%, reflecting higher GDP growth (1.5%), which was accompanied by relatively higher employment growth (2%) in 2003 compared with last year. The decline in this indicator suggests that most newly employed workers have low productivity levels, reflecting a deterioration in the quality of employment in the region, indicating greater informal employment.
- Currently, there are signs of continued structural changes in employment, similar to those observed over the past 12 years. These include the following:
 - *The informal employment trend continues.* Most of the employment growth occurred in the informal sector, given that formal sector employment grew little between 1990 and 2002. Of every 10 newly employed workers since 1990, approximately seven have been informal sector workers.
 - *The trend toward tertiary sector (services) employment continues:* Since 1990, 9.4 of every 10 newly employed workers have worked in the service sector.

- *Labour precariousness persists*: Only four of every 10 newly employed workers had access to social security and only two of every 10 informal sector workers had social protection between 1990 and 2002.
- *The purchasing power of minimum wages worsened*, falling -1.6% in the first three quarters of 2003 with respect to the same period in 2002. Last year's trend continued due mainly to the sharp declines in Uruguay (-15%) and Venezuela (-15.9%) and, to a lesser extent, in Bolivia (-0.8%), Ecuador (-3.9%), Guatemala (-0.6%) Mexico (-0.3%), Panama (-0.8%) and Peru (-1.9%). Nonetheless, the real minimum wage rose as follows: Honduras (6.6%), Paraguay (3.4%), Brazil (1%), Chile (0.9%), Costa Rica (0.5%), El Salvador (0.5%) and Argentina (0.3%), while it remained steady in Colombia.
- *Real manufacturing wages fell* -4.8%, mainly due to declines in Argentina (-14.1%), Brazil (-5.9%), Ecuador (-5.2%), Paraguay (-1.9%), Uruguay (-14%) and Venezuela (-19.8%).
- Wage results were affected by the *rise in the average inflation level*, which during the first three quarters of 2003 reached 10.2% in the region, higher than the 7.7% registered during the same period in 2002. The regional rate was largely affected by the high rates in Argentina (18.5%), Brazil (15.9%), Paraguay (16%), Uruguay (23.1%) and Venezuela (33.1%).
- Labour progress in 2003, based on five labour market indicators, was characterized by a balance among the six countries that experienced progress (Argentina, Chile, Costa Rica, El Salvador, Honduras and Peru) and the six that suffered setbacks (Brazil, Ecuador, Mexico, Paraguay, Uruguay and Venezuela). This contrasts with the trend observed in 2002, when the majority of the countries experienced a decline in the quality of the labour market. Although there is labour progress with respect to last year in some countries as a result of the incipient economic recovery, it is not sufficiently widespread among countries to make up for the significant decline in the quality of employment registered in 2002 in the region. On average, the five indicators used to evaluate the labour progress indicate that the situation has worsened at the regional level.



Urban Unemployment and GDP Forecasts for 2003-2004

- In light of the forecast changes for economic growth in Latin America and Caribbean countries during 2003, the projection for regional GDP growth was lowered at the end of this year (1.5%) with respect to the estimate in 2002 (3%).
- It is estimated that the average annual urban unemployment rate for the region will be 10.7% in 2003, a rate similar to that of 2002 (10.8%).
- The GDP growth trend is expected to accelerate in 2004 given that a growth rate of 3.5% is expected next year, an increase of 2 percentage points above the estimated growth for 2003. It is anticipated that the strengthening economy will produce a decline in the regional unemployment rate, to an estimated 10% next year.

Policies to Advance the Decent Work Agenda

In recent years, the development profile in the region has been characterized by low and unstable rates of economic growth, hampering labour progress and the reduction of inequality and poverty. This environment of greater risk tends to increase the sense of insecurity and uncertainty of individuals,

groups and societies, and weakens governance. Dealing with this situation requires *reducing the decent work deficit*, especially with regard to an improvement in employment and social protection. To this end, the following is proposed:

- To implement macroeconomic policies designed to attenuate economic cycles and stabilize economic growth to achieve an improved labour situation and reduce inequality and poverty in the countries of the region. Specifically, it would be beneficial to promote fiscal policies that seek structural balance rather than serving short-term interests. Equally important is the incorporation of the social and labour dimensions in subregional integration processes.
- To improve the quality of formal employment, there must be a labour flexibility policy based on raising productivity rather than reducing labour costs. This implies targeting investment in training and technology. It is also crucial to achieve a certain level of employment stability and move toward labour relations based on cooperation between employers and workers.
- To improve the quality of informal employment, there is a call for a productive solution to the crisis in microenterprises, small firms and the informal economy, by developing and strengthening the domestic market.
- To strengthen labour and social protection, which would serve to reduce worker vulnerability and poverty, an integrated strategy involving the enhancement of employment skills and minimum levels of protection is advocated.
- To reduce tensions and conflicts that inevitably would arise from the implementation of policies to reduce the decent work deficit, an integrated social dialogue is necessary among governments, employers and workers, as well as a modernized and enhanced technical capacity within ministries of labour, and strengthening of employer and worker organizations.



CHANGES IN ECONOMIC GROWTH FORECASTS

Economic performance in Latin America and the Caribbean in the global market depends on inter-related internal and external factors. First, regional growth depends on growth of the world economy – especially of the U.S. economy – as well as trends in financial and investment flows, which are highly sensitive to changes in forecasts, and affect the evolution of regional risk indicators. In addition, country and regional risk levels are associated with macroeconomic monetary and fiscal policies, especially with regard to increasing aggregate demand and maintaining basic macroeconomic balances. Finally, labour market trends, that is, the advances and setbacks of the labour market in the countries of the region, are also important, as this report maintains.

Below is an analysis of economic growth and unemployment trends in 2003 in the world's leading economies, followed by an analysis of the factors that influence the forecasts and economic performance of the region. It is proposed that the favourable effects on Latin American and Caribbean countries of global economic growth and the trend of lower regional risk are offset by the negative impact of the labour risk in the region in the short and medium term. This section also discusses the region's economic recovery.

Economic Growth and Unemployment in Industrialized Countries

The global context of political uncertainty led to changes in forecasts for economic growth in 2003. The key industrialized economies implemented expansive monetary policies because of their low inflation rates, resulting in the systematic reduction to historically low interest rates. The

economy of the United States is recovering rapidly, which should directly and positively influence forecasts for GDP growth in the countries of the region. In contrast, economic prospects for the European Union are less encouraging, which could eventually stem trade and financial flows into Latin America and the Caribbean.

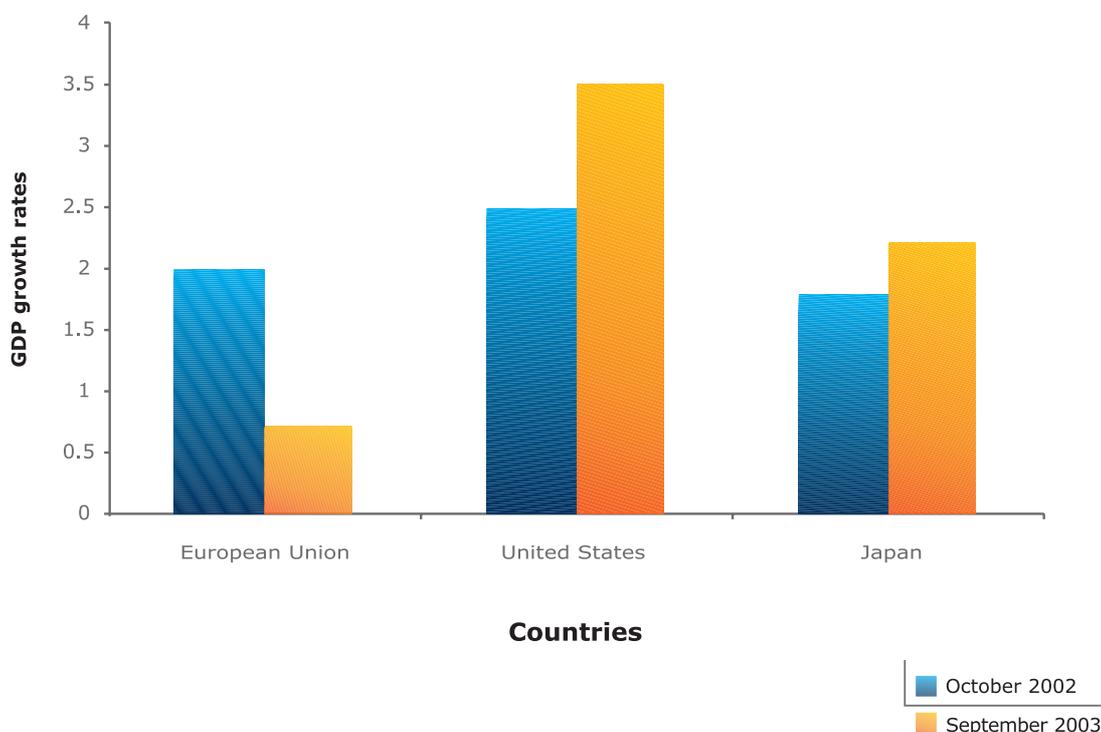
In the United States, economic growth continued during the year as a result of wartime spending and post-war reconstruction in the Middle East. Domestic demand also increased, benefiting from a very low prime lending rate (1%). At the end of last year, the GDP growth forecast was 2.5%; current estimates place growth at 3.5% for 2003.

Despite healthy domestic demand in the United States, labour market forecasts are not very encouraging given the macroeconomic imbalances which occurred. While U.S. economic growth rose rapidly from 3.3% to 8.2% between the second and third quarters of

2003 with respect to the same period in 2002, the unemployment rate held steady over the two periods (6.2% and 6.1%, respectively). Average unemployment during the first three quarters of the year was at its highest level since 1994, attributed in part to the dismissal of workers in the manufacturing sector. The unemployment rate in the United States will reach an estimated 6.1% in 2003.

The most recent Organization of Economic Cooperation and Development (OECD) projections, from November 2003, estimate 2003 GDP growth for the European Union at 0.7%, compared with the 2% estimated at the end of last year. The successive economic slowdowns of European Union countries beginning in the fourth quarter of 2002 worsened in the first half of 2003 (the GDP grew 0.6%), raising the average unemployment rate, estimated at 8% for 2003, the highest recorded since 1999.

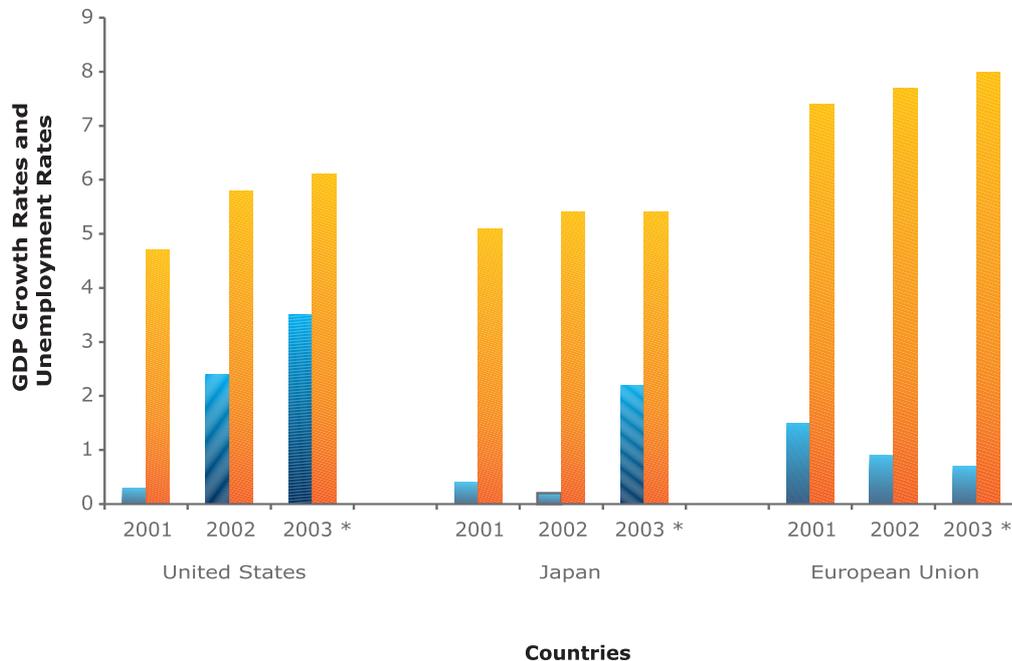
FIGURE 1
**ESTIMATED 2003 GDP GROWTH RATES
 FOR THE WORLD'S LEADING ECONOMIES**
 (percentages)



Source: ILO, based on official country information and IMF and ECLAC estimates.

FIGURE 2

**TRENDS IN GDP GROWTH AND UNEMPLOYMENT RATES
IN THE WORLD'S LEADING ECONOMIES, 2001 - 2003**
(percentages)



Source: ILO, based on official country information.

* GDP growth corresponds to the first half of the year (the first three quarters in the case of the United States) while the unemployment rate corresponds to the average for the period January-September.

■ GDP growth rates
■ Unemployment rates

In the case of Japan, the recession that began in 1998 has begun to ease, as reflected in the slight reactivation since the third quarter of last year. For 2003, annual average growth is estimated at 2.2%; nevertheless, the unemployment rate will remain high (5.4%). The unemployment rate, which was 2.2% in 1990, has been rising over the past 12 years.

In summary, in 2003, the unemployment rate rose in the most industrialized countries, regardless of economic performance. Thus, even when internal demand rose or remained unchanged, the economic forecasts and market response have not led to lower unemployment in industrialized countries.

Factors Influencing Regional Forecasts and Economic Performance

Several factors have influenced the economic forecasts and performance of Latin America and the Caribbean. The first is the growth of the global economy, which

was marked by uncertainty resulting from tensions in the Middle East at the beginning of the year. This negatively affected both investments and prices for primary products. In particular, the unexpected variation in oil prices generated unequal effects, favouring producer countries while hurting consumer countries when oil prices increased, and vice versa when prices fell.

Nevertheless, what occurs in Latin America and the world in the short and medium terms depends largely on the vitality of the U.S. economy given that it contributed approximately 60% of global GDP growth between 1990 and 2002. This hegemony as the driving force of global economic growth will probably gain momentum in light of the slow economic recovery of Japan and the poor economic performance of the European Union. Trade and financial flows between the region and the United States account for 40% to 60% of the total exchange in these areas, depending on the country.

Another factor is the reduced regional risk, resulting in the partial recovery of investment flows into Latin America, especially during the second half of 2003, despite the less favourable situation of the global economy in the first half of the year. This is confirmed by the moderately encouraging financial reports of the countries during the first half of the year. Another positive sign is the recent trend in the key currency markets of the region. After international tensions diminished, the currencies of several Latin American countries stabilized or appreciated in some cases during the third quarter of 2003.

The lower country risk has led to greater investment in the region, particularly in Argentina and Brazil. In Brazil, investors are currently optimistic about improved possibilities for payment and/or negotiation of the public debt and the economic reforms recently launched by the government.

In the case of Argentina, the perception of reduced regional risk is associated with the end of the recessive cycle affecting the economy between 2001 and 2002, which weighed negatively on the economic performance of Latin America. The signs of greater stability and growth in this country are fostering the gradual normalization in international financial markets in the region. More favourable forecasts have contributed to the relative appreciation of the Argentine currency.

The improved regional risk has come as a relief to the macroeconomic authorities of the region because it permits the implementation of more austere monetary policies, for example. In Brazil, these policies were implemented to offset the inflationary pressure created by the currency depreciation in late 2002 and the rise in fuel prices in early 2003. As a result, the medium-term trend of decreasing inflation should continue throughout the year.

In this context, economic authorities of the countries have adopted stricter fiscal policies, which are expected to reduce the average public deficit of the region. This greater discipline has started to reverse the widespread trend of the weakening of the fiscal situation over the past two years, and will therefore ease the difficulties for financing public debts. The result will be diminishing regional risk, helping to create better conditions for investment and economic growth in the countries.

While the first two factors – the growth of the global economy and the reduced regional risk, with the resulting recovery of investment flows into Latin America – have positively affected economic forecasts and performance of the region, a third factor, the increase in *labour risk*, has had a negative impact on both the prospects for recovery and the possibility that the benefits of this process will reach all sectors. This risk largely determines the rate and quality of labour progress, which in turn contributes to enhancing analysts' forecasts and therefore to future economic growth.

What is *labour risk*? It is proposed that this risk occurs as a consequence of the *global deficit of decent work* that reflects the inequality in different areas of society. The lack of decent work is evident in the employment gap, characterized by widespread unemployment and under-employment. With respect to rights, the lack of decent work is reflected in the widespread denial of labour rights, as well as the lack of social protection, resulting in jobs without social security and secure income. In terms of social dialogue, it is apparent in inadequate representation and the lack of institutions where people can make their voices heard.

The primary decent work deficit in Latin America and the Caribbean has increased over the past five years due to rising unemployment, the growing informal sector and the lack of social protection. These labour market factors have increased labour risk. Moreover, the growing lack of decent work has contributed to the unequal distribution of income and growing poverty.

Unemployment in Latin America and the Caribbean has stood at approximately 10% ever since adjustment policies were implemented to curtail the imbalances caused by the Asian crisis of 1998. Unemployed workers face gender and age discrimination since unemployment continues to affect more women than men and more youths than adults. Informal employment has remained high (close to 47% of employed workers) and real wages in the manufacturing sector have dropped –1.2% yearly, on average, even when real minimum wages have increased by a modest annual average of 0.9%. Labour productivity has not improved, as reflected in the fact that the GDP per employed worker remained virtually unchanged in the period.

The result has been an increase in the primary decent work deficit, which affected 49.5% of workers in 1998, and an estimated 51% in 2003. Moreover, this year,



the World Bank reports that Latin America and Caribbean countries continue to rank among the highest in the world in terms of unequal income distribution levels. Since the crisis began, the process to eradicate regional poverty has come to a standstill since the percentage of the population living below the poverty line increased from 43.8% in 1999 to an estimated 49.3% in 2003 (ECLAC, 2003).

This situation has weakened social unity in the countries of the region. The 2003 *Latinobarómetro* survey reports that 50% of respondents believe that there is far too much income disparity. Likewise, the results suggest that social exclusion resulting from unemployment and poverty affects the democratic system. While democracy remains solid – it survived the crisis – support for democracy has fallen from 61% in the year before the crisis (1996) to 53% in 2003. Clearly, the greatest *labour risk* resulting from the growing decent work deficit is the possibility that it will affect social unity, thereby threatening the governance of the countries. The current political climate contributes to increased country risk and growing uncertainty among investors, thereby delaying investment decisions, which in turn threaten the achievement of rapid, sustained growth.

The Regional Economy Slowly Recovers

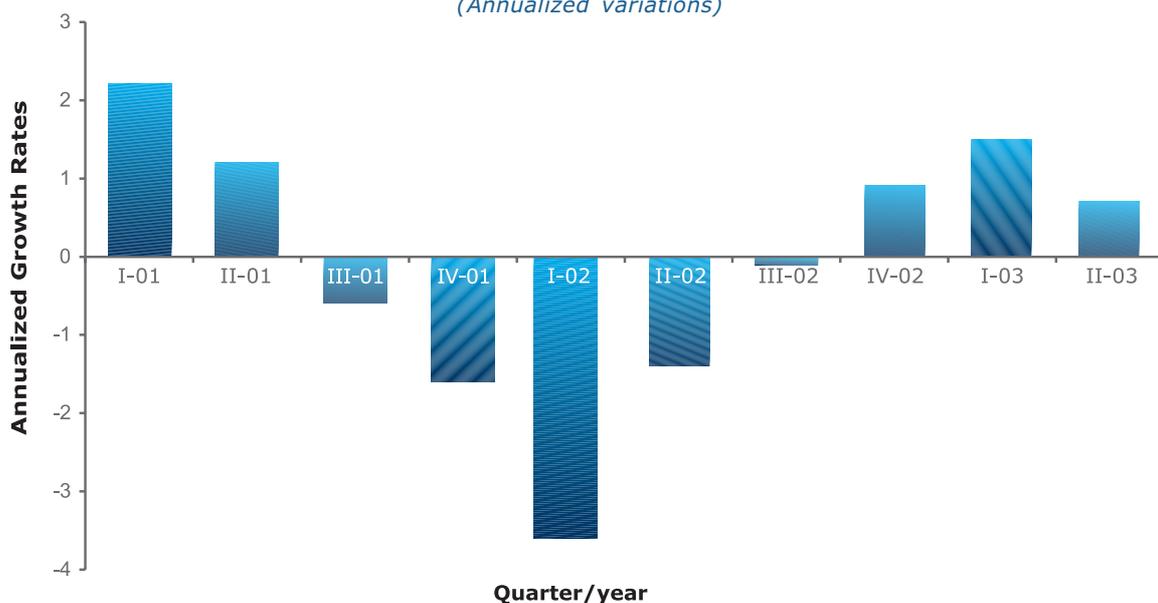
Forecasts for economic growth in the region for 2003 were lowered with respect to estimates in late 2002. Latin America experienced moderate growth after the recessive cycle that began in 2001 with the marked slowdown of the Argentine economy and the political, social and economic turmoil that affected several countries in the region. Conflicts in the Middle East increased the perception of risk for global trade and financial activities. This led to a decrease in projected GDP growth, from 3% at the end of last year to the current rate of 1.5%.

The analysis of the economic situation of the last three years – defined by a cycle of recession and recovery (Figure 3) – permits some observations regarding GDP growth in the region in the short and medium term.

The crisis of the 1990s affected only some countries or areas of the region (Mexico and Argentina in 1995; South America in 1998-1999). In contrast, the effects of the most recent crisis extended throughout the subregions of Latin America and the Caribbean. Moreover, recovery has been slower than during the previous crisis and there is concern that the countries will have difficulty resuming a path of stable economic growth strong enough to

FIGURE 3

LATIN AMERICA AND THE CARIBBEAN: AVERAGE GDP GROWTH First quarter 2001 - Second quarter 2003 (Annualized variations)



Source: ILO, based on official country information.
The selected countries are Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Peru, Uruguay and Venezuela.

contribute to resolving the labour problems of Latin America and the Caribbean — barring a major positive impetus from outside the region.

The new forecast for regional economic growth for 2003 (1.5%) assumes that the leading world economies and those of the region will not experience turmoil during the second half of the year, which could affect the slow recovery observed (1.1% on average) during the first half of the year in the countries under review (Table 14-A). Projections indicate that most countries can expect a moderate economic upswing compared with 2002. Notwithstanding, the economic trends in the region have been extremely diverse this year, as discussed below.

Argentina is expected to experience a *high level* of growth, with a GDP growth of 5.8% in 2003, in contrast to the contraction of -10.8% recorded in 2002. This forecast is based on the country's strong economic recovery during the first part of this year, when the GDP grew 6.5%.

Three countries of the region are expected to have *medium-high* growth (between 3.5% and 4%) in 2003: Chile, Costa Rica and Peru. The GDP of Costa Rica will again grow by 4% this year due to the healthy performance of manufacturing assembly activities in free trade zones, communications and agriculture, which are recovering from the poor results of 2002. While the Peruvian economy will not perform as vigorously as last year, growth in 2003 (4%) will result more from increased domestic demand than from the performance of the primary export sectors, as the GDP growth in the first half of the year (4.6%) indicates.

In Chile, the GDP is expected to grow 3.5% in 2003, surpassing the rate for 2002 (2.2%). The greater economic vitality is largely the result of trade agreements with the European Union and the positive expectations resulting from the free trade agreements with the United States and South Korea, as well as the positive impact on trade of rising copper prices, particularly in the second half of the year.

Projections indicate that the increase in economic activity in 2003 will reach a *medium level* (between 1.5% and 2.5%) in nine countries (the Central American countries —except for Costa Rica— along with Colombia, Ecuador, Mexico and Paraguay).

Three countries will have a growth rate of 2.5% this year. In Colombia, this value is higher than in 2002

(1.5%) as a result of the recovery of investments and exports, which grew in response to the currency depreciation. In Paraguay, the recovery of the agricultural sector and the improved economic situation of some countries of the Southern Common Market (MERCOSUR), especially Argentina, will foster growth in 2003. In Ecuador, although the GDP grew 1.1% in the first quarter, a greater overall increase is expected this year (2.5%).

Central America suffered the effects of the slowdown in the U.S. economy in the first half of 2003. Average growth of the five economies of the region (El Salvador, Guatemala, Honduras, Nicaragua and Panama) is estimated at between 2% and 2.5% in 2003, as a consequence of the sluggishness of exports and remittances of migrants living in the United States.

The Mexican export market was affected by the weak recovery of the United States during the first part of this year. Despite signs of an improvement in that country, the Mexican economy has still not rebounded due to the stagnation of the domestic market and the lower economic forecasts, resulting in less consumption and investment than expected. Therefore, it is estimated that average GDP growth will be approximately 1.5% in 2003, a rate similar to that of the first half of the year (1.3%).

Bolivia and Brazil are expected to have a *medium-low* level of economic growth in 2003 (between 0.5% and 1.2%). Forecasts for GDP growth in Bolivia were lowered after the outbursts of social unrest triggered by the change of government. The growth associated with natural gas exports, which were delayed, as well as the lower prospects for investment resulting from the internal crisis, are expected to produce a GDP growth of 0.5% this year.

Brazil experienced a GDP growth of 0.3% in the first half of 2003 as a result of the reforms implemented by the new government and analysts' more modest forecasts, which slowed both consumption and investment. Nevertheless, the GDP growth is expected to be 1.2% in 2003, which is lower than the value posted last year.

Finally, an *economic contraction* is forecast for the Dominican Republic, Uruguay and Venezuela (between -1.5% and -13%).

The economy of the Dominican Republic will decline -1.5% due to the effects of the slowdown in the tourism industry and the declining investments in the sector. Uruguay will have to wait to the end of this year (in

the first half of 2003, the GDP fell -6.8%) to begin to feel the effects of the recovery. Even so, the annual average growth rate will be -2.5%.

Venezuela, the largest crude oil exporter in the region, will not be able to take full advantage of the oil boom because of economic and political events. The critical situation of its external accounts and the weak domestic production will continue to affect growth. Production is further affected by the complex political situation in the country. The GDP is expected to decrease -18.5% during the first half of the year, resulting in the contraction of the level of activity of -13% in 2003.

In summary, of the 18 countries analyzed, only one will have strong GDP growth (5.8%) in 2003. Three countries are expected to have *medium-high* growth in 2003 (between 3.5% and 4%). Nine countries, the largest group, will have a *medium* level of GDP growth (between 1.5% and 2.5%). In two other countries, economic growth will be at the *medium-low* level (between 0.5% and 1.2%). Brazil is among these

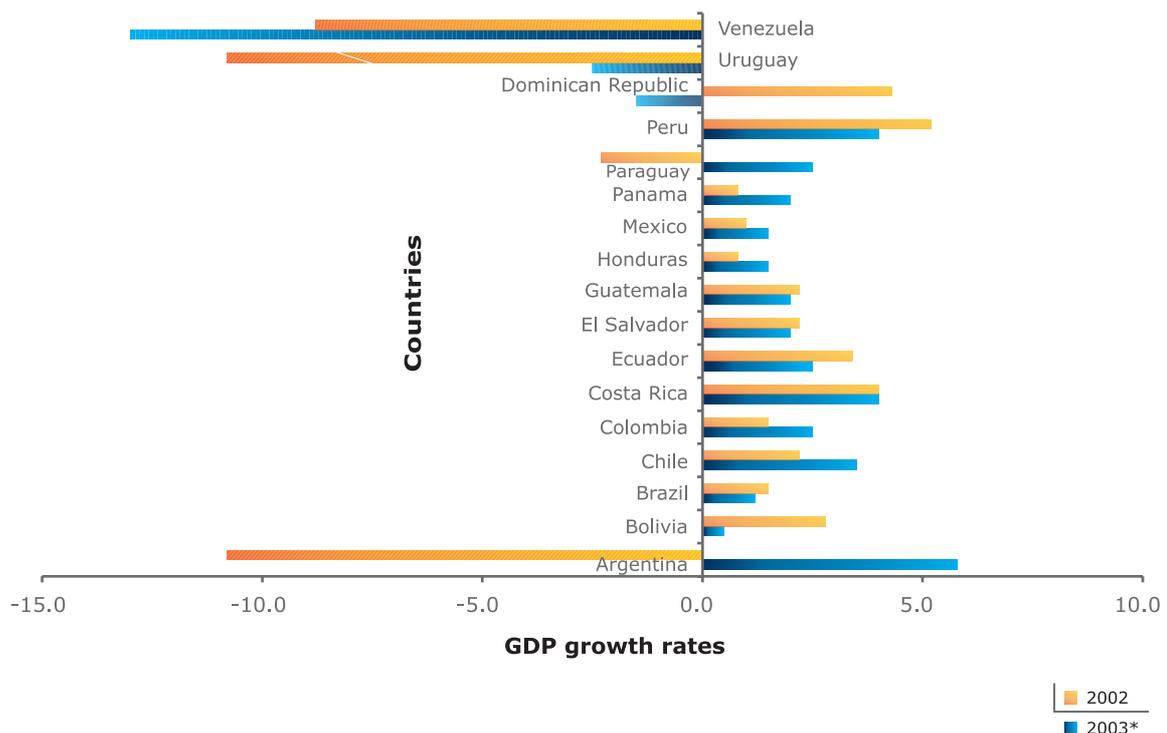
countries. This country will contribute to decreasing regional average growth given the strong economic influence of the GDP of Brazil on the region. Finally, the economies of three countries will *contract* in 2003 (between -1.5% and -13%).

This classification of countries permits some conclusions to be drawn. First, most of the countries have positive GDP growth rates for 2003, although there is significant variation among them. Second, the stagnation in the GDP of Brazil has a decisive influence on the regional average, contributing to the modest economic performance of the region in 2003.

To improve the labour situation, GDP growth must be sustained at 4% or more annually. Experience suggests that beginning at this rate of growth, it is more feasible for unemployment and informal employment to decline, and for productivity and real wages to increase. The economic forecasts for 2003 indicate that only a few countries will reach this level. As a result, the current economic recovery will be insufficient for improving the conditions of labour progress in the region.

FIGURE 4

**LATIN AMERICA AND THE CARIBBEAN:
GDP GROWTH BY COUNTRY IN 2002 AND ESTIMATED GROWTH FOR 2003
(percentages)**



Source: ILO, based on official country information

* Estimated

LABOUR PERFORMANCE IN LATIN AMERICA AND THE CARIBBEAN IN 2003

The low economic growth in Latin America and Caribbean countries affects the rate of recovery of two key labour market indicators: unemployment and real wages. Unemployment figures were affected by changes in the methodology used to measure unemployment in Brazil. The Monthly Employment Survey (*Pesquisa Mensal de Emprego, PME*) incorporated several methodological changes beginning in October 2001, producing an increase in the unemployment rate of 4.5 to 5 percentage points above the value of the old series (Box 1). These changes led to an increase in the regional unemployment rate of approximately 2 percentage points above the level calculated using the previous

unemployment series, since the economically active population (EAP) of Brazil represents almost 40% of the region's EAP.

Urban Unemployment

Using the new Brazilian series for 2002 and 2003, the trend of urban unemployment in the region shows that the regional unemployment rate for the first three quarters of this year (11%) is slightly below that of the same period in 2002 (11.2%). The average unemployment rate for 2003 (10.7%) is also expected to be slightly lower than that of 2002 (10.8%) (Table 1-A of the Statistical Annex and Figure 5). This is because regional GDP growth in 2003 (1.5%) will generate a 2% increase in employment, higher than the 1.9% increase in the urban labour force (Table 1).

TABLE 1
LATIN AMERICA AND THE CARIBBEAN
GDP GROWTH, EMPLOYMENT AND PRODUCTIVITY
IN NON-AGRICULTURAL ACTIVITIES, 1991-2002 a/
(Percentages)

Countries	GDP	EAP	Employed	Productivity
Argentina	2.0	1.6	0.5	1.5
Barbados	0.7	1.3	1.9	-1.2
Bolivia	3.5	3.8	3.5	0.0
Brazil	2.4	0.8	0.7	1.7
Chile	5.4	1.4	1.2	4.2
Colombia	2.3	2.9	2.0	0.3
Costa Rica	4.5	3.5	3.6	0.9
Dominican Republic	5.4	2.2	2.0	3.4
Ecuador	2.3	2.3	1.8	0.5
Honduras	3.1	3.9	3.7	-0.6
Jamaica	0.9	1.2	1.1	-0.2
Mexico	3.0	2.2	2.0	1.0
Panama	3.9	2.4	3.0	0.9
Paraguay	1.5	2.9	1.7	-0.2
Peru	3.8	2.7	2.6	1.2
Trinidad and Tobago	3.9	2.1	2.7	1.2
Uruguay	1.2	0.5	0.1	1.1
Venezuela	1.4	3.5	3.0	-1.6
Latin America and the Caribbean	2.6	1.8	1.5	1.1

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

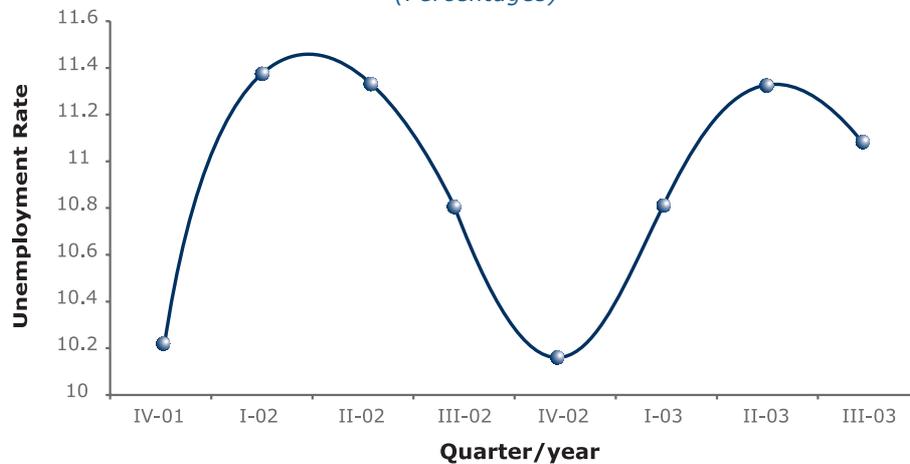
a/ Annualized growth rate for all years of the period 1991-2002.

The annualized growth rate for these categories for all countries in the region during the period January-September 2003 is estimated as follows:

	GDP	EAP	Employed	Productivity
Latin America and the Caribbean	1.5	1.9	2.0	-0.5

FIGURE 5

**LATIN AMERICA AND THE CARIBBEAN:
TRENDS IN THE AVERAGE URBAN UNEMPLOYMENT RATE**
Fourth quarter 2001 – Third quarter 2003
(Percentages)



Source: ILO, based on official country information (Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Peru, Uruguay and Venezuela). Includes Brazilian data from the new methodological series.

Selected Countries

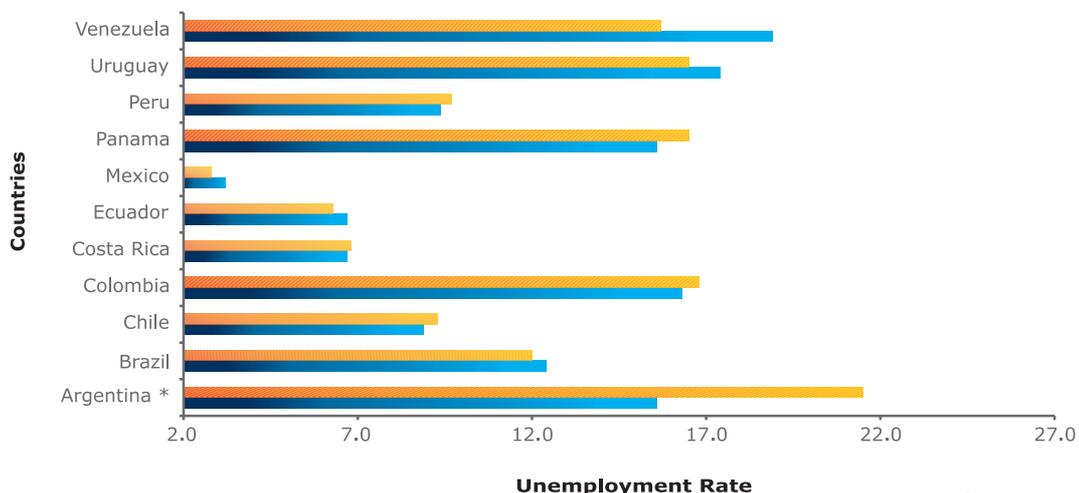
Nevertheless, unemployment rate trends differed among countries (Figure 6). In six countries (Argentina, Colombia, Chile, Costa Rica, Peru and Panama), the rate decreased or remained the same compared with the same period last year (Table 1-A, Statistical Annex).

In Argentina, the rapid recovery of manufacturing and foreign trade activity led to a significant decline in the unemployment rate (15.6%) during the first six months of 2003, compared with the same period

in 2002 (21.5%). These rates were affected by the Unemployed Head of Household Programme (*Jefes y Jefas de Hogar Desocupados*), which provides economic aid to families headed by workers who lost their jobs during the Argentine crisis. In Colombia, the unemployment rate for the period January-September 2003 (16.3%) was lower than that recorded for the same period in 2002 (16.8%), as a result of the improved performance of domestic demand and investments.

FIGURE 6

**LATIN AMERICA AND THE CARIBBEAN:
TOTAL UNEMPLOYMENT RATE BY COUNTRY**
January-September 2002-2003
(Percentages)



Source: ILO, based on official country information.

* First semester.

2002
2003

Box 1

BRAZIL: CHANGES IN THE EMPLOYMENT SURVEY AND IMPACT ON REGIONAL INDICATORS

Brazil's New Employment Survey

The Brazilian Institute of Geography and Statistics (IBGE) began to revise the methodology used in the Monthly Employment Survey (PME) in 2001 because this instrument, which was designed to measure key indicators of the labour market structure of six metropolitan areas of Brazil, had not been modified since 1982.

The revision of the PME covered seven aspects: expansion of the research on issues already surveyed; use of electronic instruments for processing data series; adjustments to the sampling design; and sample selection incorporating the sector grid of the 2000 Demographic Census; modification of the geographical coverage; use of a new system to classify employment and economic activity; and the incorporation of concepts, definitions and indicators established in international recommendations. These changes are detailed in the IBGE report explaining the characteristics of the new employment series

(Technical Note - *Nova Metodología de Empleo*, 2003). With the implementation of the methodological changes, a new data series was produced beginning in October 2001, which was used in parallel with the old series until December 2002. The new IBGE series of labour market indicators became official in January 2003.

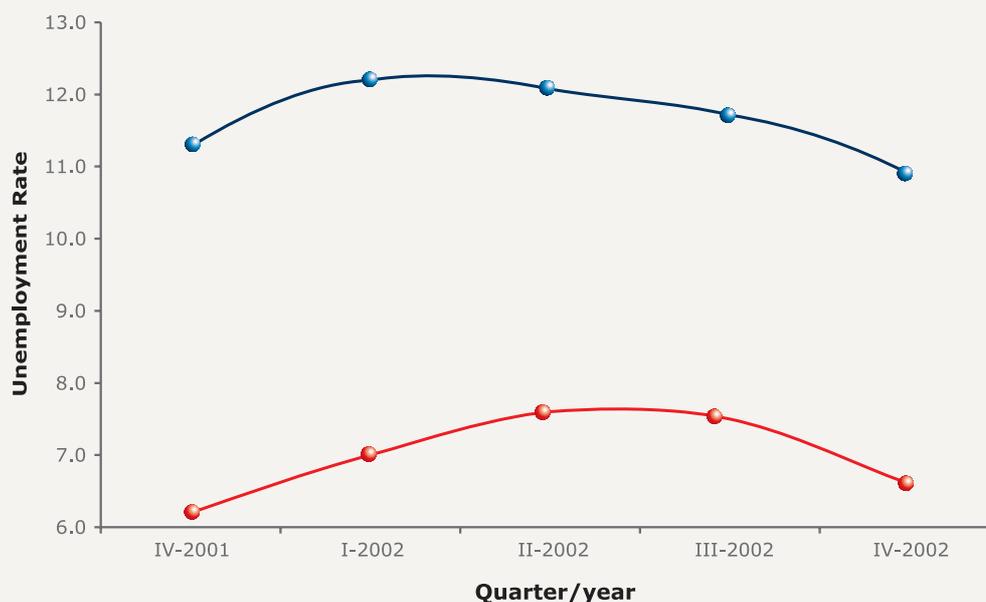
Effects of the Methodological Changes on Employment Indicators

An analysis of the two PME series demonstrates that the methodological changes produced a significant variation in the total unemployment rate, resulting in an increase of 4.5 to 5 percentage points, depending on the month. (Figure 1a).

There is a 4 percentage point increase in the unemployment rate among men in the current PME series compared with the old one, and a 5 percentage point increase in the unemployment rate among women (Figure 1b). The youth unemployment rate increased between 6 and 7.8 percentage points (Figure 1c).

FIGURE 1a

**BRAZIL: CHANGES IN THE UNEMPLOYMENT RATE
DUE TO THE MODIFICATION OF THE EMPLOYMENT SURVEY**
Fourth quarter 2001 – Fourth quarter 2002
(percentages)

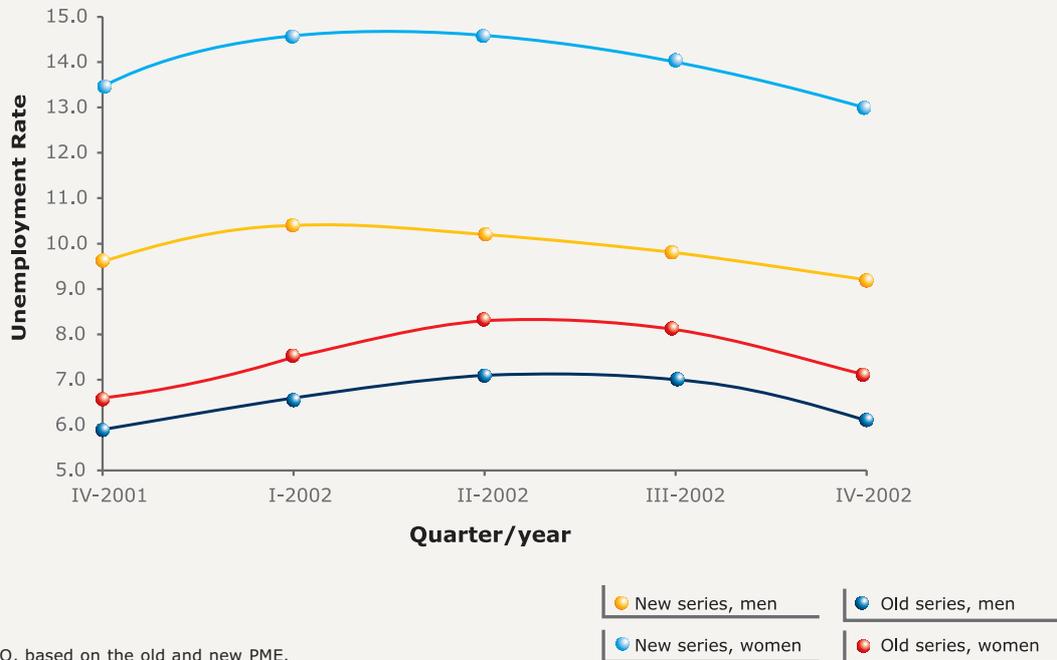


Source: ILO, based on the old and new Monthly Employment Survey (PME)

● Old series
● New series

FIGURE 1b

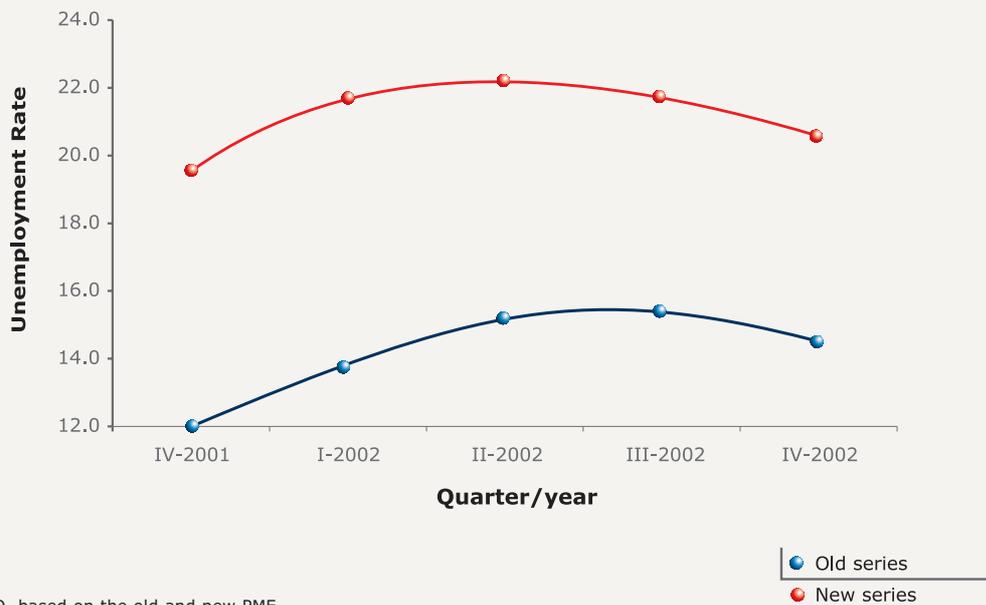
BRAZIL: CHANGES IN THE UNEMPLOYMENT RATE BY GENDER DUE TO THE MODIFICATION OF THE EMPLOYMENT SURVEY
 Fourth quarter 2001 - Fourth quarter 2002
 (percentages)



Source: ILO, based on the old and new PME.

FIGURE 1c

BRAZIL: CHANGES IN THE YOUTH UNEMPLOYMENT RATE DUE TO THE MODIFICATION OF THE EMPLOYMENT SURVEY
 Fourth quarter 2001 - Fourth quarter 2002
 (percentages)



Source: ILO, based on the old and new PME.

In addition, both the labour force participation rate (LFPR) and the employment-to-population ratio declined. There was a drop of close to 1.7 percentage points in the LFPR, and 4 percentage points in the employment-to-population ratio. The increase in the unemployment rate is explained by the significantly greater contraction of the employment-to-population ratio with respect to the participation rate resulting from the methodological changes.

According to the IBGE, the methodological changes that affected the unemployment rate centred on the following:

- The new survey includes individuals ages 10 and up in the population of working age (in the old PME, this population was calculated beginning at 15 years old).
- The definition of the employed population in the new survey includes everyone who works at least one hour per week while the old survey established a minimum of 15 hours per week for unpaid work.
- To identify unemployed persons, the old survey used a reference period for job search of the previous week while the new survey extends the period to the previous 30 days and includes the criterion of being available to work during the week.
- To identify employed persons, the new survey asks whether the individual works or not, directly characterizing employed workers. This question replaces the first question in the old survey, which asked "What type of activity do you do?," followed by a list of options.

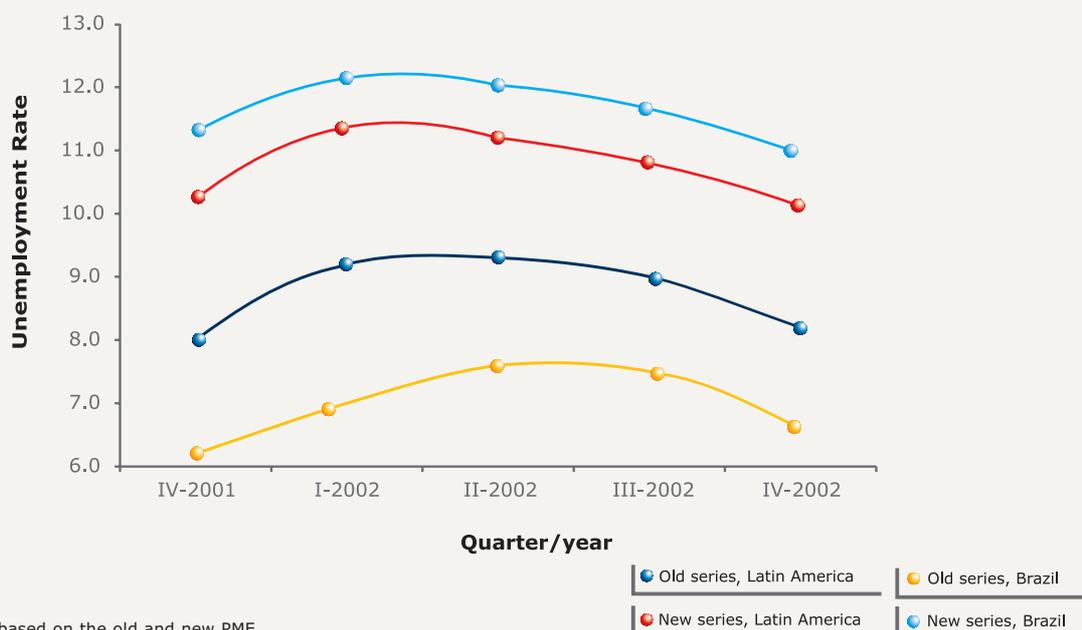
The rise in the population of working age caused by the reduction in the minimum working age threshold led to a decline in the LFPR and employment-to-population ratios. This result reflects the fact that while both the economically active population (EAP) and the number of employed workers rose with the new survey, the change in both cases was less than that for the population of working age. Moreover, due to the greater specification of employed workers, as well as the expansion of the reference period for job search, the number of unemployed workers and the unemployment rate both increased.

Impact on Regional Employment Indicators

The changes introduced into the PME shifted the main indicators of the Brazilian labour market and produced important variations in the regional averages. Brazil represents almost 40% of the urban EAP of Latin America and the Caribbean. As a result, for every percentage point increase in the Brazilian unemployment rate, the regional average increases by 0.4 percentage points.

The increase of almost 5 percentage points in the total unemployment rate of Brazil caused the annual urban unemployment rate for the region to rise from 8.9% to 10.8% in 2002 (Figure 1d). The variation between the series in the Brazilian unemployment rate during the period of comparison explains the fluctuation between the old and new series of the urban unemployment rate

FIGURE 1d
LATIN AMERICA: CHANGES IN THE UNEMPLOYMENT RATE
DUE TO THE MODIFICATION OF THE EMPLOYMENT SURVEY OF BRAZIL
 Fourth quarter 2001 - Fourth quarter 2002
 (percentages)



Source: ILO, based on the old and new PME.



for the region. This also occurs with the unemployment rate by gender and the youth unemployment rate.

The labour supply and demand indicators demonstrate that the methodological changes affected the participation rate and the employment-to-population ratio, as well as the trends for these indicators. The

regional urban LFPR declined by almost 1 percentage point as a result of the drop in the urban participation rate in Brazil. Additionally, the average decrease of 4 percentage points in the Brazilian employment-to-population ratio reduced this ratio at the regional level by 1.7 points, on average, leading to a more volatile performance of the regional series between the last quarters of 2001 and 2002.

In Chile, the decline in the unemployment rate was attributed mainly to renewed growth driven by exports and the healthy performance of the construction sector. This produced a slight drop in the indicator during the first three quarters (8.9% in 2003 compared with 9.3% in 2002). This country has maintained the special public employment and subsidy programmes for hiring new workers.

In Panama, the unemployment rate decreased from 16.5% to 15.6%, reflecting the healthier labour market performance in 2003. In Peru, the unemployment rate diminished slightly in the first three quarters (9.4% in 2003, compared with 9.7% in 2002) due to the effects of the positive performance of the export sector. Costa Rica's unemployment rate changed little, falling just 0.1 percentage points (6.7% in 2003).

The rise in the unemployment rate varied among five countries (Brazil, Ecuador, Mexico, Uruguay and Venezuela). In Brazil, the unemployment rate (new series) increased slightly (12.4%) between January and September 2003 with respect to the same period in 2002 (12%). This performance reflects the labour market reaction to a less dynamic economic context.

Mexico's unemployment rate experienced a moderate increase during the first three quarters of 2003 (to 3.2%) compared with the same period last year (2.8%), a trend that will continue if the unemployment rate remains above 3.5% during the second half of the year. Ecuador's unemployment rate also rose slightly (6.7% in 2003 compared with 6.3% in 2002) as a result of the slowdown in non-petroleum export sectors and declining emigration.

The economic crises affecting Uruguay and Venezuela in 2002 and early 2003 weighed negatively on the labour situation in those countries, generating a sharp increase in urban unemployment. In Uruguay, the un-

employment rate for the period January-September rose from 16.5% in 2002 to 17.4% in 2003, while that of Venezuela increased from 15.7% in the first nine months of 2002 to 18.9% for the same period of 2003. This rate is not expected to fall during the rest of the year.

Urban Unemployment by Sex

The female unemployment rate showed signs of worsening in the region. Urban unemployment rates in the countries of the region have not affected men and women equally (Table 2-A of the Statistical Annex and Figure 7). Thus, in countries with declining unemployment, men benefited more than women. However, in most of the countries with rising unemployment, women were more affected than men.

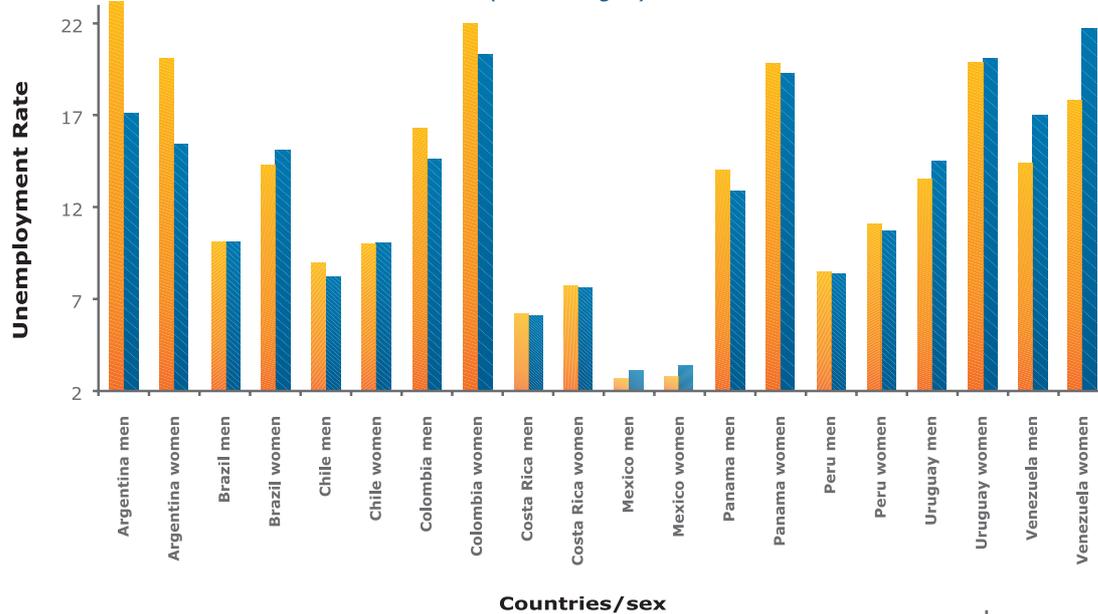
In the six countries where unemployment rates declined, this indicator affected men and women as follows:

In Argentina, the reduction in the unemployment rate was more significant for men (-6.1 percentage points in the first half of 2003, compared with the same period in 2002), than for women (-4.7 percentage points). In Panama, the decline in the unemployment rate was also more significant among men (-1.1 percentage points) than among women (-0.5 percentage points).

The unemployment rate among men in Chile declined by -0.8 percentage points between January and September of 2003 compared with the same period a year earlier, while that of women remained virtually unchanged during similar periods of 2002 and 2003. In Colombia, male and female unemployment rates decreased by -1.7 percentage points during the period. In contrast, in Peru the men unemployment rate remained practically stable while the female unemployment rate fell by -0.4 percentage points. In Costa Rica, the slight decline in the unemployment rate was the same for both sexes (-0.1 percentage points).

FIGURE 7

**LATIN AMERICA AND THE CARIBBEAN:
UNEMPLOYMENT RATE BY GENDER**
January-September 2002-2003
(Percentages)



Source: ILO, based on official country information.

* First semester

2002
2003

In the countries where unemployment rose, this indicator affected men and women as follows. In Brazil, the unemployment rate among women increased (0.8 percentage points, using the new series) during the first nine months of 2003 compared with the same period last year, while that of men remained unchanged. Likewise, in Mexico there was a greater increase in unemployment among women during the period under study (0.6 percentage points) than among men (0.4 percentage points). In Venezuela, male and female unemployment rates rose significantly, although distinctly, by 2.6 percentage points for men and 3.9 percentage points for women in the same period.

In Uruguay, the unemployment rate among men grew (1 percentage point) while that of women

increased by a lesser amount (0.2 percentage points).

Urban Youth Unemployment

The economic slowdown in some countries and the recession in others generated a significant increase in the urban youth unemployment rate (Table 3-A of the Statistical Annex and Figure 8). Consequently, the ratio of the youth unemployment rate to the total unemployment rate rose in the region. Over the past decade, this ratio ranged between 2 and 2.2. However, beginning in 2002, the ratio of the youth unemployment rate to the total rate began to rise because the increase (or decrease) in the youth unemployment rate was relatively higher (or lower) than that of total unemployment in the countries (Box 2).

Box 2

RISING UNEMPLOYMENT AMONG URBAN YOUTH DESPITE ECONOMIC GROWTH

Rising Unemployment Among Youth

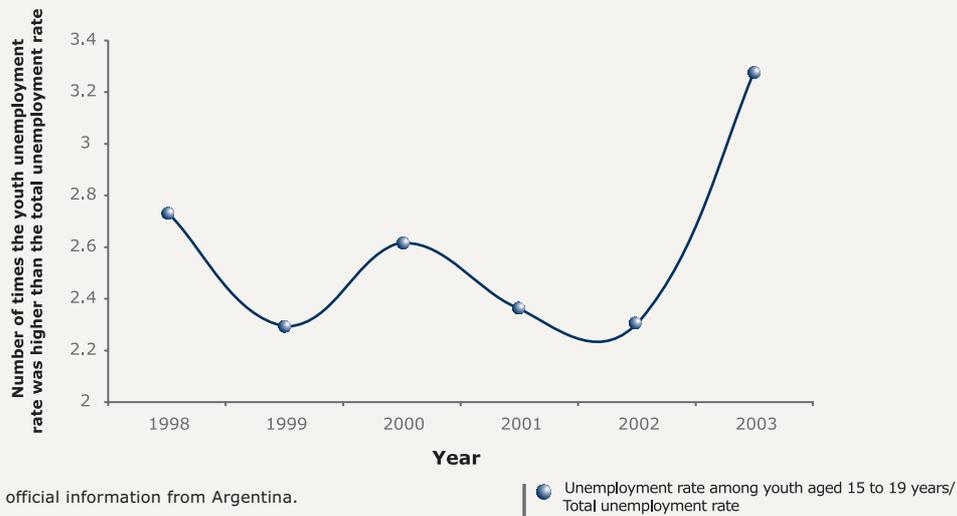
The unemployment rate among urban youth in Latin America and the Caribbean increased in six countries

(Argentina, Brazil, Chile, Mexico, Uruguay and Venezuela) of the nine (the other three are Colombia, Costa Rica and Peru) with current unemployment data. This, together with the fact that Brazil and Mexico had

FIGURE 2a

ARGENTINA: TREND IN THE RATIO OF THE YOUTH UNEMPLOYMENT RATE TO THE TOTAL UNEMPLOYMENT RATE, 1998-2003

(In number of times the youth unemployment rate was higher than the total unemployment rate)



youth unemployment rates higher than the total unemployment rate, resulted in a regional youth unemployment rate that was higher than the total unemployment rate in 2003.

Beginning in 2002, the ratio of the youth unemployment rate to the total unemployment rate began to rise, but this increase took place in different contexts. In some countries, such as Argentina, the youth unemployment rate increased despite a decline in total unemployment. This occurred the year after the ratio of the youth unemployment rate to the total unemployment rate declined due to a higher increase in the total unemployment rate.

In Argentina, which is experiencing an economic upturn, the youth unemployment rate was 3.3 times higher than

the total unemployment rate, the highest in six years. This result was due in part to the Unemployed Head of Households Programme, which reduced both unemployment among adults and total unemployment, but did not affect the youth unemployment rate.

The ratio of the youth unemployment rate to the adult unemployment rate also rose in Brazil, in this case because of the greater increase in the youth unemployment rate compared with the total unemployment rate. In 2003, the Brazilian economy is expected to have modest growth (1.6% in 2002, 1.2% forecast for 2003), which means that the creation of new jobs has not kept pace with the increase in the labour supply. This has been especially noticeable in the youth labour market, particularly among youths aged 15 to 17 years. In the case of youths aged 18 to

FIGURE 2b

BRAZIL: TREND IN THE RATIO OF THE YOUTH UNEMPLOYMENT RATE TO THE TOTAL UNEMPLOYMENT RATE, 1998-2003

(In number of times the youth unemployment rate was higher than the total unemployment rate)

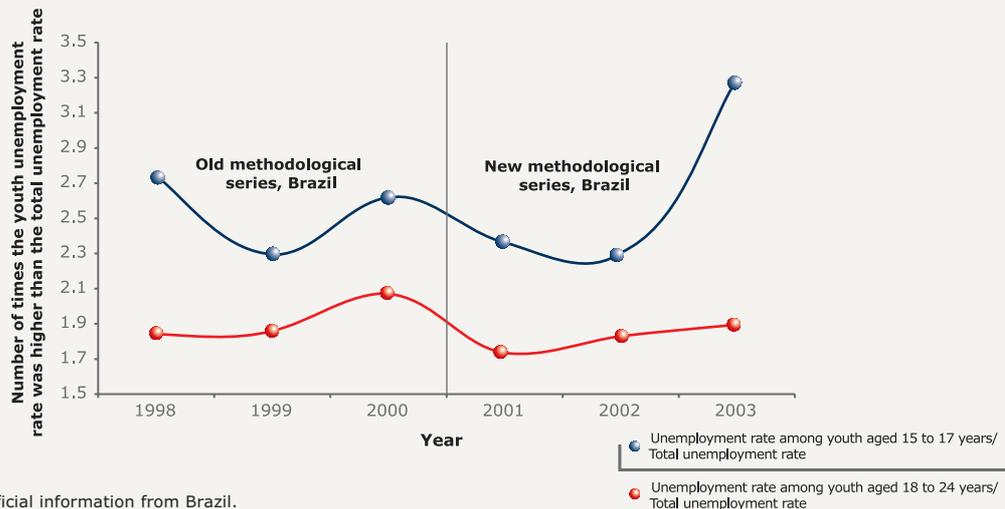
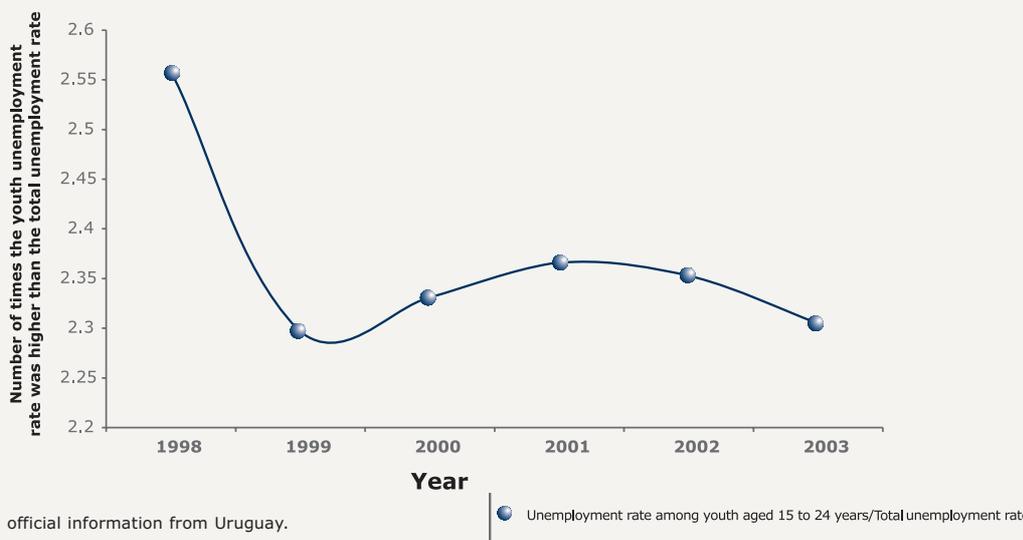


FIGURE 2c

URUGUAY: TREND IN THE RATIO OF THE YOUTH UNEMPLOYMENT RATE TO THE TOTAL UNEMPLOYMENT RATE, 1998-2003

(In number of times the youth unemployment rate was higher than the total unemployment rate)



Source: ILO, based on official information from Uruguay.

24 years, the increase has been constant since 2001. The ratio of the youth unemployment rate to the total unemployment rate (in each of the two youth age groups) increased sharply as a result of the new methodology of the Brazilian Monthly Employment Survey. Since 2001, this change has contributed to increasing total and youth employment rates, but while the former rose between four and five percentage points, the latter increased from six to eight percentage points.

In the other countries, however, increases in total unemployment rates outweighed those in youth unemployment rates, resulting in a decline in the youth-to-total unemployment rate ratio. This was the case in Uruguay, where a recession affecting the country for the past five years has worsened during the past two years, generating a more pronounced contraction of

labour demand with respect to supply. More adults than youths lost jobs in that country, thereby causing a greater increase in the total unemployment rate as compared with the youth unemployment rate. This has led to a steady decrease in ratio of the youth unemployment rate to the total unemployment rate since 2001.

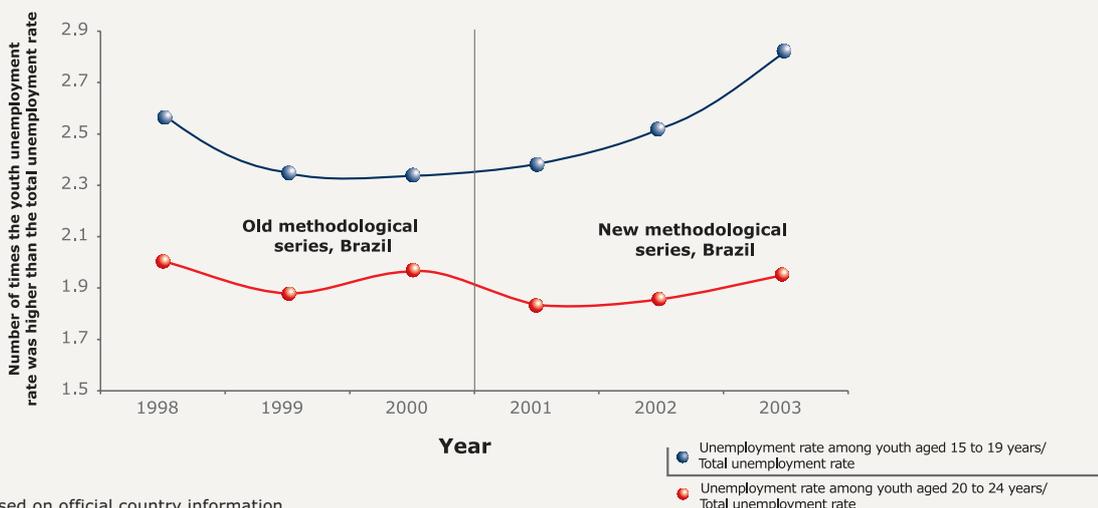
Ratios Vary by Age Group

The increases in the ratio of the youth unemployment rate to the total unemployment rate varied by youth age group. The group of adolescents (aged 15 to 19 years) had higher increases, reaching a maximum of 2.8 times the total unemployment rate in the past six years, with a strong growth trend over the past three years. This resulted from the increase in the youth unemployment rate reported in most of the countries

FIGURE 2d

LATIN AMERICA AND THE CARIBBEAN: TREND IN THE RATIO OF THE YOUTH UNEMPLOYMENT RATE TO THE TOTAL UNEMPLOYMENT RATE, 1998-2003

(In number of times the youth unemployment rate was higher than the total unemployment rate)



Source: ILO, based on official country information.

of the region, as well as from the effect of the methodological changes in Brazil, which significantly increased the ratio between youth and adult unemployment rates in that country. In young adults (aged 20 to 24 years), the ratio, while similar to the high ratios observed in 1998 and 2000, exceeded the values recorded for the past two years, which were characterized by a less favourable economic situation.

Latin America and the International Context

The world's most developed economies showed varying trends in the ratio of the youth unemployment rate (aged 15 to 24 years) to the total unemployment rate. While the total unemployment rate rose in most

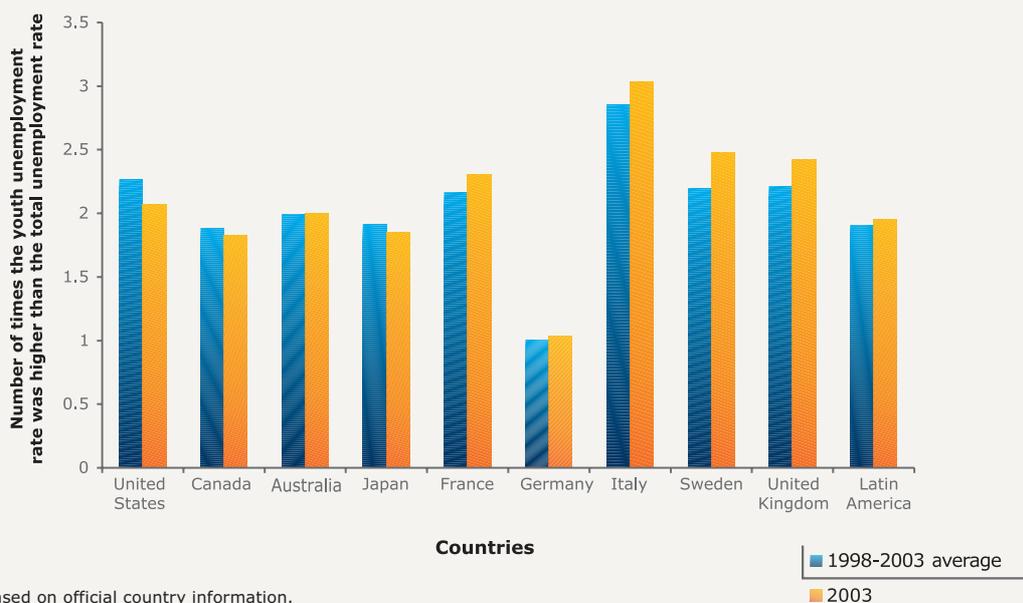
of these countries, the increase was not as high as that of the youth unemployment rate. European economies tended to have a higher ratio of youth-to-total unemployment rate. Thus, in 2003, compared with the average of the past six years, there was a trend toward higher increases in the youth unemployment rate than in the total unemployment rate. In contrast, in Australia, Canada, the United States and Japan, the ratio tended to decline.

Although European countries and those of Latin America and the Caribbean had similar trends in terms of the ratio of youth-to-total unemployment rate, in Europe, the increase was the result of an economic slowdown in 2003 while in Latin America and the Caribbean the increase occurred during a year of incipient economic recovery.

FIGURE 2e

LATIN AMERICA AND SELECTED COUNTRIES: COMPARISON OF THE RELATIONSHIP BETWEEN URBAN YOUTH UNEMPLOYMENT AND TOTAL URBAN UNEMPLOYMENT, 1998-2003 AVERAGE AND 2003

(In number of times the youth unemployment rate was higher than the total unemployment rate)



Source: ILO, based on official country information.

In some countries, the youth unemployment rate increased despite declining total unemployment.

This occurred in Argentina, where the usual relationship between greater economic growth and lower unemployment does not apply in the case of youth. According to available data, unemployment among youth aged 15 to 19 years increased by 5.1 percentage points between 2002 and 2003. Chile experienced a similar trend, although with varying intensity. In that country, the unemployment rate increased between 2002 and 2003 by 1.5 percentage points among youth aged 15 to 19 years and decreased by -0.7 percentage points among youth aged 20 to 24 years.

In Costa Rica and Peru, youth unemployment rates decreased more than total unemployment rates. In Peru, the youth (14 to 24 years) unemployment rate fell by -0.7 percentage points while the total unemployment rate dropped by -0.3 percentage points between 2002 and 2003. Costa Rica showed a similar trend. In that country, the youth (12 to 24 years) unemployment rate declined by -1.8 percentage points while the total unemployment rate fell just -0.1 percentage points.

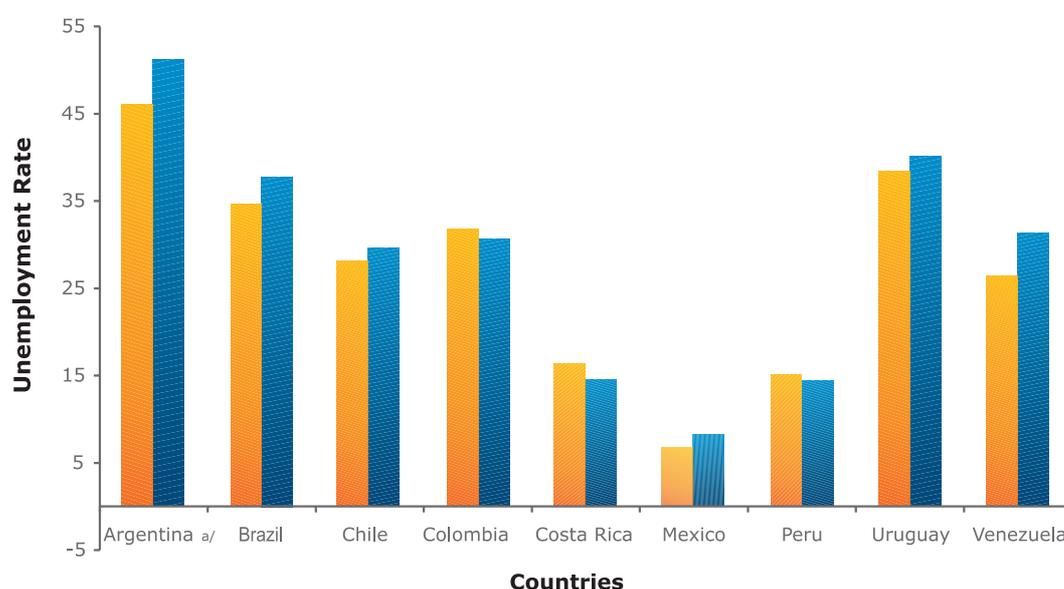
In other countries (Brazil, Mexico, Uruguay and Venezuela), the increase in the youth unemployment rate was considerably higher than that of the total unemployment rate.

In Brazil, the unemployment rate among youth aged 15 to 17 years rose by 3.3 percentage points and that of youth aged 18 to 24 years rose by 1.7 percentage points while the total unemployment rate increased by 0.4 percentage points. The Mexican youth unemployment rate rose both for youth aged 12 to 19 years (1.5 percentage points) and for youth aged 20 to 24

years (1.2 percentage points), although the total unemployment rate increased by 0.4 percentage points. In Uruguay, the youth unemployment rate rose 1.7 percentage points in the period while the total unemployment rate increased by 0.9 percentage points. Youth and total unemployment rose by 4.9 percentage points in Venezuela between January and September 2003.

FIGURE 8

**LATIN AMERICA AND THE CARIBBEAN:
URBAN YOUTH UNEMPLOYMENT RATES, BY COUNTRY**
January-September 2002-2003 (percentages)



Source: ILO, based on official country information.

a/ First semester.

2002

2003



Labour Supply and Demand

Labour supply and demand in Latin America and the Caribbean increased between 2002 and 2003 (Figure 9), returning to levels reached at the beginning of the regional economic downturn.

In terms of regional labour supply, the labour force participation rate (LFPR) increased during 2003 compared with 2002, which was attributed to the incorporation of inactive workers into the labour market, including discouraged workers (Table 4-A). The highest increases were reported in Argentina (2.3 percentage points, the highest increase since 1990) and Brazil (2.0 percentage points). Smaller increases in the LFPR occurred in Chile (0.5 percentage points), Colombia (0.3 percentage points), Costa Rica (0.4

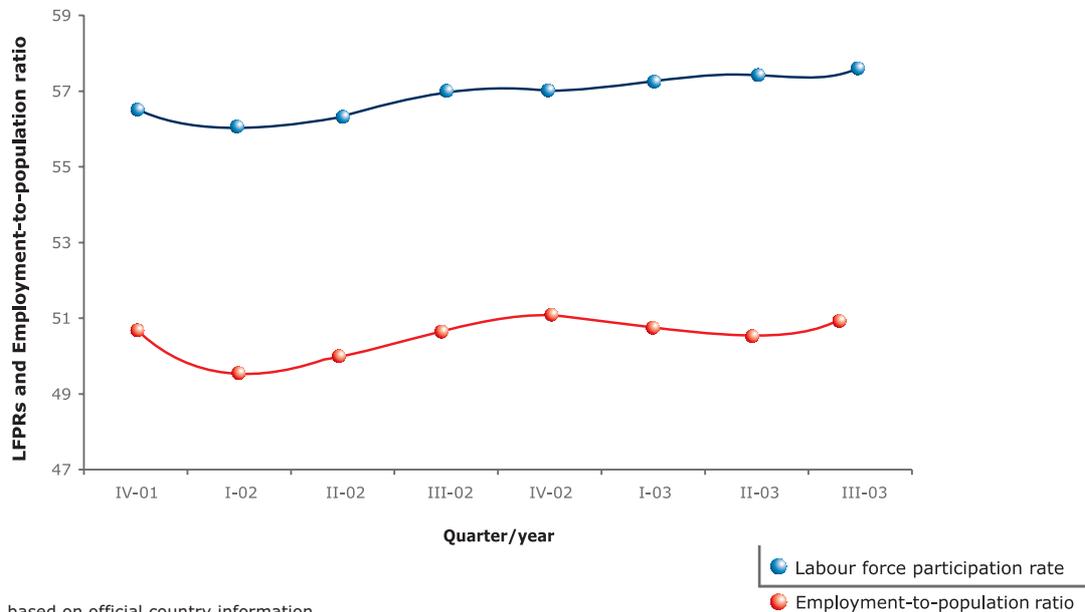
percentage points), Ecuador (0.5 percentage points), Mexico (0.2 percentage points) and Venezuela (0.8 percentage points).

In contrast, the LFPR fell in Peru and Uruguay. This indicator dropped by -0.7 percentage points in Peru, and -1.4 percentage points in Uruguay. In Panama, the LFPR remained practically unchanged.

Labour demand rose above 2002 levels, despite modest regional economic growth (Table 5-A of the Statistical Annex). This was particularly true in Argentina, where the employment-to-population ratio rose by 3.5 percentage points, the greatest increase in 13 years. Despite the increase in this indicator, the Argentine employment-to-population ratio remains much lower than in the years before the crisis.

FIGURE 9

LATIN AMERICA AND THE CARIBBEAN
AVERAGE EMPLOYMENT-TO-POPULATION RATIO AND LABOUR FORCE PARTICIPATION RATE
 Fourth quarter 2001 – Third quarter 2003
 (percentages)



Source: ILO, based on official country information.

The employment-to-population ratio also increased in Brazil (1.5 percentage points), Chile (0.6 percentage points) and Colombia (0.7 percentage points), while in Mexico the employment-to-population ratio remained unchanged between 2002 and 2003.

In contrast, labour demand fell in the countries experiencing recession or that had slower economic growth in 2003 than in 2002. The employment-to-population ratio decreased in the period under study in Ecuador (-0.2 percentage points), Uruguay (-1.8 percentage points) and Venezuela (-1.4 percentage points). Peru was a special case because its employment-to-population ratio diminished (-0.5 percentage points) despite a projected GDP growth of 4% in 2003. This was because the sectors contributing most to economic growth are the least labour intensive, for example, mining.

There is more employment but it is of poorer quality. Average labour productivity in the region fell by -0.5%, reflecting higher GDP growth (1.5%), which was accompanied by relatively higher employment growth (2%) in the first three quarters of 2003 compared with the same period last year. The decline in this indicator suggests that most newly employed workers have low productivity levels, reflecting the deteriorating quality of employment in the region. In this context, structural changes in employment are becoming evident that are similar to those observed over the past 12 years (Box 3).

Minimum and Manufacturing Wages

The purchasing power of real minimum wages again declined, continuing the downward trend observed in 2002 (Table 10-A of the Statistical Annex and Figure 10). It declined -1.6% on average both as a result of small changes in the nominal minimum wage and of the impact of inflation. Inflation rose at the regional level this year because the high rates experienced in some countries last year continued (Table 11-A of the Statistical Annex).

Uruguay and Venezuela experienced the sharpest decline in real minimum wages during the first three quarters of 2003 (-15% and -15.9%, respectively). This indicator also decreased in Bolivia (-0.8%), Ecuador (-3.9%), Guatemala (-0.6%), Mexico (-0.3%), Panama (-0.8%) and Peru (-1.9%). In countries where inflation rates did not rise significantly or where the minimum nominal wage was adjusted, the indicator grew in real terms. This occurred in Argentina (0.3%), Brazil (1%), Chile (0.9%), Colombia (0.1%), Costa Rica (0.5%), El Salvador (0.5%), Honduras (6.6%) and Paraguay (3.4%).

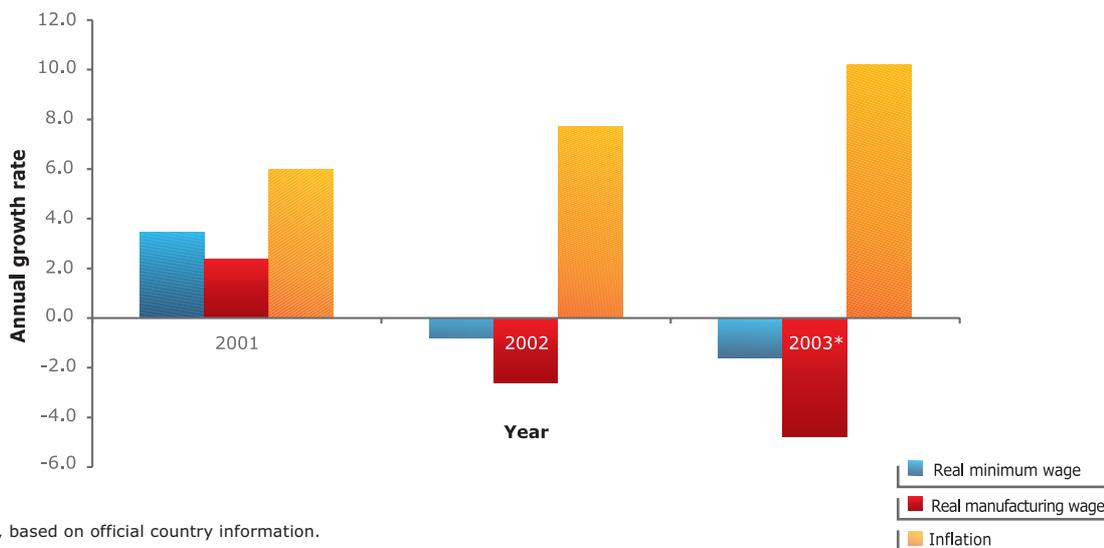
The purchasing power of real manufacturing wages also fell (-4.8%) between January and September 2003 with respect to last year (Table 9-A of the Statistical Annex and Figure 10). This was due to the impact of inflation as well as the sluggish performance of the manufacturing sector. The largest

decreases occurred in Venezuela (-19.8%), Argentina (-14.1%), Uruguay (-14%), Brazil (-5.9%) and Ecuador (-5.2%), with smaller decreases occurring in Colombia (-0.5%) and Paraguay (-1.9%). Only Chile

(0.3%), Mexico (1.4%) and Peru (5.9%) recorded an improvement in real manufacturing wages, largely due to the relatively low inflation rates during the period.

FIGURE 10

**LATIN AMERICA AND THE CARIBBEAN:
TRENDS IN THE REAL MINIMUM WAGE, REAL MANUFACTURING WAGE AND INFLATION, 2001-2003**
(annualized variation)



Source: ILO, based on official country information.
* Corresponds to the average for January-September 2003.

The rising inflation rate had a significant impact on trends in real wages. The average price increase in Latin America and the Caribbean went from 7.7% during the first three quarters of 2002 to 10.2% in the same period in 2003 (Table 11-A of the Statistical Annex), thus indicating an inflation level that remains high. Despite the healthier economic performance during the first nine months of this year compared with the

same period in 2002, inflation remained high in Argentina (18.5%), Brazil (15.9%), Paraguay (16%), Uruguay (23.1%) and Venezuela (33.1%). Inflation was relatively controlled in Bolivia (3.2%), Chile (3.4%), Colombia (7.4%), Costa Rica (9.3%), Ecuador (8.4%), El Salvador (2%), Guatemala (5.6%), Honduras (7.8%), Mexico (4.8%), Panama (1.4%) and Peru (2.6%).

Box 3

**LATIN AMERICA AND THE CARIBBEAN:
SECTOR COMPOSITION AND QUALITY OF EMPLOYMENT, 1990-2002**

The increase in employment over the past 12 years was accompanied by changes in its sector composition and quality, through the processes of privatization as well as increases in tertiary (services) and informal sector employment and precarious employment lacking social protection of workers (Figure 3a). In this context, the following trends were observed:

The *privatization* of employment has increased. Ninety-four of every 100 newly employed workers were employed in the private sector during 1990-2002. The decreasing trend in public sector employment of the 1990s began to stabilize with the Asian crisis as a result of the impetus that some countries of the region, such as Argentina and Chile, gave to active employment policies funded by public resources.

The trend toward *informal sector employment* continued throughout the 1990s as a result of the stagnation or contraction of growth in the formal economies of Latin America. While the dynamism of the private sector generated new jobs, 66 of 100 newly employed workers were employed in the informal sector between 1990 and 2002. The ratio of informal sector employment to total employment rose from 42.8% in 1990 to 46.5% in 2002 (an increase of 3.7 percentage points) in the region. Particularly noteworthy were the increases in informal sector employment in Brazil (5.4 percentage points), Colombia (9.9 percentage points), Panama (6.6 percentage points) and Venezuela (13.8 percentage points) (Table 6-A). Since 1998, the percentage of informal workers has remained at about 47% of the total.

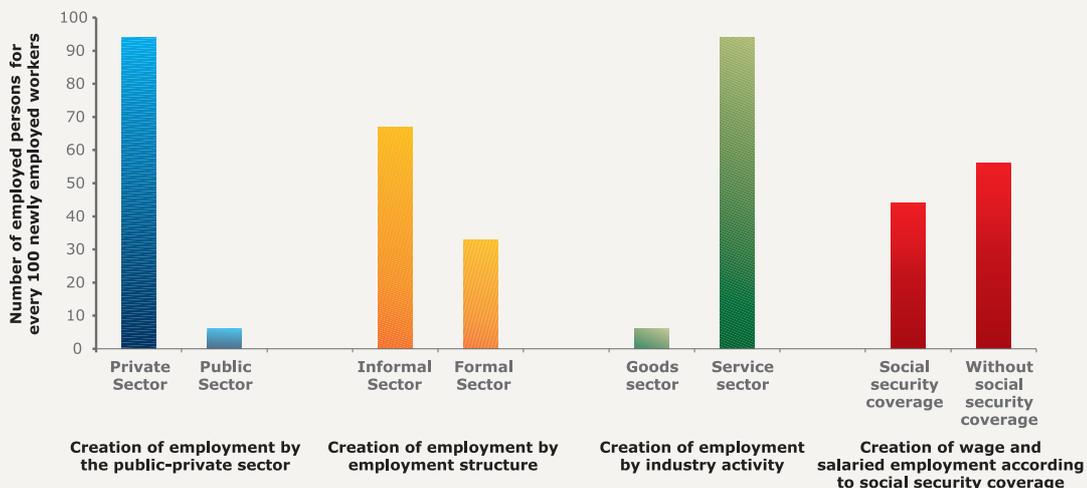
Independent workers (whose participation grew by 1.7 percentage points between 1990 and 2002), domestic workers (1 percentage point) and microenterprise workers (1.1 percentage points) contributed to the increase in informal sector employment. In other

words, the expansion of the informal sector in response to the economic crisis affected all groups of workers in this sector.

The trend toward *tertiary sector employment* goes hand in hand with informal sector employment since the informal sector structure is concentrated in services, particularly the least productive ones given their lack of ties with the formal sector. As shown in the table on distribution of employment by industry activity (Table 7-A), the tertiary sector continues to be the largest employment sector and is growing. Between 1990 and 2002, employment in this sector rose from 71.2% to 74.1% of total employment. In addition, in the past 13 years, 94 of every 100 newly employed workers have been employed in the service sector. Most of this increase is in trade, which had the largest growth relative to total employment in general and the tertiary sector in particular. Notably, within the services sector, the community, social and personal services industry continues to have the greatest share of employment.

FIGURE 3a

**LATIN AMERICA AND THE CARIBBEAN:
TRENDS IN THE STRUCTURE OF EMPLOYMENT AND SOCIAL PROTECTION, 1990-2002**
(In number of employed persons for every 100 newly employed persons)



Source: ILO, based on official country information.

The most significant trends toward *tertiary sector employment* took place in Costa Rica (an increase of 10.8 percentage points), Uruguay (7.3 percentage points), Venezuela (6.3 percentage points) and Argentina (5.7 percentage points).

The increasing *precariousness* of employment is the result of both the expansion of the informal sector and the decreased social protection of employment. This decreased social protection is reflected in the lower proportion of total wage and salaried workers with

social security coverage, which declined from 66.6% in 1990 to 63.7% in 2002 (Table 8-A). This indicates that only 44 of every 100 new wage and salaried workers had access to social security services during the period.

Social protection status differed among wage and salaried workers, as did the impact of a reduction in social protection. The level of social protection of formal wage and salaried workers is triple that of informal sector workers; moreover, the decrease in

coverage of social protection affects informal wage and salaried workers much more than formal sector workers. In the formal sector, social protection coverage was 78.9% in 2002, falling -1.7 percentage points with respect to 1990 levels. The figure for the informal sector was 26.2% in 2002, indicating a decrease of -3 percentage points in the period.

Finally, the decline in social protection coverage affected economically stable countries such as Chile (-5.6 percentage points) and others experiencing a recession during the period, such as Argentina (-9.6 percentage points), Ecuador (-8.4 percentage points) and Venezuela (-12.2 percentage points).

LABOUR PROGRESS IN 2003

Trends in the key labour market indicators that measure labour progress for the region indicate differences by country during the first three quarters of 2003 compared with the same period in 2002 (Table 2). To analyze trends in labour progress, five indicators were used, which in turn were divided into three groups.

The urban unemployment rate and the percentage of informal sector employment are employment indicators, while real manufacturing wages and real minimum wages make up the income indicators. Labour productivity is an intermediate indicator between the aforementioned groups.

Obviously, the evaluation of labour progress based on these five indicators generates results that do not necessarily coincide with the perception that social groups (employees and workers) or academics have of the labour situation in their countries. This is because these individuals, when analyzing labour performance in their countries, also incorporate "personal experience," views on the high or low cost of hiring and/or layoffs, social protection or lack thereof, assessment of government policy, etc.

Labour performance in 2003 was marked by the negative change in income indicators, which, like last year, were affected by higher inflation. The higher inflation in 2003 reduced the purchasing power of wages, which were not increased significantly in nominal terms. The performance of employment indicators was variable, although unemployment rates declined in an increasing number of countries. Productivity remained practically unchanged; the only change was in the distribution of the countries in which the indicator increased or decreased.

The number of countries that showed improved performance in labour market indicators increased

from two in 2002 to six this year: Argentina, Chile, Costa Rica, El Salvador, Honduras and Peru, where the economic recovery was reflected in the improvement in the key labour market indicators. At the other extreme, Uruguay and Venezuela experienced setbacks resulting from the economic slowdown. In the rest of the countries, performance was similar or slightly below that of 2002. Labour performance in the different countries is detailed below. Countries are grouped by their labour market performance in 2003, compared with that of 2002.

Progress

This group includes the countries that experienced improvements in at least four of the five indicators of labour progress. Positive changes include the reduction of open unemployment, the decrease in informal sector employment relative to total employment, the increase in real wages – manufacturing and minimum – and the increase in productivity.

The four countries (Chile, Costa Rica, El Salvador and Peru) in this group made progress in all indicators except informal sector employment (Chile) and real minimum wages (Peru). Chile and Costa Rica again made advances in labour market indicators because their economies continued to perform well, a factor that also explains the positive trend in the indicators of El Salvador and Peru this year.

Moderate Progress

This category pertains to the countries that had positive performance in three of the five indicators. Argentina and Honduras are in this group. The unemployment rate fell and productivity improved despite the reduction in real manufacturing wages in Argentina and the expansion of the informal sector in Honduras. Both countries made progress after sluggish performance in 2002, thereby making their improved performance in 2003 all the more noteworthy.

Stagnation

The countries in this group did not make progress in employment, income or productivity indicators. The countries in this group are characterized by positive performance in one or more of the indicators, which was offset by the deterioration in the other indicators.

Three countries belong to this group (Bolivia, Colombia and Panama), although with quite different results. On the one hand, indicators demonstrated setbacks due to the decline in the real minimum wage (Bolivia and Panama) and the real manufacturing wage (Colombia), the expansion of informal sector employment (Colombia and Panama) and the increase in open unemployment

TABLE 2

LATIN AMERICA AND THE CARIBBEAN: CLASSIFICATION OF COUNTRIES IN 2003 a/, ACCORDING TO QUALITY OF LABOUR MARKET PERFORMANCE

(Change with respect to 2002)

Countries	Open Unemployment b/	Informal sector employment b/	Real manufacturing wage b/	Real minimum wage b/	Productivity b/
PROGRESS					
Chile	-	+	+	+	+
Costa Rica	0	-	+	+	+
El Salvador	-	-	n.d.	+	+
Peru	-	-	+	-	+
MODERATE PROGRESS					
Honduras	-	+	n.d.	+	+
Argentina	-	-	-	0	+
STAGNATION					
Bolivia	+	n.d.	+	-	+
Colombia	-	+	-	0	+
Panama	-	+	+	-	0
MODERATE REGRESSION					
Brasil	+	-	-	+	-
Mexico	+	+	+	0	-
REGRESSION					
Ecuador	+	+	-	-	+
Paraguay	+	+	-	+	-
Uruguay	+	-	-	-	-
Venezuela	+	+	-	-	-
INSUFFICIENT DATA c/					
Barbados	+	n.d.	n.d.	n.d.	-
Dominican Republic	+	n.d.	n.d.	n.d.	n.d.
Jamaica	0	n.d.	n.d.	n.d.	n.d.
Nicaragua	+	n.d.	n.d.	n.d.	-
Trinidad and Tabago	-	n.d.	n.d.	n.d.	0

Source: ILO, based on data of the Statistical Appendix of the 2003 Labour Overview.

a/ Change between January-September 2003 compared with the same period in 2002

b/ Change of the indicator, using the last two periods with available data.

c/ Insufficient information at date of publication.

The colours reflect the nature of the change.

	Positive
	Negative
	Neutral

n.d.: no data available

Symbols refer to variations as indicated below:

+ Increase - Decrease 0 Constant

(Bolivia). On the other hand, the labour performance of these countries improved as a result of the decline in open unemployment (Colombia and Panama), the increase in the real manufacturing wage and the improvement in productivity (Bolivia and Panama).

Moderate Regression

This group includes the countries with poor performance in three of the five indicators. Brazil and Mexico belong to this group, characterized by rising unemployment rates and falling productivity. In Mexico, informal sector employment also expanded, offset by the positive performance in real manufacturing wages. In Brazil, a reduction of the real manufacturing wage was offset by the contraction of informal sector employment and an increase in the real minimum wage.

Regression

This group of countries recorded declines in the performance of at least four of the five labour market indicators. Ecuador, Paraguay, Uruguay and Venezuela form this group, which for the second consecutive year experienced a widespread worsening of labour market indicators.

This group is characterized by increasing unemployment rates, the loss of purchasing power of real manufacturing wages, the expansion of informal sector employment (except in Uruguay), the decline in the real minimum wage (except in Paraguay, where it increased) and the fall in productivity (except in Ecuador, where it increased).

In summary, Latin America's labour market performance in 2003 was marked by a balanced performance between the six countries that experienced progress (Argentina, Chile, Costa Rica, El Salvador, Honduras and Peru) and the six that experienced setbacks (Brazil, Ecuador, Mexico, Paraguay, Uruguay and Venezuela) in their individual performance. This contrasts with the trend observed in 2002, when most of the countries experienced a worsening labour market situation. While labour progress took place compared with last year thanks to the incipient economic recovery, this progress was not sufficiently widespread among the countries to reverse the sharp decline in the quality of employment recorded in 2002 in the region.

UNEMPLOYMENT AND GDP FORECASTS FOR 2003-2004

The projections made at the end of last year indicated that the labour situation would improve in 2003.

Nevertheless, as mentioned, changing forecasts for economic growth in Latin America and the Caribbean led to a modified scenario.

November 2003 GDP estimates indicate that the region will experience modest growth of approximately 1.5% during the year (Table 12-A and Figure 11). Although this growth rate is 2.1 percentage points above the negative rate recorded in 2002, the current forecast for 2003 is lower than the projections made at the end of last year (3%). This result is attributed to the sluggish performance of the two largest economies of the region, Brazil and Mexico, and to the recession in Venezuela.

The GDP of Latin America and the Caribbean is expected to grow by 3.5% in 2004, resulting from the recovery of the US economy, which is expected to positively affect both trade activities in the region in general, and in Mexico in particular. In addition, the improving economic situation in the Southern Cone countries will continue, especially in Argentina and Chile. The recession which has characterized Uruguay's economy during the past 5 years is expected to end as is the recession currently experienced by Venezuela.

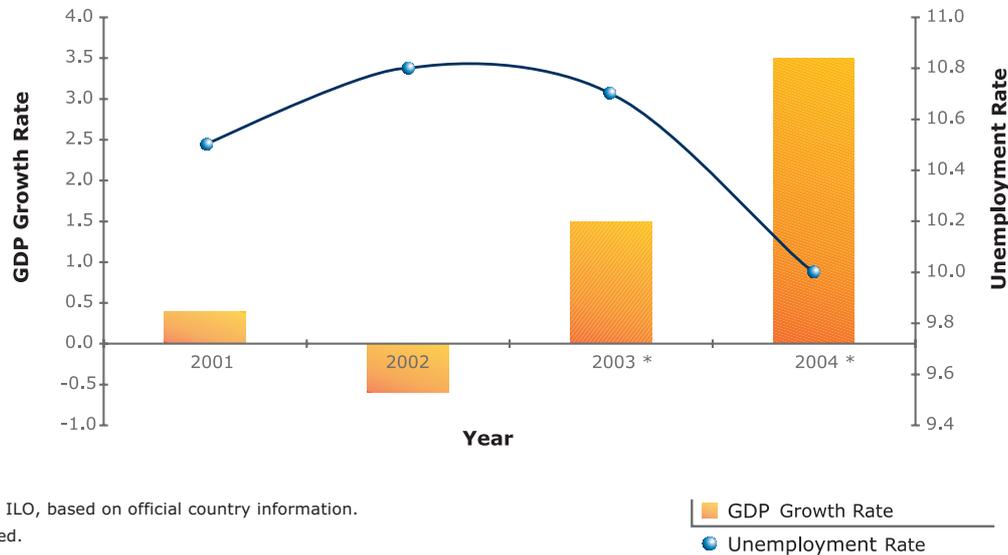
In this context, unemployment is expected to decline during the second half of 2003 as a result of the positive forecast for the economies of the region during this period. This would lead to an annual average urban unemployment rate of 10.7%, similar to the 2002 rate (10.8%). In 2004, economic expansion is expected to drive employment growth above the increase in the labour supply, resulting in an unemployment rate of 10%.

Forecasts at the End of 2003

Estimates for urban unemployment rates in 2003 vary by country (Figure 12 and Table 13-A of the Statistical Annex). Following the pattern observed during the first half of the year, annual unemployment rates are expected to continue declining in Argentina (to 15.2%), Chile (8.6%) and Colombia (15.8%). In Uruguay, a significant drop in the unemployment rate in the second half of the year will offset the significant increase in the unemployment rate during the first half of the year. This means that the 2003 average will be similar to last year (17%). The unemployment rate in Brazil will most likely remain at 12.1%. In contrast, the indicator is expected to increase in Mexico (to 3.6% in the second half of the year), pushing the annual average to 3.3%. In Ecuador, the 2003 unemployment rate will be higher than the 2002 rate (6.6%), while in Venezuela, the poor economic performance of the first half of the year will lead to a significant increase in the annual unemployment rate, which is expected to reach 18.7%.

FIGURE 11

LATIN AMERICA AND THE CARIBBEAN GDP GROWTH AND THE UNEMPLOYMENT RATE, CURRENT SITUATION AND PROJECTIONS, 2001-2004
(percentages)



2004 Forecasts

Projections for greater regional economic growth (3.5%) and a greater increase in labour demand than in supply point to a drop in the unemployment rate for Latin America and the Caribbean to 10% in 2004. This would mean a decrease of -0.7 percentage points with respect to the estimated unemployment rate for 2003. The improved economic and labour market performance in the countries of the region will largely depend on the results in other policy areas, as well as the dynamism generated by the US economy.

Estimates for economic activity are based on a moderately optimistic outlook for next year, particularly with respect to increased economic growth for Brazil, (3%), Ecuador (4%) and Mexico (3.5%), continued improvement in Argentina (4%), Chile (4.5%) and Peru (4%), and the reversal of the poor results of recent years in Uruguay (4.5%) and Venezuela (7.7%) (Table 14-A of the Statistical Annex).

Increased GDP growth would mean a lower unemployment rate, particularly in Uruguay and Venezuela (14.5% for both countries). This would also occur in Argentina (14.5%), Brazil (11.7%) and Mexico (2.6%), given that the creation of employment would far surpass the increase in the labour supply. Lower unemployment rates are also expected in Ecuador (6.3%) and Peru (9.1%) if the capacity of the respective labour markets is activated to create new

jobs. In Chile, a decline in the unemployment rate to 8% is dependent on improved economic growth as well as maintaining the subsidy for hiring new workers and public programmes to generate direct employment (Figure 12).

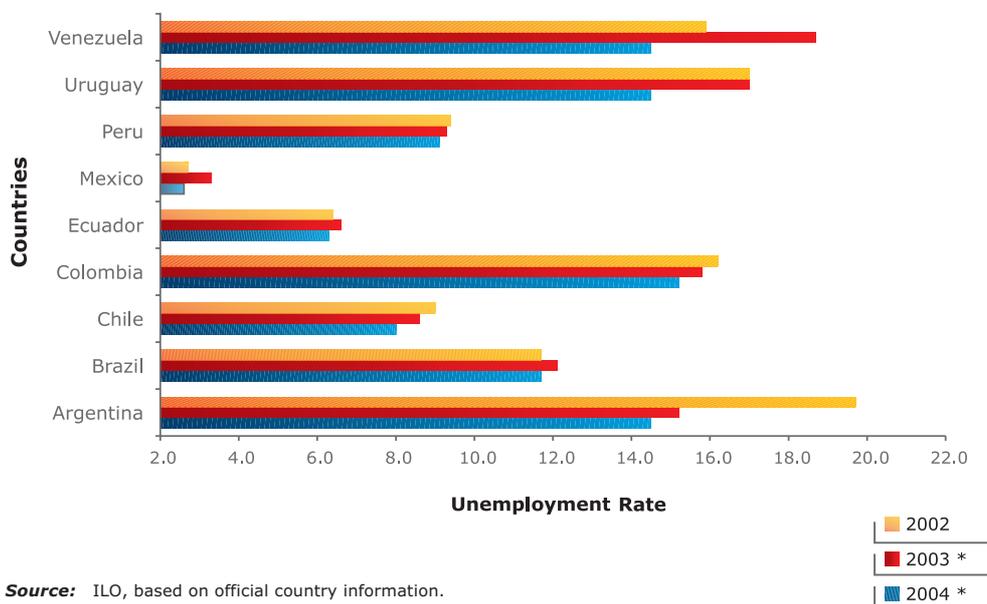
POLICIES TO ADVANCE THE DECENT WORK AGENDA

The findings of this report indicate that the labour situation continued to worsen this year, continuing a trend of deteriorating labour conditions observed since the beginning of the 1990s. Recently, other international agencies have emphasized the negative effects produced by the current development model on income distribution and level of risk. There is consensus that the results imply a high labour risk and the persistence of income inequality and poverty, which affects the security and increases the uncertainty of different social constituencies in the countries of the region.

Various reports have recognized that the decent work deficit, or an approximation of the concept, has progressively risen as a result of the current approach to economic development (ILO, 2003). People now have fewer possibilities of obtaining quality employment (IDB, 2003). Higher unemployment and the reduced possibility of obtaining a good job mean more insecurity and uncertainty for individuals, families and societies in general.

FIGURE 12

LATIN AMERICA AND THE CARIBBEAN: URBAN UNEMPLOYMENT RATE FOR 2002 AND PROJECTIONS BY COUNTRY, 2003-2004
(percentages)



There is also consensus that Latin America and the Caribbean is among the regions with the worst income distribution in the world. Income inequality in the region – which remained constant between 1990 and 1997 – worsened as a result of the crises of 1998 and 1999. Persistent income inequality weakens the capacity of countries to reduce poverty, on the one hand, and negatively affects development on the other, particularly with respect to economic growth (World Bank, 2003).

The process to eradicate poverty that began in the early 1990s stagnated when the crisis occurred. Besides being insufficient to enable workers to escape poverty, wages are not improving in real terms (IDB 2003), and there has been practically no economic growth in the past five years. The regional poverty rate declined just - 0.4 percentage points between 1999 (43.8%) and 2002 (43.4%) while extreme poverty increased by 0.3 percentage points, affecting 18.8% of the regional population (ECLAC, 2003). This income disparity impedes social unity because the poor, and especially those living in extreme poverty, are particularly vulnerable as they are the ones who most suffer the effects of the crisis.

Economic growth in Latin America has been highly volatile because countries have been vulnerable to the fluctuations in international capital flows due to factors associated with a large foreign debt, a poor trade

balance and the implementation of pro-cyclical fiscal policies (World Bank, 2003). This volatility is reflected in the annual average growth rate (2.5%), which had a significant deviation (1.7% yearly) during 1990-2003 because of the frequent adjustments implemented during those years. This volatility interrupted economic recovery processes and threatened the advances made in the labour market.

In summary, a pattern of economic growth has been consolidated that is characterized by low, unstable growth rates. These rates impede labour progress and efforts to reduce inequality and poverty. In this context of greater risk, individuals become more insecure and face more uncertainty. Social unity weakens, thereby hampering governance.

Improving this situation requires the immediate reduction of the decent work deficit, particularly in terms of employment and social protection. Countries must be encouraged to adopt a comprehensive set of economic and social policies with *sustainable macroeconomics* capable of absorbing the effects of the shocks, and a labour market in which *more and better jobs* are created. Effectively implementing these policies requires ongoing *social dialogue* among the government, employers and workers that will permit more equal risk sharing and will lend credibility to the policies. Thus, even under conditions of risk and uncertainty, there must be an effort to create good

quality jobs and to expand *social protection*, which will contribute to reducing inequality and poverty.

A «Crisis-proof» Macroeconomic Policy

Macroeconomic policies should be developed to attenuate economic cycles and stabilize economic growth to achieve an improved labour situation and reduce income inequality and poverty in the countries of the region. On the external front, efforts should be made to strengthen the capacity of economies to absorb the shocks generated by the volatility of trade and capital flows. Initiatives of sub-regional economic integration, such as MERCOSUR, are particularly important because of their emphasis on the social and labour dimensions of these processes. At the national level, countries should implement policies to decrease risks and consequently, the volatility of economic growth, in an effort to reduce the decent work deficit and improve income equality. Specifically, it would be beneficial to promote fiscal policies designed to achieve structural balance rather than to serve short-term interests, in other words, counter-cyclical policies that help stabilize the economy in the short term and contribute to improving country risk levels.

More and Better Jobs to Reduce the Decent Work Deficit

While a macroeconomic policy with the characteristics described above would permit sufficient growth to reduce unemployment, it would not guarantee better jobs in the formal sector and/or improved working conditions for informal sector workers. Here the issue is to identify the factors that could improve the quality of employment by taking the measures mentioned above.

In the case of the formal sector, it is often argued that mid-sized and large companies face high labour costs, which has led to greater labour flexibility through the reduction of labour costs for layoffs and the development of new hiring practices. This report promotes workplace modernization by raising productivity rather than by reducing labour costs. It is an effort that implies targeting investment in specialized training and innovation. It is also crucial to achieve a certain level of employment stability and move toward labour relations based on cooperation between employers and workers, because these ensure respect for basic rights at work and establish the foundation for social dialogue at the national level. In sum, this type of policy generates more and better jobs in the formal sector.

The case is different for the informal sector, both for microenterprises and independent workers. A *productive solution to the crisis* in microenterprises, small firms and the informal economy is needed (ILO 1992), based on the development of the domestic market. This proposal implies strengthening social protection networks that provide resources to satisfy the basic needs of all individuals of working age, including the unemployed.

Social Protection to Reduce Vulnerability and Poverty

Social protection policies must be adapted to the contemporary labour market. This requires balancing objectives to reduce poverty and vulnerability with more traditional ones to mitigate risks for the general population during different life cycle stages. It is a vision that requires integrating three policy areas: (a) access to basic goods and services; (b) promotion of opportunities and potential; and (c) protection and prevention. To this end, a comprehensive strategy should be developed to ensure more jobs with better labour and social protection, with an emphasis on enhancing employment skills and providing minimum levels of protection.

With respect to basic goods and services, policies to protect informal workers should focus, in the short term, on access to a basic benefits package for risks such as job loss or health problems that affect workers' ability to earn wages. For formal workers, coverage should be increased and efforts should be made to increase the administrative and financial efficiency of existing social security systems.

A policy to promote opportunities should strive to lessen or eliminate inequalities and the privileges existing in small workers' organizations, in an effort to create conditions of access and credibility for all workers in the system. To this end, policies to improve and expand the culture of awareness and understanding of social security are crucial since the insured need a greater understanding of the system.

Finally, the basic protection plan should include minimum universal standards for the different stages of the life cycle. During active work life, direct employment policies, together with training programmes, should be incorporated with the other programmes to transfer income in goods and services. This policy is essential for alleviating and gradually eradicating extreme poverty. Social security systems should consider extending basic coverage among older adults, offering basic protection that is not strictly linked

to contributions. Health care packages and access to health care services also must be guaranteed.

Social Dialogue that Integrates

Implementing policies to address the decent work deficit inevitably creates tensions and conflicts among the different social actors of the countries. For this reason, an integrating social dialogue is necessary among governments, employers and workers to identify equitable solutions leading to decent work.

In this context of social dialogue, the challenge for ministries of labour is the modernization of the services their agencies provide and especially the transformation of the institution so that labour policy is effectively linked to economic policy. In most countries, this requires providing ministries of labour with better technical capacity (through units with specialized professionals) to analyze the possible

effects of labour policies on economic performance and social conditions of each country.

In addition, given the new labour environment, workers' organizations could refocus their activity to work with a larger number of productive units that would be much smaller than in the past. Workers' organizations should extend their activities to the informal sector in an effort to provide legal and/or social security protection to workers in the sector.

Employers and their organizations face equally important challenges. Like workers' organizations, employer organizations should encourage the membership of microenterprises and small firms to permit greater interaction of this productive sector with mid-sized and large firms. This articulation would facilitate the growing contribution of the business sector to the strategy of *a productive solution to the crisis* and therefore, to the capacity to generate decent work in Latin America and the Caribbean.

FEATURE ARTICLES

In addition to the analysis of the labour market situation in Latin America and the Caribbean in 2003, this edition of *Labour Overview* includes feature articles. These articles report on the findings of the different ILO studies and research projects on subjects related to the world of work in the region. They offer a unique combination of perspectives in the *Labour Overview*: they enrich the analysis of the labour situation in 2003 with a discussion of labour market processes and longer-term trends that do not lose sight of the fact that the current situation can also affect these processes and trends.

The first article, entitled *Social Protection and the Labour Market in Latin America*, is based on an ILO study designed to identify the levels, trends and structure of social protection mechanisms available to workers in the region. The study analyzes socioeconomic household surveys conducted between 1992 and 2002 in nine countries. Although the surveys used a variety of methodologies, definitions and time series, which hindered automatic comparisons of their results, they were useful in providing general information on trends and characteristics. Study results underscore the need to improve and standardize these surveys, which are one of the richest primary sources of a country's social and labour data.

The results demonstrated that a large percentage of workers lack labour and social protection in the region. They also verified that, in general, having a stable job is a necessary but insufficient condition for guaranteeing worker protection. Although setbacks occurred overall, country trends differed in the protection against the risks of old age, disability and death.

The second feature article, *Labour Aspects Associated with Integration Processes and Free Trade Agreements in the Region*, examines the socio-labour impact of these initiatives. The article is based on an unpublished ILO document and book. Integration processes and free trade agreements have multiplied in the region since the 1990s as a result of the market globalization process. The article argues that the results of these initiatives have been modest in terms of employment, wages and vulnerable groups, even though advances have been made in recognizing international and national labour standards in trade agreements in the region. Nevertheless, these standards are not always adequately implemented.

The report concludes that a dichotomy exists between the economic benefits that integration and free trade undoubtedly generate and the fact that these benefits do not reach everyone. Some people are even harmed by them, thereby threatening the social legitimacy of the processes and affecting social unity within countries. Compensatory policies are therefore required. There is waning support for a globalization model that frequently neglects or disregards its social effects, a phenomenon associated with social unrest in the region. The article also describes the consequences of the failure of the Cancun Summit from a regional perspective.

The third feature article, *Labour Adjustment in Latin America: a Gender Perspective (1995-2002)*, discusses some of the results and lessons learned from the project "Incorporation of the Gender Perspective in Policies to Eradicate Poverty and Generate Employment in Latin America," which the ILO is carrying out in six countries of the region, with financial support from the Dutch government. The analysis focuses on poverty trends; labour force participation rates, unemployment rates and employment-to-population ratios; employment in the informal sector; gender gaps in labour market indicators; income; and the relationship between education and labour participation from a gender perspective.

While recognizing methodological differences between the labour force surveys by country used in the study, the report concludes that the shift toward a development paradigm based on a process of trade liberalization, which occurred in the 1990s, has had a significant impact on labour markets in the different countries. Women's increased participation in the labour market, measured by the labour force participation rate, has contributed to moderating the effects of structural changes on poverty. Despite the advances made, women face barriers for accessing employment, as well as discrimination and gender gaps in terms of remuneration and informal sector employment. These issues must be addressed to eradicate poverty. The article also analyzes policies to promote employment and equality between men and women. It underscores the need to incorporate the gender perspective in the conception, implementation, evaluation and follow-up of policies to ensure the success of initiatives to fight poverty.



The fourth feature article, *Inequality and Gender and Race Discrimination in the Brazilian Labour Market*, summarizes an ILO study and discusses the race and gender inequality of the labour market, which, although present in several countries of the region, has been analyzed only in Brazil. The report maintains that black women, who represent 18% of the Brazilian labour force, are frequently subject to triple discrimination: gender, race and social. Women and blacks make up 68% of the country's labour force; therefore, labour discrimination is not simply a problem of minorities.

The study confirms that groups discriminated against by society have higher unemployment and informal employment rates and earn lower wages. The article

concludes by encouraging all social actors to work together in a crosscutting effort to overcome inequality and discrimination, with an emphasis on legal measures to generate more decent work.

The fifth feature article, *Political Declarations on Economic Growth, Social Progress and Decent Work*, presents key aspects of declarations made in recent months in the region.

Readers will note that the statistics presented in some of these articles do not always coincide with those presented in the Statistical Annex of the 2003 Labour Overview. This is because of methodological differences in geographic coverage, survey reference period, and other aspects.

Social Protection and the Labour Market in Latin America

Social protection of workers is closely related to labour market conditions, particularly employment. In most countries of Latin America, only formal, stable workers have access to social benefits such as retirement pensions, and unemployment and health insurance. Informal workers or the unemployed often lack these benefits or are forced to obtain them from government social assistance programmes.

This feature article, based on the ILO study (2003) "*Social Protection and the Labour Market: A Study Based on Household Surveys*," characterizes the levels, trends and structure of social protection of workers in Latin America. Using data from a sample of household surveys implemented in nine countries of the region (Argentina, Bolivia, Brazil, Chile, Ecuador, Guatemala, Mexico, Nicaragua and Peru), researchers took two or three point-in-time gauges during the period 1992-2002, focusing on the relationship between social protection and the labour market. The study argues that household surveys are useful sources of information for representative studies on social protection and the labour market, albeit with deficiencies in coverage and comparability. Recommendations are given with a view toward developing more standardized household surveys with richer information.

Overall, the results indicate that a highly vulnerable group of workers exists that increasingly lacks labour and social protection (contracts, severance pay, social security, social welfare benefits, etc.). This group includes informal workers and unemployed persons. For these individuals, a more formal labour relationship

does not necessarily guarantee increased protection, despite improving their chances of having access to employment benefits.

How Are Vulnerability and Protection Related?

Vulnerability can be defined as a state of high exposure to certain risks and uncertainties, combined with a reduced capacity to protect or defend oneself from these and to confront their negative consequences. By determining workers' protection levels according to their labour market status, it is possible to identify their levels of vulnerability. In addition, the concept of vulnerability can be related to those traditionally used in this regional publication to describe the structure of employment in terms of levels of informal or formal sector employment. In this feature article, *highly vulnerable* workers are those the *Labour Overview* has traditionally classified as employed in the informal sector, as well as the unemployed. The term informal is currently used to refer to two different concepts. The first is related to compliance with current laws regarding contracts, taxation, regulations and social benefits while the second refers to generally unregulated characteristics of employment, such as productivity, the level of skill required, wages or job stability. For the purposes of this report, the second concept is used; therefore, informal workers are those with often unstable, poorly paid jobs of low productivity in marginal sectors. The *lack of legal protection* refers to non-compliance of legal standards and can include labour aspects, as well as social ones when referring to insurance or social assistance programmes.

Therefore, unprotected workers refer to those not covered by labour law and those who lack social benefits associated with their labour market status, whether employed or unemployed.

While vulnerability, informal sector employment and a lack of protection are distinct concepts, these terms are related in practice. Workers in the informal sector, where jobs are frequently marginal and have low productivity levels, as well as unemployed workers, often have social and labour protection levels below those of other groups, and therefore have a high level of labour vulnerability. This article provides empirical evidence of this relationship in Latin America and seeks to determine whether highly vulnerable workers are also the least protected. The objectives of this feature article are to compare the situation of vulnerable and unprotected workers in the different countries and over time; identify labour characteristics associated with the lack of employment protection; and contribute to understanding the causes of the variations observed in the different periods with respect to the lack of protection.

Since household surveys differ among countries in terms of concepts and methodologies, their results are not strictly comparable and therefore should be viewed as indicative of general trends only. Operational definitions for vulnerability and a lack of labour and social protection depend on data availability.

Classification of the Different Levels of Social Protection

In this feature article, the level of labour and social protection is characterized in terms of the level of vulnerability (high or low) of the individual in the labour market. Therefore, the empirical correlation among labour status, vulnerability and protection must be

determined, which is restricted to the variables available from household surveys of the region.

The labour status of a worker is defined in terms of three variables: status in employment, type of firm or sector of employment and skill level. There are five categories of labour status: a) employer; b) employee (wage and salaried workers); c) independent (self-employed) worker; d) unpaid worker; and e) unemployed worker.

All household surveys in Latin America used in this study permit the economically active population (EAP) to be classified into these categories, except for Peru, where it was not possible to differentiate between employers and independent workers. Although some people have more than one job and can belong to two or more groups at the same time, this study limits the analysis to the main job identified by each person on the survey under the assumption that the probability of obtaining social protection is greater in the main occupation than in secondary ones.

There are three types of firms or sectors: a) large private firm, b) small private firm, and c) public firm or public sector. Large private firms are those employing more than five wage or salaried workers while small private firms have five or fewer employees. The public sector includes workers employed in state-owned companies as well as those employed in the government administration.

The level of skill and/or education is categorized as follows: a) skilled worker (professional), and b) unskilled worker. For the purposes of this study, skilled workers include all those who have completed a higher education (university or tertiary education). The rest are considered unskilled workers.



TABLE A.I

LABOUR STATUS AND VULNERABILITY CATEGORIES

	Status in employment	Type of establishment	Skill level
Low vulnerability			
1	Employer	All	All
2	Wage and salaried worker	Large	All
3	Wage and salaried worker	Public	All
4	Independent worker		Professional
High vulnerability			
5	Wage and salaried worker	Small	All
6	Independent worker		Not professional
7	Unpaid worker or unemployed		All

Source: Developed by the ILO.

Based on the three criteria mentioned above, all individuals belonging to the EAP are classified into seven mutually exclusive groups. This classification (Table A.I) is different from that used in the Statistical Annex of *Labour Overview*, which refers exclusively to employed workers. Specifically, this feature article incorporates all employers and independent professionals into the group of workers with low vulnerability and the unemployed with those traditionally considered informal workers into the group of highly vulnerable workers. Unlike in *Labour Overview*, domestic workers are not considered separately because several of the surveys did not provide data on industry activity to make this classification. Nevertheless, in all of the surveys that did provide this information, domestic workers were classified as highly vulnerable within the group of wage or salaried workers employed by small establishments.

Table A.I shows that the first four groups belong to the category of workers of low vulnerability. This category includes entrepreneurs, wage or salaried workers in large establishments and the public sector as well as independent professionals. The highly vulnerable group includes wage and salaried workers in small establishments, unskilled independent workers, unemployed individuals and unpaid workers. This group brings together many people with unstable, often sporadic jobs, informal labour ties, low wages and lower levels of labour and social protection. According to the classification presented, the level of vulnerability is highest among non-professional independent workers, unpaid workers and the unemployed, and lowest among employers and wage and salaried workers who work in large private firms or the public sector.

Small sample sizes in the household surveys limit the number of potential groups. This restriction required grouping together individuals whose levels of vulnerability may be different. For example, both unemployed professionals and those who work in small establishments probably have a lower level of vulnerability than do less skilled individuals in the same labour situation. The group of unemployed professionals, however, is too small to consider as a separate group in most of the countries.

Certain variables are not used to define specific groups. For example, Group 3 includes all public sector workers because it assumes that employment in this sector has a series of characteristics that make it more formal and consequently less vulnerable work (stability, labour contracts, widespread labour rights and social protection) regardless of the worker's skill level. For other labour segments, however, the skill variable is relevant. For example, professionals who work independently (physicians or lawyers with high salaries

and others who work independently) would be expected to have the characteristics of less vulnerable workers while unskilled workers who work independently (street vendors, for example) would belong to the most vulnerable group.

This feature article analyzes several employment characteristics of the groups defined in Table A.I, with an emphasis on the level of labour and social protection. Specifically, it seeks to characterize the labour relationship in terms of the existence or lack of a work contract and its type, as well as the permanent or temporary nature of the labour relationship. In addition, it seeks to identify the level of protection related with employment in terms of health insurance, retirement benefits and pension plans, severance pay and unemployment insurance.

Because there is a lack or deficiency of protection associated with work, or even a lack of employment, government participation is necessary to provide assistance in cash, goods, services or insurance. These transfers are part of programmes usually targeting people who lack access to other types of social protection associated with stable employment. This feature article presents information on some of these government social aid programmes.

Relationship between Labour Status, Social Protection and Vulnerability

This section includes statistics that help determine the level and structure of social protection and analyze this protection in terms of the structure of labour force participation in each of the selected countries. It analyzes the population's access to the social benefits listed in the previous section, identifying benefits associated with employment.

The number of survey observations differs among the various household surveys of the region. For example, while more than 400,000 individuals participated in the 2001 National Household Survey (PNAD) of Brazil, the National Standard of Living Survey (ENNIV) of Peru had no more than 20,000 respondents. The results most vulnerable to the problem of sample variability (which influences data reliability) are the statistics on employers in Peru and Nicaragua (and Bolivia in 1999) as well as those referring to independent professionals in Bolivia, Ecuador, Guatemala, Mexico and Nicaragua, and to a much lesser extent to rural and gender gaps in Bolivia, Ecuador, Nicaragua and Peru. The number of adults (defined as individuals aged 18 to 65 years) in the labour force, the group of analysis for this feature article, represents an average of 35% of the individuals participating in the surveys, ranging from a minimum of 29% in Guatemala to a maximum of 41% in Argentina and Brazil.

All surveys had nationwide coverage, except those of Argentina, which included only urban areas. Urban labour force participation was close to 60% of the total adult labour force, except in Argentina. Chile, Mexico and Peru had slightly higher percentages of urban labour force participation. Women's participation in the adult EAP surveyed was approximately 40% in the countries studied.

Labour Force Participation of Each Group, by Labour Status

Table A.II presents the labour force participation of each group by labour status. Approximately 4% of

economically active adults claimed to be employers. The percentages have remained relatively constant over time and do not differ substantially between countries. The labour force participation of the group of independent professionals was low, averaging less than 1% of the total EAP. In Argentina, the participation of this group was higher than in the rest of Latin America, at 2.5% of the total labour force in 2001. Although this group is relatively large in Peru, it may also include employers.

The nine countries analyzed differed substantially with respect to the percentage of wage and salaried employees of large firms and the public sector. Table A.II

TABLE A.II

LATIN AMERICA (9 COUNTRIES): LABOUR FORCE PARTICIPATION BY LABOUR STATUS GROUP, 1992-2002 (percentages)

Countries	Low Vulnerability				High Vulnerability			Total		Total
	Employers	Wage and salaried workers, large establishments	Wage and salaried workers public sector	Independent professionals	Wage and salaried workers, small establishments	Unskilled Independent workers	Unemployed or unpaid workers	Low vulnerability	High vulnerability	
Argentina										
1992	5.4	34.7	8.7	2.3	19.2	21.7	8.0	51.2	48.8	100.0
1996	3.6	28.3	13.2	2.5	18.3	15.8	18.4	47.6	52.4	100.0
2001	3.5	27.1	13.8	2.5	17.6	16.2	19.3	46.9	53.1	100.0
Bolivia										
1997	6.2	15.6	8.5	1.6	7.0	39.0	22.1	31.9	68.1	100.0
1999	3.5	14.6	8.2	1.2	10.9	42.0	19.7	27.5	72.5	100.0
2002	5.0	13.0	8.4	1.5	10.3	38.8	23.1	27.8	72.2	100.0
Brazil										
1995	4.4	27.3	13.0	0.9	9.1	29.0	16.3	45.6	54.4	100.0
2001	4.2	28.8	11.7	1.1	10.7	26.2	17.3	45.8	54.2	100.0
Chile										
1996	3.5	44.9	9.9	1.3	16.1	17.6	6.9	59.5	40.5	100.0
2000	3.6	40.6	11.6	1.6	14.5	16.3	11.9	57.3	42.7	100.0
Ecuador										
1994	6.3	23.0	8.2	1.1	20.0	26.4	15.1	38.5	61.5	100.0
1998	5.9	22.9	7.6	1.1	16.8	28.4	17.3	37.5	62.5	100.0
Guatemala										
2000	6.5	24.2	6.6	0.8	30.9	20.3	10.7	38.1	61.9	100.0
Mexico										
1996	4.7	31.5	12.3	0.6	19.2	21.0	10.7	49.1	50.9	100.0
2000	4.8	34.5	12.0	0.9	20.1	20.1	7.8	52.1	47.9	100.0
Nicaragua a/										
with public sector										
1993	0.5	14.6	14.0	0.6	11.6	30.6	28.0	29.7	70.3	100.0
2001	5.0	23.6	7.3	0.4	18.6	26.7	18.4	36.3	63.7	100.0
without public sector										
1993	0.6	17.5		0.7	13.5	35.4	32.4	18.8	81.2	100.0
1998	3.6	30.2		0.3	20.6	27.1	18.1	34.1	65.9	100.0
2001	5.0	30.6		0.4	18.9	26.7	18.4	36.0	64.0	100.0
Peru b/										
1994	2.3	18.4	11.1	3.4	11.3	33.5	19.9	35.2	64.8	100.0
2000	2.3	17.6	10.3	3.0	12.6	32.6	21.7	33.1	66.9	100.0

Source: ILO's own estimates based on information processed from household survey microdata files from the countries.

a/ In Nicaragua's survey for 1998, wage and salaried workers cannot be determined for the public sector. For this reason two groups of statistics are included for this country: one which includes the category of workers in the public sector (with data available only for 1993 and 2001), and another which excludes the public sector.

b/ In Peru it is not possible to distinguish between employers and independent workers. It is assumed that independent workers in establishments with more than 5 wage and salaried workers are employers.

demonstrates that in Argentina (27.1%), Brazil (28.8%), Chile (40.6%) and Mexico (34.5%), large firms represent the largest share of employment, while in Argentina (13.8%), Brazil (11.7%), Chile (11.6%), Mexico (12.0%) and Peru (10.3%), the public sector has the largest share of employment relative to the other countries for that category. In Argentina, government employment has risen sharply over the past decade, although this could be attributed to the fact that Argentine surveys were applied only in urban areas. Nevertheless, there is no clear trend in labour force participation in large establishments or the public sector. For example, participation in large establishments declined in Argentina, Bolivia and Chile while it increased in Mexico and Nicaragua.

Except in Chile and Mexico, the adults classified in the most vulnerable labour group represents the majority in all the countries examined, particularly in Bolivia, Nicaragua and Peru. Vulnerability increased in Argentina, Bolivia, Chile, Ecuador and Peru while it remained stable in Brazil and declined in Mexico and Nicaragua.

The percentage of individuals in the most vulnerable group of the labour force is quite large in the region, particularly in Bolivia, Brazil, Ecuador, Nicaragua and Peru. Its composition varies between countries, although unskilled, self-employed workers represent the largest group. The group of unemployed and unpaid workers is high in Argentina because of the high unemployment rate, as well as in Bolivia, Nicaragua and Peru because of the high incidence of unpaid work in the productive structure, particularly in rural areas.

In all of the countries analyzed, labour vulnerability is more marked among women. Differences in labour vulnerability between men and women were greatest in Bolivia, Ecuador and Peru and less pronounced in Argentina, Guatemala, Mexico and Nicaragua.

A key characteristic of the Argentine labour market is the predominance of wage or salaried employment over self-employment, partly due to the growing participation of the unemployed and public sector workers. In contrast, unskilled independent workers comprise the largest group in Bolivia. Brazil's structure resembles the average regional structure, with a slightly higher labour participation in large firms, which can be attributed to economies of scale, a trend which is growing over time. Chile is also noteworthy both for its employment in large firms as well as for the lower participation of unskilled independent workers and unpaid workers. Ecuador and Nicaragua closely follow the average, except for the higher participation of unskilled independent workers. Guatemala and Mexico, on the other hand, differ from the average in that they have a greater participation of wage or salaried

employment in small and large firms, and a lower participation of public sector workers and unpaid workers. Finally, Peru has a large proportion of independent workers and unpaid family workers.

Labour and social protection data obtained from the analysis of the household surveys of the nine countries are presented below, classified into labour groups.

Contracts

The signing of a contract between the employer and the employee is a key factor that determines many employment characteristics. The existence of a written contract makes the labour tie more formal and visible, and increases the probability of compliance with labour laws, including those that grant rights of labour and social protection to the worker. Few of the Latin American surveys include questions on the existence of written contracts in the labour relationship. Those that do include such questions restrict them to the group of wage or salaried workers. In several countries, only the most recent surveys inquire about this.

Table B.I presents the percentage of wage or salaried workers that have written labour contracts, which varies among countries and years. Public sector workers have a higher percentage of contracts, although no country has 100%. Labour contracts are less common in private firms, particularly small ones. In the countries studied, less than 15% of wage or salaried workers employed in small firms had labour contracts. Chile was the exception, although the percentage of wage or salaried workers in small establishments with written contracts has declined over the past five years. Chile was also the only country with a gender gap in this area: more male than female workers had written contracts. In the rest of the countries, more women than men had written labour contracts. Likewise, written labour contracts were more frequent in urban areas than in rural areas, although differences were less marked in Bolivia, Chile and Guatemala.

Nature of Labour Relationship

Several surveys in the region contained questions regarding the permanent or temporary nature of the labour relationship. While this characteristic is associated with the existence of a contract, it is not the same concept. For example, a wage or salaried worker or an independent worker can perceive their labour relationship as permanent despite the lack of a written contract, or can judge it temporary because they have a short fixed-term, non-renewable contract. Some countries eliminated questions on these issues in their most recent household surveys.



Most workers in the region believe their job is permanent. According to the Brazilian survey (PNAD), this perception declined between 1995 and 2001, except among wage and salaried workers of small firms. In all countries, the most vulnerable workers believe their jobs are less stable. Brazil, Guatemala and Nicaragua had the most notorious gaps between the perception of this group and that of less vulnerable workers. The difference between vulnerable and less vulnerable workers was most notorious in Brazil. Except in the case of Ecuador, workers in the countries believed that urban employment was more stable than rural employment. In most countries, women believed they had slightly more job stability than did men.

Retirement Benefits and Pensions

In terms of budgetary outlays and extent of coverage—a worker is considered covered if during the survey period he was paying into the benefits system, although other conditions may be necessary, such as a minimum amount of payments over a period of time—the main labour insurance captured in the surveys was the right to receive retirement, disability and death benefits. The importance of this insurance is reflected in the Latin American household surveys, which include questions on retirement, disability and death benefits coverage, although they neglect other types of labour insurance. Workers are classified as having benefits if during the survey reference period they were paying into the benefits system, although additional conditions may be required, such as a minimum number of contributions over time.

The questions on retirement, disability and death benefits vary substantially among countries, for which reason the results are not strictly comparable. For example, wage or salaried workers in Argentina were asked if they had an occupation with the right to retirement benefits. In Bolivia, all respondents over the age of seven years were asked if they were covered by a pension fund. In Brazil, the surveys asked whether the respondent contributed to a social security institution, and in Chile whether they paid into a social security system. In Nicaragua, the Survey to Measure Standards of Living (EMNV) inquired whether the person had social security while in Guatemala the survey asked whether the respondent contributed to the Social Security Institute of Guatemala. In Peru, the survey asked whether the individual was associated with a pension system.

In Mexico and Guatemala, it was only possible to obtain results for this variable for 2000. In Mexico, the National Household Income and Expenditure Survey (ENIGH) inquired whether the worker had benefits from the Retirement Savings System (SAR) or the Retirement

Fund Administration (AFORE). In Ecuador, respondents were asked if their main work activity of the previous week entitled them to receive retirement benefits, but excluded day labourers, domestic workers and unpaid workers. In Argentina, Ecuador, Guatemala and Mexico, the question applied only to the group of wage and salaried workers, and in the first two countries respondents were asked only about retirement benefits, rather than disability or death benefits.

Table B.II presents data on the percentage of groups of workers who have the right to retirement benefits, classified by labour status. Table B.III presents the groups according to the level of vulnerability (low or high) disaggregated by sex. There was a sharp drop in coverage of this right in Argentina, Bolivia, Nicaragua and Peru, and to a lesser extent in Brazil and Chile. This occurred in both sexes and among workers of both low and high vulnerability.

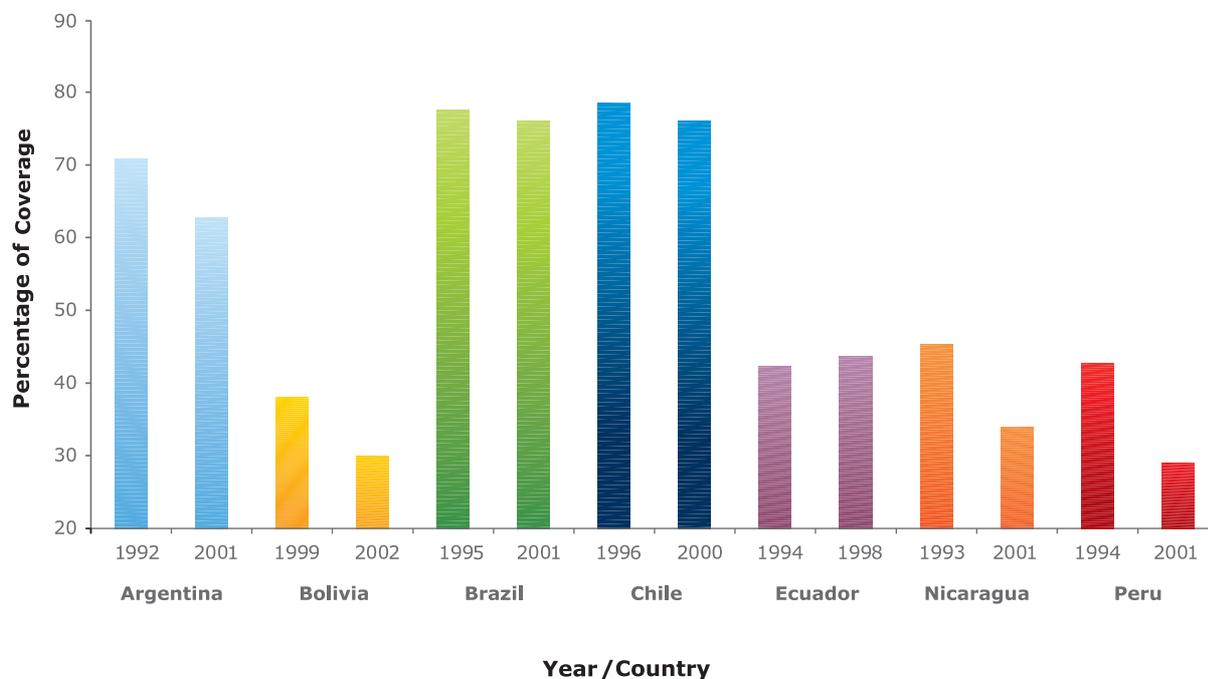
In the nine countries, wage or salaried workers of the public sector had high coverage of the right to receive retirement benefits. Coverage among wage or salaried workers of large firms was widespread in Argentina, Brazil and Chile, while that of wage or salaried workers of small establishments was lower than the other groups. The rate of coverage for this group has declined in Argentina and Chile over the past five years, although it remains much higher than in the rest of the countries. Few independent workers had social security benefits, except for professionals or employers in countries with a more developed social benefit system, such as Brazil or Chile. Nevertheless, the percentage of workers with access to retirement benefits was much lower in these groups compared with the group of wage or salaried workers of the public sector or large firms.

Coverage among groups of low and high vulnerability wage and salaried workers differed significantly: while the coverage rate among those of low vulnerability exceeded 40% in all the countries, less than 40% of those in the high vulnerability group had coverage, except in Chile and Brazil. The percentage of workers who had retirement benefits coverage was higher in urban areas than in rural ones (Table B.II). There were no clear gender differences with respect to retirement benefits (Table B.III).

All the surveys analyzed included questions on retirement benefits coverage for older adults (over 65 years). In some cases, the questions referred to individual retirement, while others focused on total retirement benefits received in the household. In the latter case, retirement benefits were assigned to the older adults in the household; if there was more than one older adult in the household, a higher percentage of benefits was arbitrarily assigned to the men.

FIGURE A.I

**LATIN AMERICA (7 COUNTRIES):
CHANGES IN COVERAGE OF RETIREMENT BENEFITS AND PENSIONS OF
WAGE OR SALARIED WORKERS**
(percentages)



Source: ILO's own estimates based on data from Table B.III.



The scope of the social security packages varied substantially among countries (Table B.IV). In Brazil, 85% of respondents over 65 claimed to have received some benefits from the social security system, while less than 20% reported receiving such benefits in Bolivia, Ecuador, Guatemala, Mexico and Nicaragua. Income from retirement as a percentage of total income declared in the household surveys ranged from a high between 13% and 16% in Argentina and Brazil to a minimum of just below 1% in Ecuador and Nicaragua. The questions used to construct this variable differed among countries. In Argentina, the questions referred to the combined income from retirement benefits or pension plans (without specifying whether they were based on contributions). In contrast, the Brazilian survey detailed income from retirement benefits or pension plans and by the type of social welfare institution. A retired individual received approximately half of what an adult in the labour force earned and 40% of the income of an adult employed in the formal sector. These percentages have increased in almost all of the countries with available data.

In Bolivia, surveys had separate questions on monthly retirement benefits (old age) and pensions. In

Nicaragua and Guatemala, questions inquired about monetary income from pension plans and retirement benefits received by the household during the previous month, for which reason it was difficult to determine the individual beneficiary. The same thing occurred in Peru, where surveys asked whether the household received retirement income (layoff, pension fund, Social Welfare Benefits Office, or National Public Savings Fund). According to surveys, male urban workers were more likely to receive a pension or retirement benefits than their female counterparts.

Severance Pay

Receiving a severance package for some types of layoffs is a recognized labour right. However, household surveys in the region do not usually inquire about this right. Neither do they address whether the individual receives severance pay. Only the Permanent Household Survey of Argentina and the 2000 ENIGH of Mexico permitted the measurement of the percentage of wage and salaried workers who claim to have a right to severance pay in the case of layoffs. This percentage was almost 60% in Argentina and 20% in Mexico. In Argentina, the percentage of wage and salaried workers with the right to severance pay

declined sharply during the past decade. In the five countries where unemployed survey respondents claimed to have received some severance pay, only a small percentage of all unemployed workers received severance pay. Severance payments did not exceed 1% of the income declared in the survey.

Unemployment Insurance

Unemployment insurance, a right granted in developed economies, is uncommon in developing countries, a fact reflected in the Latin American household surveys. Only the survey in Ecuador questioned active wage or salaried workers about this insurance: more than 80% of wage or salaried workers employed in the public sector claimed to have this right in the 1994 and 1998 surveys, while 40% of wage or salaried workers of large firms claimed to have it. Ten percent of those employed in small firms reported having the right to unemployment insurance.

In Argentina, Brazil and Chile, receiving income from unemployment insurance was included as a separate item (as opposed to the right of active wage and salaried workers to receive it in the case of unemployment). The percentage of unemployed workers who received this insurance was minimal in Argentina (3.6% in 2001) and Chile (1.6% in 2000). In the Brazilian surveys, the question applied only to wage or salaried employees who had been laid off. It did not apply to unemployed independent workers or those who had recently entered the labour market. Six of every 10 of these laid off wage and salaried workers reported that they had received the insurance.

Health Insurance

Most of the Latin American surveys included questions on access to some type of health insurance, although these differed among countries, in part because they have dissimilar health care systems. It was problematic to measure this variable because all countries studied offer government health care services, which is very difficult to evaluate from the household surveys.

Panel 1 of Table B.V presents the percentage of workers with access to health insurance provided through their employment. Only Argentina, Chile, Mexico, Nicaragua and Peru included questions that permitted statistics to be calculated; in Argentina and Mexico, only wage and salaried workers were asked about employment-related health insurance. Health care coverage was widespread among public sector workers, and was somewhat lower among wage and salaried workers in large firms. It was significantly

lower among those working in small establishments. During the 1990s, employment health care coverage declined in Argentina and Peru, while it increased in Chile and Nicaragua.

Panel 2 of Table B.V shows the percentage of active adults with access to health insurance, regardless of the source of the insurance. With the exception of Chile, and to a lesser degree, Argentina, the percentage of health coverage was below 33% of the active population in all the countries. The coverage rate declined in Argentina.

By geographic region, access to health insurance was much more widespread in urban than in rural areas. More men than women had employment-related health care coverage in Argentina and Peru, while women enjoyed greater coverage in Chile and Nicaragua. At any rate, the gender gap in health care coverage decreased when health care coverage from all sources, not only employment-related coverage, was considered.

Health care coverage rates were significantly lower among highly vulnerable groups, which generally included informal sector workers and the unemployed. Chile had a high coverage rate for this segment, while highly vulnerable worker groups in Bolivia, Guatemala, Nicaragua and Peru had minimal access to health insurance.

Social Welfare Programmes

Governments have the responsibility to alleviate deficiencies generated in the labour market through social welfare programmes targeting individuals (and their families) who are not working, have low salaries or who do not have social benefits. Examples of these programmes include those that transfer money or basic goods such as food, medicines or school supplies. In addition, some governments also provide social security to those who do not obtain it through their employers.

In Latin America, the household surveys do not sufficiently cover government social programmes, despite its importance. Table B.VI provides information on the countries whose surveys include questions on assistance programmes. Chile is the country with the richest data on this subject. While in all the countries and programmes considered, the percentage of benefits was greatest among the group of highly vulnerable workers, the differences between those with low and high vulnerability was less marked than expected.

The household survey in Argentina provided information on the percentage of individuals within each group that reported receiving receive food or clothing from government programmes. While the survey included questions on monetary transfers, these were minimal in 1997 and 2001. This type of initiative was introduced in 2001 in Argentina (known as the Unemployed Head of Households Programme), although its implementation occurred after the socioeconomic household survey used in this study was completed.

Eighteen percent of highly vulnerable workers reported having received some form of assistance in Argentina in 2001, while 9% of those of low vulnerability received assistance. In Bolivia, the 2002 survey included questions referring to benefits from the National Emergency Employment Plan (PLANE). Coverage captured in the survey was very low. The CASEN survey of Chile measured several social programmes, which target the most vulnerable workers, although there was little difference in coverage with less vulnerable workers. Pension assistance plans (PASIS) and single-family subsidy (SUF) programmes appear to better target the most vulnerable population. Most assistance programmes have greater coverage in rural areas.

The survey in Ecuador contains data on benefits from a complementary feeding programme for children under five years and the free school breakfast programme. According to the survey, these programmes were limited in scope. The ENIGH survey of Mexico reports on the benefits of the PROCAMPO Programme, which mainly reaches highly vulnerable adults. Finally, Nicaragua's Living Standards Measurement Survey (EMNV) collected data on some small-scale food transfer and employment programmes.

Trends in the Labour Market and Social Protection

The changes occurring in the labour market structure, while not necessarily deliberate or induced, can profoundly affect the degree of average social protection of workers. If the labour structure is modified in favour of certain types of employment with a high level of vulnerability, although with stable rates within each group, the rate of overall vulnerability increases. Thus, for example, if employed workers switch to employment in unskilled services, in small firms or work in part-time or temporary jobs, or that have high staff turnover, the rate of average social protection of the economy will inevitably decline.

This section analyzes the situation of coverage of retirement benefits and pension plans among the group

of wage or salaried workers, given that it is one of the most important types of insurance and the one that is best addressed by the household surveys of the region. To simplify the analysis, workers who reported that their jobs did not offer retirement benefits were considered to be *lacking in social protection*.

The analysis of the structure of wage or salaried employment in the nine countries, for which the structure of employment is considered, demonstrates that Argentina, for example, had significantly increased the participation of part-time work, which has generated an increase in unprotected employment (Table B.VII). Nevertheless, the participation of workers in the public sector and in education, health, banking and professional services also increased in that country, which implies greater social protection for employees of those sectors. In most of the Latin American economies analyzed, women's participation in employment increased, as did that of workers over the age of 40 years, skilled workers and urban workers. There are no common patterns among countries with respect to employment trends by type of establishment, years of employment or working hours.

Table B.VIII shows that the percentage of workers lacking social protection is generally higher among women, young people, unskilled workers, wage or salaried employees of small private establishments, workers with few years at their jobs, those who work few hours per week and those living in rural areas. The lack of social benefits among employed persons was most common in the primary sector, in construction and unskilled services. In Argentina, the percentage of workers lacking social protection increased in almost all groups studied. In Brazil, paradoxically, the average rate of protection increased due to the major modification in the structure of employment in favour of educated groups that have better social protection, despite the fact that this indicator declined for all segments. In some countries, the change in the percentage of wage or salaried employees with social protection moved in opposite directions during the years studied, depending on the group.

Researchers used a microeconomic decomposition methodology developed by Gasparini (2002) to determine the degree to which the changes in the average rate of lack of social protection were attributed to modifications occurring in the employment structure, as well as to determine to what degree the changes were the result of widespread changes within a specific group.

In most of the countries analyzed, it is possible to conclude that men have a greater probability of access to retirement benefits, if this variable is separated from

other factors. Access to social protection is closely associated with age and grows rapidly for young workers, subsequently increasing at a slower rate among older adults. Access to social protection is higher in every age group among those with higher levels of education. By maintaining the other variables constant, it was determined that working in a large firm or in the public administration, more years on the job, and working in urban areas increased the probability of access to retirement benefits. In contrast, part-time employment limited access to retirement benefits. In most of the countries, regional and sector differences existed in relation to access to retirement benefits, which were not explained by the other variables of the model applied.

The microeconomic decompositions carried out demonstrate that in Argentina, the effect of the change in the employment structure, while important, was less significant than the widespread phenomena of the shift toward a lack of social protection. Bolivia and Peru shared these results, although in the first case with more significant changes in the employment structure. Nicaragua experienced the opposite process, in that social protection increased slightly due to a change in the employment structure in favour of the groups with lower unprotection rates, as well as due to the increase in the rate of formal sector employment in the majority of the groups. Brazil, Chile and Ecuador had similar patterns: the slight change in the rate of a lack of social protection reflected the modification in employment characteristics and worker patterns that favoured the formal sector, combined with an increase in the lack of protection within most of the labour groups.

What Can Be Done to Improve the Measurement of Labour and Social Protection?

Household surveys contain valuable information about employment characteristics and access to labour and social benefits for generally representative population samples. They are a key source of primary data for making a general assessment of the labour and social situation of a country. This feature article presents a rich set of statistics obtained from the household surveys of several countries of the region. Nevertheless, it also underscores the various weaknesses of these surveys.

The household surveys of the countries differ significantly in terms of their level of coverage, frequency, scope and the specificity of questions, among other aspects. In addition, every survey obviously reflects the idiosyncrasies and characteristics of the society in which it is implemented. Nevertheless,

efforts should be made to standardize Latin American household surveys because this standardization would make it easier to compare results. The diversity of the countries of the region makes the region an ideal setting for research on the economic and social impact of the policies applied and their effects, as well as for comparing different results and periods. The more standardized the country information is, the greater the accuracy and the fewer the errors the collected data will contain, thereby helping to develop more solid conclusions.

The Programme for the Improvement of Surveys on Measurement of Living Conditions in Latin America and the Caribbean (MECOVI), sponsored by the Inter-American Development Bank (IDB), the World Bank and the Economic Commission for Latin America and the Caribbean (ECLAC) and the World Bank Project on Living Standard Measurement Surveys (LSMS), have made important efforts in this area. However, there is still much to be done. As mentioned, some variables are hard to compare among countries and even within a country over time due to differences in the specific questions, in the target population or in the response categories.

Moreover, the concept of vulnerability (like that of informal employment) lacks a precise definition, and therefore does not have a clear empirical definition. While household surveys with richer data on employment type would help to classify workers according to their level of vulnerability, this would not eliminate the pre-existing ambiguity of the definition. Therefore, the possible benefit of this improvement would be limited. It would be more advantageous to improve the area of labour and social protection within the surveys, subjects currently addressed by several questions, but with a generally limited scope.

Latin American household surveys are increasingly including questions about labour contracts. This trend should be encouraged in countries that have yet to include this type of question given that labour contracts are an essential component of the labour relationship and largely determine access to other labour and social benefits. To this end, questions on labour contracts should be broadened to understand some of their characteristics, such as duration. Some countries have eliminated questions on the permanent or temporary nature of the job, or have restricted them to wage or salaried workers. While the response to this question is basically subjective, it is important to collect workers' perceptions on the stability of their labour ties. Clearly, one of the characteristics workers most value in a job is its stability. Efforts to standardize these questions among countries are therefore recommended.



Box A.1

SOCIOECONOMIC HOUSEHOLD SURVEYS
IN LATIN AMERICA

Unlike labour surveys, socioeconomic household surveys are the main source of data on a country's economic and social characteristics. Since they usually represent the total population, they are useful for making inferences about a variety of phenomena. Mexico and some countries of the Caribbean first implemented these surveys in the 1950s. Since then, they have spread throughout the region and have increased their periodicity and coverage. Together with other instruments, these surveys have contributed to the implementation of regional studies on income distribution and social and labour issues.

All the surveys under review had national coverage except in the case of Argentina, which surveyed only urban areas. Table B.IX lists a set of useful variables to determine the level of worker vulnerability in the labour markets of the countries, as well as others that help to measure different dimensions of labour and social protection. The surveys contain data on adult activity (employed, unemployed or inactive), labour status (employer, wage or salaried worker, independent worker or family worker), size (measured by number of employees) and type of firm (public or private), worker skill level (generally in terms of years of formal education), employment income and hours worked. In many cases, it is also possible to identify the industry or sector of activity, the type of occupation, the length of time in the job and other variables that characterize the type of employment.

Coverage of variables associated with labour and social protection is very low. Almost all the surveys include questions on the existence of contracts, their characteristics and the permanent or temporary nature of the labour tie. All surveys include questions on retirement benefits and pensions, referring both to the right of active workers to these benefits and to whether older adults receive them. Coverage of the variables corresponding to severance pay (Argentina, Bolivia, Mexico, Nicaragua and Peru) and unemployment insurance (Argentina, Brazil, Chile and Ecuador) is even lower, while information on workers' compensation is practically nonexistent. Several countries lack well developed systems of these types of insurance, for which reason the institutions in charge of the surveys decided that it was irrelevant to include a separate question about them in the questionnaire.

Several surveys include questions on health insurance coverage, in some cases associated with employment. All the countries have a variety of assistance programmes that permit the transfer of money, goods and services to individuals and/or families with limited resources. Few household surveys include questions that enable researchers to determine the scope of these programmes. The National Socioeconomic Characterization Survey (CASEN) of Chile is especially rich in these data. However, other surveys do not incorporate questions on assistance programmes, contain only very general questions or cover only a specific social programme.

All countries collected data on the right of workers to receive retirement benefits or pensions. Nevertheless, the set of questions differs among the countries studied, which is only partially explained by the different realities in each. In some countries, questions are limited to the group of wage or salaried workers, despite the fact that independent workers can also be required to pay social security and have the right to retirement, disability and death benefits. The questions in the surveys of several countries were too general, and therefore researchers could not distinguish between contributive retirement systems, regular pensions and non-contributive pensions. Almost all of the surveys include information on collecting retirement benefits, but in general do not specify the type of benefit (type of scheme, retirement for old age or pension, among

others). In some cases, retirement benefits are considered as household income, which makes it impossible to determine the individual beneficiary. These differences highlight the need to standardize and enrich the questions referring to social protection.

Questions are limited on severance pay, unemployment insurance and insurance against risks and work accidents. In many cases, this deficit reflects the incipient development of these labour institutions. But even in countries where the social protection system is more developed, there are few questions referring to these types of insurance in the surveys. For example, almost no country survey includes questions on coverage for workers' compensation, despite the fact that it is a basic labour benefit.

Questions on health coverage also differ widely among the countries. Some countries, such as Brazil, do not include questions on health issues in their regular surveys, while in others it is difficult to determine the source of the insurance (employment, government-sponsored or private). Few countries include questions that go beyond health coverage to inquire about the use of the different health services.

Finally, although Latin American governments offer a wide range of social programmes involving transfer payments in kind, cash, and coupons, the household surveys have a limited capacity to identify these programmes. This deficiency stems partially from the frequent changes in social policy, which impede follow up in subsequent surveys. For this reason, all countries should have a minimum set of standard questions on the amount of government funds received as social assistance, as well as the monetary value of subsidy payments in kind.

The Latin American household surveys do not have a long panel structure, that is, they lack a mechanism to follow up the households participating in the first sample over time in subsequent surveys. Some are short panel surveys that do not permit follow up of individuals for more than a few years. The absence of these panels hinders the analysis of vulnerability and protection, since these are typically dynamic variables. Many workers have several informal and formal jobs during their lifetime, sign contracts only for some of them and make contributions only during certain periods. The richness of these accounts and the lessons that could be learned from them are lost because the surveys can only capture a "snapshot" of the moment. Efforts to make panel surveys would permit more in-

depth studies on vulnerability, the labour market, the informal sector and social protection.

Conclusion

This feature article presented statistics on labour status, vulnerability and labour and social protection based on individual information provided in household surveys from nine Latin American countries. While these surveys permit advances in defining the relationship between labour status and social protection, efforts should focus on developing more standardized, more in-depth and specific questions in an attempt to obtain more solid comparative evidence.

The results confirm that there is a serious lack of labour and social protection among informal workers and the unemployed in all countries of the region. Although a formal labour relationship with low vulnerability does not guarantee worker protection, it significantly increases the probability that the worker will have a series of labour and social benefits. Labour vulnerability has increased in most of the countries analyzed. The lack of labour and social protection in Latin America has also risen in recent years. These results are not uniform, however, since lack of protection decreased substantially in countries such as Argentina while it remained relatively stable in Chile and other countries. These results should encourage discussion of the social protection models and strategies of the region. In many cases, countries have contributive systems under the assumption that employment trends are in formal sector employment, involving stable jobs, which, if correct, would ensure continuity in social security contributions.

ANNEX

TABLE B.I

**LATIN AMERICA (7 COUNTRIES):
PERCENTAGE OF WAGE AND SALARIED WORKERS WITH EMPLOYMENT CONTRACTS**

Countries	Total Wage and Salaried Workers				Male Wage and Salaried Workers				Female Wage and Salaried Workers			
	Large establishments	Public sector establishments	Small establishments	Total	Large establishments	Public sector establishments	Small establishments	Total	Large establishments	Public sector establishments	Small establishments	Total
Bolivia												
2002	37.5	83.3	10.1	40.7	35.8	82.6	8.6	36.2	42.7	84.1	14.6	51.0
Unlimited contract												
2002	11.9	58.4	2.0	21.0	11.4	56.8	1.3	17.4	13.4	60.4	3.9	29.2
Chile												
1996	82.7	93.7	53.2	77.5	82.5	94.0	54.8	79.2	83.2	93.4	51.6	74.7
2000	83.1	92.7	50.1	77.3	83.1	92.9	51.7	79.5	83.2	92.5	48.9	74.0
Unlimited contract												
1996	68.3	82.8	44.7	64.9	67.6	84.4	44.2	65.6	69.8	80.8	45.2	63.7
2000	68.9	74.0	43.9	64.2	68.2	73.0	45.5	65.3	70.5	75.1	42.7	62.4
Ecuador												
1994	49.5	91.3	9.9	47.8	46.1	91.4	9.2	43.8	57.3	91.1	11.8	55.8
1998	49.4	94.7	15.3	49.3	47.0	96.3	16.1	46.9	55.1	92.6	13.7	54.2
Unlimited contract												
1994	35.7	81.6	7.9	38.1	32.2	82.3	7.4	34.3	43.7	80.7	9.3	45.9
1998	35.4	85.4	13.2	39.5	33.4	87.2	14.0	37.3	40.3	83.0	11.5	44.0
Guatemala												
2000	42.8	84.6	11.9	43.0	40.5	79.2	10.7	37.8	45.9	77.9	13.0	43.3
Mexico												
1996	63.3	98.7	12.5	54.8	60.6	98.1	12.7	52.5	70.0	99.5	12.1	59.5
2000	64.7	92.3	10.4	53.3	62.2	91.9	9.1	49.4	70.7	92.8	13.7	61.6
Unlimited contract												
1996	52.1	84.9	9.9	45.7	50.3	82.9	9.8	43.6	56.5	87.8	10.2	50.0
2000	53.8	81.6	8.3	45.1	51.6	80.4	7.1	41.4	58.9	83.1	11.6	52.9
Nicaragua												
1998	39.6		7.5	26.6	37.6		7.6	26.4	44.2		7.3	27.2
Unlimited contract												
1998	23.5		4.4	15.8	21.9		3.9	15.1	27.3		5.1	17.0
Peru												
1994	32.2	37.9	6.5	27.0	31.5	37.0	5.9	25.7	33.8	39.2	8.0	29.7
2000	24.3	52.4	6.6	25.9	25.8	52.3	5.8	26.0	20.4	52.6	7.9	25.7

Source: ILO's own estimates based on information processed from household survey microdata files from the countries.

TABLE B.II

**LATIN AMERICA (9 COUNTRIES):
RETIREMENT AND PENSION COVERAGE (CONTRIBUTORS) FOR
ACTIVE WORKERS BY WORKER STATUS GROUP a/**

Countries	Low Vulnerability			High Vulnerability			Total		Total	
	Employers	Wage and salaried workers, large establishments	Wage and salaried workers, public sector	Independent professionals	Wage and salaried workers, small establishments	Unskilled independent workers	Unemployed or unpaid workers	urban		rural
Argentina										
1992		84.7	94.4	(b/)	34.6	(b/)		71.4		70.7
1996		77.0	93.5		30.3			66.1		66.3
2001		76.4	85.4		24.7			62.9		63.0
Bolivia										
1999	6.6	30.5		10.2	2.0	0.5	0.0	20.3	4.2	13.9
2002	4.8	25.2	68.5	15.1	3.7	1.1	0.6	15.9	2.8	10.8
Brazil										
1995	67.7	84.8	84.9	63.5	48.9	14.7	1.6	56.8	17.6	49.5
2001	60.0	82.7	87.4	56.6	52.3	11.5	2.1	55.9	18.8	50.8
Chile										
1996	53.1	84.2	93.4	39.5	56.5	20.3	6.7	69.6	44.3	65.9
2000	55.8	82.7	91.8	42.2	51.8	16.1	7.8	66.7	45.2	63.9
Ecuador										
1994		42.0	85.7		8.2			47.8	23.0	42.2
1998		42.4	90.9		10.6			47.9	27.2	43.5
Guatemala										
2000		54.3	76.3		6.0			48.2	27.2	38.4
Mexico										
2000		58.7	75.4		12.1			52.9	18.7	47.6
Nicaragua										
1993	11.4	44.3	75.6	12.0	9.2	4.2	2.4	33.8	9.5	25.2
1998	3.3	49.1		3.2	6.3	1.0	1.3	26.3	8.6	18.6
2001	4.0	43.7	78.5	4.2	6.0	0.8	0.8	26.7	8.3	19.7
Peru										
1994	7.3	46.1	72.3	16.6	10.5	3.5	1.5	26.9	5.0	20.7
2000	10.1	31.5	58.1	8.3	3.8	1.3	1.1	19.1	4.0	13.7

Source: ILO's own estimates based on information processed from household survey microdata files from the countries.

a/ Each column indicates the percentage of individuals in each worker status group that reported having rights to retirement benefits.

b/ Argentina: such persons are obligated to contribute but information is not available in the survey.

TABLE B.III

LATIN AMERICA (9 COUNTRIES): PERCENTAGE OF WAGE AND SALARIED WORKERS WITH RETIREMENT AND PENSION (CONTRIBUTOR) BENEFITS, BY LEVEL OF VULNERABILITY

Countries	All			Men			Women		
	Low vulnerability	High vulnerability	Total	Low vulnerability	High vulnerability	Total	Low vulnerability	High vulnerability	Total
Argentina									
1992	86.6	34.6	70.7	86.0	41.4	74.2	87.7	27.9	65.6
1996	82.2	30.0	66.3	81.6	37.4	69.7	83.4	21.6	61.1
2001	79.4	24.7	63.0	79.4	29.8	66.0	79.5	19.4	59.1
Bolivia									
1999	55.3	2.0	38.1	49.6	2.4	35.3	67.9	1.2	44.0
2002	42.2	3.7	29.6	39.8	2.9	27.1	47.3	6.0	35.5
Brazil									
1995	84.8	48.9	78.2	83.9	37.5	75.8	86.2	65.2	82.1
2001	84.1	52.3	77.4	82.8	37.1	74.0	86.0	70.7	82.4
Chile									
1996	85.9	56.5	79.2	85.8	58.2	81.1	86.0	54.9	76.0
2000	84.7	51.8	77.5	84.7	54.2	80.1	84.8	50.0	73.5
Ecuador									
1994	55.2	8.2	42.2	52.7	7.1	39.4	59.8	10.8	48.0
1998	55.9	10.6	43.5	52.9	9.2	40.8	61.7	13.6	49.1
Guatemala									
2000	55.2	6.0	34.5	53.8	6.4	34.8	59.0	4.9	33.6
Mexico									
2000	63.0	12.1	47.6	61.3	11.0	45.1	66.2	15.0	53.0
Nicaragua									
1993	59.6	9.2	45.1	52.6	7.7	38.4	73.7	14.1	60.1
1998	49.1	6.3	31.7	42.5	6.2	28.9	64.1	6.5	37.3
2001	52.0	6.0	34.7	44.9	6.4	30.5	65.9	5.3	42.9
Peru									
1994	55.9	10.5	43.3	55.4	9.7	42.6	57.0	12.1	44.8
2000	41.3	3.8	29.6	40.9	4.0	30.1	42.1	3.3	28.5

Source: ILO's own estimates based on information processed from household survey microdata files from the countries.

TABLE B.IV

LATIN AMERICA (9 COUNTRIES): PERCENTAGE OF INDIVIDUALS OVER AGE OF 65 YEARS WHO REPORT BEING RETIRED OR RECEIVING A PENSION a/

Countries	Percentage of individuals over 65 years who report being retired or receiving a pension					Percentage of individuals over 65 years with retirement benefits or pension					Retirement as percent- age of income	Retirement as percent- age of labour income adults	Retirement as percent- age of labour income low vulnerability
	Total	Urban	Rural	Men	Women	Total	Urban	Rural	Men	Women			
Argentina													
1992	72.6	72.6		75.5	70.7	76.1	76.1		82.4	71.9	13.4	39.6	36.2
1996	72.5	72.5		79.3	68.1	73.4	73.4		82.2	67.7	16.5	52.0	43.6
2001	68.5	68.5		70.6	67.1	68.7	68.7		72.3	66.4	14.9	55.0	42.2
Bolivia													
1997	13.1	22.6	2.9	19.8	7.1	13.2	23.5	2.2	21.8	5.4	3.2	73.8	
1999	11.2	22.9	1.1	16.8	6.1	13.7	26.6	2.5	21.6	6.4	4.0	133.2	72.9
2002	10.1	19.5	0.8	13.2	7.6	10.9	18.8	3.0	15.7	6.8	3.3	117.2	57.4
Brazil													
1995	83.7	82.4	88.3	90.2	78.5	84.1	82.9	88.4	90.3	79.2			
2001	85.3	83.9	92.0	89.6	82.1	85.4	83.9	92.0	89.2	82.5	13.1	53.4	37.9
Chile													
1996	49.3	51.6	39.9	57.5	43.3	50.8	52.5	44.2	72.0	35.2	7.1	40.1	37.5
2000	62.7	63.6	58.3	81.5	52.0	48.5	51.4	34.8	66.5	34.9	7.5	44.7	38.8
Ecuador													
1994	16.9	27.3	0.3	31.9	9.4	12.2	20.3	3.8	14.0	10.0	1.3	45.7	28.0
1998	13.8	20.6	2.8	29.8	6.8								
Guatemala													
2000						13.9	21.1	8.2	20.3	7.9	11.0	86.3	56.0
Mexico													
1996						17.9	22.0	7.5	24.2	12.5		50.0	
2000						19.0	24.6	6.3	23.9	14.9		55.5	39.8
Nicaragua													
1993	7.5	11.1	2.0	9.0	6.2	5.2	8.0	1.1	8.2	2.8	0.5	26.1	18.7
2001	14.3	17.8	6.8	26.5	3.9	6.3	8.6	2.6	12.3	1.1	0.9	35.0	16.3
Peru													
1994						40.9	52.1	9.2	43.2	34.1	6.2	58.3	41.5
2000						37.2	47.1	12.4	39.0	31.6	7.3	90.1	46.7

Source: ILO's own estimates based on information processed from household survey microdata files from the countries.

a/ Columns 1-5 indicate the percentage of individuals over 65 years of age who reported being retired or with a pension. Columns 6-10 indicate the percentage of persons over 65 years of age that reported receiving income from retirement or pension benefits. Column 11, Retirement as a percentage of income, is the quotient (in percent) between the total income from retirement benefits in the survey and the total income from all sources reported in the survey. Column 12, Retirement as a percentage of labour income among adults, is the quotient (in percent) between the average amount of retirement benefits and the average amount of earnings among adults reported in the survey. Column 13, Retirement as a percentage of labour income low vulnerability, is the quotient (in percent) between the average amount of retirement income and the average amount of earnings among adults in the low vulnerability group.

TABLE B.V

LATIN AMERICA: PERCENTAGE OF WORKERS WITH ACCESS TO HEALTH INSURANCE THROUGH EMPLOYMENT (5 COUNTRIES) AND FROM ALL SOURCES (7 COUNTRIES) a/

1. THROUGH EMPLOYMENT

Countries	Low Vulnerability			High Vulnerability		Total		Total	
	Employers	Wage and salaried workers, large establishments	Wage and salaried workers, public sector	Independent professionals	Wage and salaried workers, small establishments	Unskilled independent workers	Low vulnerability		High vulnerability
Argentina b/									
EPH									
1992		81.3	92.7		30.9		83.6	30.9	67.5
1996		74.6	89.2		26.9		79.2	26.9	63.2
2001		73.7	83.2		23.2		76.9	23.2	60.7
ECV									
1997		75.7	89.1		25.6		80.6	25.6	63.9
2001		70.5	89.0		21.6		77.5	21.6	58.1
Chile									
1996	63.4	78.4	88.9	64.7	58.2	32.2	79.0	43.9	66.1
2000	72.7	83.9	92.7	69.1	64.1	35.3	84.5	48.4	71.6
Mexico									
2000		69.9	88.5		16.6	66.6	7.2	38.8	
Nicaragua									
1998	2.8	35.0		0.0	3.7	0.6	31.3	1.8	13.1
2001	4.0	40.3	66.0	4.2	4.5	0.8	40.0	2.0	17.4
Peru									
1994	9.7	48.8	77.7	20.4	10.9	3.8	52.6	4.8	22.4
2000	8.8	39.7	67.7	10.8	5.7	2.9	43.6	3.1	17.2

2. FROM ALL SOURCES

Countries	Low Vulnerability			High Vulnerability			Total		Total	
	Employers	Wage and salaried workers, large establishments	Wage and salaried workers, public sector	Independent professionals	Wage and salaried workers, small establishments	Unskilled independent workers	Unemployed or unpaid workers	Low vulnerability		High vulnerability
Argentina b/										
1997	72.8	82.0	91.2	83.2	49.9	41.1	43.4	84.3	45.1	63.9
2001	70.3	76.6	92.6	77.1	42.4	36.5		81.2	37.1	56.2
Bolivia										
1997	13.6	36.6	79.5	25.8	6.0	6.6	2.9	43.0	5.3	17.4
1999	18.1	35.6	78.1	28.8	10.4	9.3	6.6	45.7	8.7	18.9
2002	10.9	30.0	68.2	34.8	6.9	6.9	4.8	38.3	6.2	15.2
Chile										
1996	73.2	92.8	96.5	70.4	86.5	72.1	73.2	91.8	78.0	86.2
2000	80.2	94.4	97.6	75.3	88.2	74.4	73.6	93.6	78.9	87.3
Ecuador										
1994	22.2	26.6	42.9	31.4	14.2	19.2	25.6	29.5	19.1	23.1
1998	29.0	51.8	93.5	37.1	19.5	17.4	19.5	57.7	18.6	33.2
Guatemala										
2000	11.1	62.0	76.0	41.0	12.4	4.0	3.3	55.5	8.1	26.0
Nicaragua										
1998	4.4	40.7		7.3	5.8	2.1	3.1	36.6	3.5	14.8
2001	6.4	39.3	67.9	4.9	5.4	2.6	1.9	40.1	3.2	16.6
Peru										
1994	19.0	50.7	76.4	45.2	16.4	13.7	11.1	56.2	13.4	28.4
2000	24.5	42.4	71.0	41.7	12.3	12.4	9.3	50.0	11.4	24.2

Source: ILO's own estimates based on information processed from household survey microdata files from the countries.

a/ Indicates for total workers in each worker group (for example, employers of low vulnerability) the percentage that reported having access to health insurance tied to their employment (panel 1) or from all sources (panel 2).

b/ EPH: Encuesta Permanente de Hogares (Continuous Household Survey); ECV: Encuesta de Condiciones de Vida (Survey on Living Conditions).

TABLE B.VI

LATIN AMERICA (6 COUNTRIES): PERCENTAGE OF WORKERS WITH ACCESS TO SOCIAL ASSISTANCE PROGRAMMES a/

Countries	Low Vulnerability			High Vulnerability			Total		Total
	Wage and salaried workers, large establishments	Wage and salaried workers, public sector	Independent professionals	Wage and salaried workers, small establishments	Unskilled independent workers	Unemployed or unpaid workers	Low vulnerability	High vulnerability	
Argentina									
In-kind subsidies									
1997	10.4	9.5	0.3	16.3	10.9	18.2	8.8	14.0	11.2
2001	11.4	8.2	1.4	17.5	16.0	21.1	8.8	17.7	13.3
Monetary subsidies									
2001	0.2	0.1	0.0	0.2	0.1	0.5	0.1	0.3	0.2
Bolivia									
2002	1.0	6.4	1.7	1.4	1.9	1.0	2.7	1.5	1.9
Chile									
School meals									
1996	24.1	16.5	6.8	32.1	26.4	31.1	21.3	28.8	24.2
2000	29.1	19.8	11.6	36.2	33.0	33.8	25.4	34.1	28.7
School meals (free)									
2000	26.6	17.1	6.7	34.8	31.5	31.8	22.5	32.6	26.3
Meals at health clinics									
1996	31.8	20.6	6.1	34.6	29.1	34.8	27.9	31.5	29.3
2000	27.8	18.2	14.9	30.4	25.1	28.8	23.9	27.4	25.2
PASIS									
2000	1.8	1.9	0.7	4.0	5.2	4.4	1.7	4.7	2.9
SUF									
2000	6.7	3.0	1.8	13.6	15.8	16.7	5.4	15.3	9.2
Ecuador									
Food aid									
1994	0.9	0.9	0.9	1.1	1.8	0.1	0.9	1.1	1.1
1998	0.2	0.5	0.0	0.6	0.6	0.0	0.2	0.4	0.3
Free breakfast									
1994	5.5	8.3	2.7	5.1	8.1	0.9	6.5	5.3	5.8
1998	4.5	2.9	0.7	6.3	9.5	0.7	4.1	6.2	5.4
Mexico									
Procampo									
1996	0.6	1.0	0.5	1.2	4.9	91.8	1.1	21.8	11.6
2000	0.2	0.3	1.3	0.5	2.2	20.6	0.3	4.5	2.3
Nicaragua									
Foodstuffs									
1998	1.0		0.0	0.8	1.1	1.1	0.9	1.0	1.0
Jobs									
1998	0.4		0.0	0.2	0.2	0.3	0.3	0.2	0.2

Source: ILO's own estimates based on information processed from household survey microdata files from the countries.

a/ Indicates for total workers in each worker group (for example, wage and salaried workers in large establishments) the percentage of those whose families are covered by some type of social assistance programme.

PASIS (social assistance pension); SUF (subsídios únicos familiares or family subsidies).

TABLE B.VII

**LATIN AMERICA (8 COUNTRIES): PERCENTAGE OF WAGE AND SALARIED WORKERS
WITH RETIREMENT BENEFIT RIGHTS**

Countries	Argentina		Argentina		Brazil		Chile		Ecuador		Mexico		Nicaragua		Guatemala		Peru		
	(EPH) a/		(ECV) a/																
	1992	2001	1997	2001	1995	2001	1996	2000	1994	1998	1996	2000	1998	2001	2001	1994	2000		
Sex																			
Women	37.6	42.8	41.1	44.5	40.3	42.5	35.5	37.8	29.9	32.9	31.9	32.0	33.4	32.6	30.8	32.0	33.3		
Men	62.4	57.2	58.9	55.6	59.8	57.5	64.5	62.2	70.1	67.1	68.1	68.1	66.6	67.4	69.2	68.0	66.7		
Age																			
0-18	3.1	1.0	2.8	1.4	7.0	4.2	1.2	0.6	8.2	8.2	5.6	5.4	7.7	6.3	9.3	3.5	3.5		
18-24	18.9	16.3	19.1	17.0	22.5	23.1	16.9	13.4	24.5	23.3	23.3	21.1	25.5	27.0	24.4	21.3	21.1		
25-39	38.8	41.4	38.3	41.4	42.6	42.7	47.5	46.5	41.7	41.2	46.1	43.7	41.6	42.2	35.7	45.8	45.2		
40-59	34.5	37.0	34.9	35.1	25.2	27.5	30.3	35.2	22.1	23.7	21.9	25.9	22.4	21.6	25.6	26.4	26.8		
60 +	4.7	4.4	4.9	5.1	2.6	2.5	4.0	4.2	3.6	3.7	3.1	4.0	2.9	2.9	5.0	2.9	3.5		
Education																			
Unskilled	37.1	33.9	57.7	52.4	68.2	57.3	31.7	27.4	57.3	50.0	46.7	42.4	69.9	67.7	63.1	27.0	25.6		
Semi-skilled	39.9	38.3	29.9	31.3	23.4	33.0	48.0	49.2	26.9	31.9	39.0	40.6	23.9	22.5	25.9	42.2	44.7		
Skilled	23.0	27.8	12.4	16.3	8.4	9.7	20.3	23.4	15.8	18.2	14.3	16.9	6.1	9.8	11.0	30.8	29.7		
Type of establishment																			
Large	39.9	32.8	42.8	40.9	54.9	55.7	63.3	60.5	42.8	46.5	50.2	52.1	57.6	58.5	32.1	43.3	41.2		
Small	47.6	44.4	33.4	34.6	19.8	22.0	23.0	22.0	43.0	39.1	31.3	31.2	42.4	41.5	59.2	31.7	35.8		
Public	12.5	22.7	23.9	24.6	25.3	22.3	13.7	17.5	14.2	14.4	18.5	16.8			8.6	25.0	23.0		
Length of employment																			
(years)																			
less than 1	31.2	31.2	26.4	26.5	40.7	40.2	41.3	36.7	24.7	21.6			32.8	33.1	30.5	30.2	27.4		
1 to 5	26.8	30.0	32.5	30.5	28.6	29.3	26.9	29.0	30.1	32.6			32.6	34.9	27.8	30.8	34.3		
5 to 10	17.0	17.2	16.8	17.8	15.0	14.1	13.9	15.0	16.6	16.5			14.6	14.9	16.1	16.2	15.5		
10 +	25.0	21.7	24.4	25.2	15.7	16.4	18.0	19.3	28.6	29.4			20.1	17.1	25.6	22.8	22.8		
Hours worked																			
per week																			
1 to 30	12.3	20.6	19.2	23.2	9.1	10.2	9.7	6.3	18.7	15.7	10.4	9.4	15.2	10.1	14.6	16.5	16.9		
30 to 50	59.0	49.8	48.8	48.8	73.2	71.7	67.5	62.6	55.4	48.5	59.8	62.6	45.7	51.0	38.7	52.3	49.3		
50+	28.8	29.6	31.9	28.0	17.7	18.1	22.8	31.2	25.9	35.8	29.7	28.0	39.2	39.0	46.7	31.2	33.8		
Areas																			
Urban	100.0	100.0	100.0	100.0	86.6	89.7	87.5	89.0	61.7	67.3	81.0	83.7	62.3	67.9	51.1	82.1	76.3		
Rural					13.4	10.3	12.5	11.0	38.3	32.7	19.0	16.3	37.7	32.1	48.9	17.9	23.8		

Source: ILO's own estimates based on information processed from household survey microdata files from the countries.

a/ EPH (Encuesta Permanente de Hogares or Continuous Household Survey); ECV (Encuesta de Condiciones de Vida or Survey on Living Conditions)

b/ Years working at the current primary job.

TABLE B.VIII

**LATIN AMERICA (8 COUNTRIES): PERCENTAGE OF WAGE AND SALARIED WORKERS
WITH RETIREMENT AND PENSION BENEFIT COVERAGE**

Countries	Argentina		Argentina		Brazil		Chile		Ecuador		Mexico	Nicaragua		Guatemala		Peru
	(EPH) a/		(ECV) a/													
	1992	2001	1997	2001	1995	2001	1996	2000	1994	1998	2000	1998	2001	2001	1994	2000
Total	70.4	63.0	65.3	61.3	63.3	64.7	78.3	77.7	40.1	41.4	45.6	29.0	31.5	36.6	40.1	27.0
Sex																
Women	66.9	58.5	57.2	55.4	61.3	63.8	75.2	74.1	46.7	47.9	43.1	35.1	41.3	37.5	42.6	26.5
Men	72.6	66.4	71.1	66.1	64.7	65.4	80.1	79.9	37.1	38.4	51.0	26.1	27.0	36.3	39.0	27.2
Age																
0-18	15.8	13.5	4.9	1.2	28.0	20.9	26.2	22.0	5.9	1.4	17.8	5.9	6.3	13.8	1.8	1.1
18-24	55.3	46.0	44.0	42.2	55.0	56.0	70.6	66.5	21.2	23.3	37.7	16.4	24.7	34.6	14.3	8.4
25-39	76.1	65.9	71.2	65.6	69.7	69.9	81.2	80.4	46.9	47.4	51.8	37.1	36.4	42.2	47.1	31.5
40-59	78.4	69.6	73.4	68.7	71.4	71.8	81.6	80.8	56.7	59.5	50.2	38.7	39.8	43.3	53.7	37.9
60 +	61.5	57.1	67.6	56.1	49.2	53.2	68.4	66.3	57.9	46.2	27.9	14.2	20.1	20.7	42.6	21.6
Education																
Unskilled	60.9	46.1	53.6	48.1	54.4	53.7	66.0	64.6	23.7	20.7	28.0	18.2	18.3	30.1	19.4	9.8
Semi-skilled	71.1	65.1	76.9	70.3	79.5	76.4	81.6	79.4	40.8	43.2	53.9	50.3	50.5	56.5	35.0	20.2
Skilled	85.9	81.3	90.0	86.5	90.9	89.6	89.8	89.7	71.9	73.9	69.9	71.3	71.2	68.7	68.1	51.2
Type of establishment																
Large	90.5	85.1	77.7	74.0	83.1	81.5	83.6	83.4	40.4	41.5	56.7	46.0	49.2	64.0	44.5	30.2
Small	45.0	34.9	27.6	24.5	45.3	49.1	55.4	52.1	7.5	9.3	11.2	5.6	6.8	9.2	8.9	3.4
Public	96.2	85.7	90.4	91.3	84.2	86.7	93.3	92.3	85.9	91.2	75.3			72.6	72.2	57.9
Length of employment (years)																
Less than 1	51.9	37.0	35.4	34.2	51.2	51.9	66.2	62.1	17.0	18.3		17.9	23.5	37.3	15.6	9.0
1 to 5	67.5	60.9	62.0	57.1	66.4	68.7	84.5	83.4	40.4	39.7		30.6	35.9	38.3	42.8	23.4
5 to 10	84.1	78.7	79.5	72.7	74.3	74.4	88.6	88.3	50.1	48.6		35.5	30.2	36.8	55.3	36.5
10 +	91.6	87.5	90.3	86.8	78.6	80.5	89.3	90.9	62.3	60.9		40.5	39.8	33.3	58.4	47.3
Hours Worked																
1-30	47.1	35.1	38.9	34.8	43.4	41.6	50.4	39.5	33.3	27.8	28.4	25.4	20.1	25.2	29.4	17.3
30-50	75.0	73.8	72.8	71.2	69.2	70.2	82.6	81.0	43.5	48.6	51.1	34.0	34.7	40.8	46.1	30.2
50+	70.8	63.7	69.0	66.1	49.5	55.9	78.8	78.9	36.2	36.7	39.0	24.9	30.6	36.6	36.1	27.2
Areas																
Urban	70.4	63.0	65.3	61.3	67.0	67.4	80.9	79.5	45.8	46.1	51.1	37.1	39.1	46.3	45.2	31.9
Rural					39.7	40.9	60.5	63.5	21.7	25.1	17.3	15.9	15.9	25.8	16.9	11.2



Source: ILO's own estimates based on information processed from household survey microdata files from the countries.

a/ EPH: Encuesta Permanente de Hogares (Continuous Household Survey); ECV : Encuesta de Condiciones de Vida (Survey on Living Conditions).

b/ Years working at the current primary job.

TABLE B.IX

**LATIN AMERICA (9 COUNTRIES): SOCIO-LABOUR VARIABLES RELATED TO
VULNERABILITY IN HOUSEHOLD SURVEYS**

Variables	Argentina		Bolivia	Brazil	Chile	Ecuador	Guatemala	Mexico	Nicaragua	Peru
	EPH	ECV	ECH	PNAD	CASEN	ECV	ENCOVI	ENIGH	EMNV	ENNIV
Labour force status	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Status in employment	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Establishment size	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Type of establishment (public/private)	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Worker skill level	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Employment earnings	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Hours worked	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Labour and social protection										
Contracts	no	no	yes	no	yes	yes	yes	yes	yes	yes
Permanent job	yes	yes	no	yes	yes	yes	yes	no	yes	yes
Retirement benefits										
Right to benefits	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Receiving benefits	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Severance Pay										
Right to benefits	yes	no	no	no	no	no	no	yes	no	no
Receiving benefits	yes	yes	yes	no	no	no	no	yes	yes	yes
Unemployment insurance										
Right to benefits	no	no	no	no	no	yes	no	no	no	no
Receiving benefits	yes	yes	no	yes	yes	yes	no	no	no	no
Health insurance										
Linked to employment	yes	yes	no	no	yes	no	no	yes	yes	yes
Linked to all sources	no	yes	yes	no	yes	yes	yes	no	yes	yes
Trade unions	no	yes	yes	yes	no	yes	yes	yes	yes	yes
Social assistance programmes	no	yes	yes	no	yes	yes	yes	yes	yes	no

Source: Developed by the ILO based on questionnaires from household surveys from the countries.

EPH Encuesta Permanente de Hogares (Continuous Household Survey); ECV: Encuesta de Condiciones de Vida (Living Conditions Survey); ECH: Encuesta Continua de Hogares (Continuous Household Survey); PNAD: Pesquisa Nacional por Amostra de Domicílios (National Survey of Sampled Households); CASEN: Encuesta de Caracterización Socioeconómica Nacional (National Survey on Socioeconomic Characterization); ECV: Encuesta de Condiciones de Vida (Living Conditions Survey); ENCOVI: Encuesta Nacional sobre Condiciones de Vida (National Survey of Living Conditions); ENIGH: Encuesta Nacional de Ingresos y Gastos de los Hogares Nacional (National Household Income and Expenditure Survey); EMNV: Encuesta de Medición de Niveles de Vida (Living Standards Measurement Survey); ENNIV: Encuesta Nacional de Niveles de Vida (National Survey of Living Standards).

Labour Aspects Associated with Intergration Processes and Free Trade Agreements in the Region

Since the 1990s, the increased liberalization of trade has been fuelled by regional integration processes and especially free trade agreements. In 2003, two key agreements were signed: the Free Trade Agreement between Chile and the United States, and the trade agreement between Peru and the Southern Common Market (MERCOSUR). These processes have a major multidimensional impact on the participating countries of the region, particularly on their labour markets. The contents of the agreements reflect a growing concern for social and labour issues.

Based on two ongoing ILO studies, this feature article discusses the socio-labour impact of the integration processes and free trade agreements. The article concludes that the measurable performance of these initiatives has been modest in terms of employment, wages and vulnerable groups, despite the advances made in the legal recognition of workers' rights. Nevertheless, the level of enforcement of labour standards varies among and within the countries of the region. These weaknesses jeopardize social support for the processes because the economic benefits of integration and free trade do not reach every one equally and can even negatively affect some groups, requiring governments to implement compensatory policies.

The processes underway, a trend generically known as the "new regionalism," differ in their pace and contents from the integrationist and international trade policies implemented in the region during the 1960s and 1970s, reflecting the profound changes taking place in the region and the world since that time. These changes include the failure of the state-centred paradigm in Latin America during the late 1970s and early 1980s, as well as the fall of authoritarian regimes; the processes of economic stabilization and structural adjustment that began in most of the countries of the region in the 1980s; and the defeat of socialist regimes at the end of the 1980s and early 1990s, paving the way toward a greater trade and financial liberalization. Globalization has accelerated this liberalization in the past decade.

To differing degrees, the countries of the region have committed to opening their economies in an effort to strengthen trade negotiations, thereby permitting them to reach agreements that improve their competitiveness in foreign markets. Economic integration and free trade are viewed as appropriate

instruments to contribute to resolving the countries' most pressing needs. For this reason, the countries of the region have prioritized international economic and trade relations in their foreign policy.

Economic Integration and Free Trade

In the literature on these processes, there is a generally accepted classification system for integration consisting of several steps or successive phases of increasing complexity. At the first level are *preferential economic areas or zones*, where trade advantages exist among the participating countries, but without negotiations regarding key trade aspects between the signers. The second level is the *free trade zone or area*, in which tariff and non-tariff measures are usually eliminated between member countries, although each member maintains these restrictions when trading with non-participating countries.

Next is the *customs union*, which eliminates restrictions on the circulation of goods from member countries and imposes a common external tariff on imports from non-member countries. The fourth level is the *common market*, where commodities, capital and workers circulate freely. The *economic union* is the fifth level. At this level, in addition to the aforementioned aspects, economic policies are harmonized in terms of targets for inflation, fiscal deficits and others. Finally, *total economic integration* establishes the unification of monetary, fiscal, labour, social and environmental policies with a supra-national authority whose decisions are binding for member states. Although this classification system has not been exactly replicated in practice, it is useful for organizing existing initiatives.

Integration processes and free trade agreements differ in some aspects. The main dissimilarity is that integration processes have broader agendas than do free trade agreements, particularly with respect to socioeconomic, political and labour issues, without neglecting the so-called "free trade plus," which includes provisions on government purchases, protection of intellectual property and labour affairs. Integration processes and free trade agreements are both voluntary and do not affect the sovereignty of member states.

Their effects are also dissimilar, particularly as regards labour. For example, in the common market, the free circulation of workers in all member countries is a

deliberate objective, something that does not occur with free trade agreements. In Europe, which was a common market before becoming an economic union, workers circulated well before capitals and services did so. In Latin America and the Caribbean, the future Free Trade Area of the Americas (FTAA), despite its expected "plus," does not currently address this issue.

The commitment of the countries of the region to integration has moved far beyond trade liberalization and the development of common rules of exchange. They have also committed to financial and macro-economic cooperation (the Andean Development Corporation, for example); the harmonization of regulatory frameworks (the Andean Community of Nations- CAN); the completion of the physical infrastructure (Initiative for the Regional Integration of South America); as well as the promotion of social integration (especially the MERCOSUR Socio-Labour Declaration) and political integration (such as the recent Strategic Alliance between Brazil and Peru).

For countries of the region, the integration process is a shared development initiative of their democracies and an associative instrument to promote the growth of their economies, which separately face serious problems in an unfavourable international context. In Latin America, there is awareness that the countries began participating in globalization during a time of crisis, while the developed countries entered this process during a time of well being. However, there is also the conviction that integration is required to achieve benefits from the globalization process.

Accelerated Integration Process

Over the past two decades, all forms of integration have increased significantly and in a widespread manner. Currently, the World Trade Organization (WTO) has registered 203 agreements of different types in effect (Table C.I). Most of these (69%) are bilateral free trade agreements and association agreements between a third country and a bloc of countries that already have an existing free trade agreement between them. In the hemisphere of the Americas, there are 18 registered agreements.

Integration expansion occurred largely as a result of the agreements of the Uruguay Round of trade negotiations, which, among other results, led to the creation of the WTO in 1995. Seventy-five percent of existing free trade agreements have been signed since that year.

The accelerated development of the so-called Washington Consensus was also influential in expanding integration by calling for the elimination of obstacles that impeded the free functioning of markets as a condition for achieving healthy, sustained economic growth and for generating more and better jobs. Although there is still debate about whether the expectations of the Washington consensus were met, there is no doubt about its influence on the global climate favouring free trade over the past decade. The Washington Consensus also called for the reduction of the size of the state apparatus, financial liberalization and market deregulation.



TABLE C.I

DIFFERENT TYPES OF INTEGRATION AGREEMENTS AND COVERAGE

Continents	Regional trade agreements	Incorporation into a customs union	Free trade agreement	Service agreements a/	Others
Europe	7	9	82	11	-
America	6	-	7	5	-
Asia	5	-	4	1	3
Africa	5	-	-	1	-
Oceania	3	-	2	-	-
Countries of different continents	4	-	45	3	-
Total	30	9	140	21	3

Source: World Trade Organization (WTO), 2003.

a/ There are two primary approaches in the liberalization of services, one known as the "Positive List" and the other the "Negative List". In the former, countries agree to grant national treatment and market access, specifying the type of access and/or treatment offered for specific services or service providers, whereas in the latter all of the sectors and measures must be liberalized. (See *Development, Trade, and the WTO – A Handbook*, World Bank, June 2002.)

The Summits of the Americas and the Free Trade Area of the Americas (FTAA)

Inspired by the 1990 Initiative of the Americas, the first of three Summits of the Americas took place in Miami in 1994, with the participation of the heads of state and government of 34 democracies of the Americas. The process focused on four issues: consolidation of democracy and the rule of law, the eradication of poverty, environmental protection and the attainment of economic prosperity through the liberalization of trade and investments in the FTAA. The development of the FTAA has a negotiations schedule with specific objectives and its own administrative structure. In contrast, follow up of non-trade commitments has been less structured and restricted to national contexts. As a result, the FTAA is considered the only integrating multinational topic on the agenda of the Summit process.

The declarations of the heads of state and government of the Americas reflect a broad agenda that goes beyond trade. Among other issues, the Miami Summit focused on the consolidation of democracy and the defence of human rights; the Santiago Summit (1998) introduced the second generation of reforms; and, the Quebec Summit (2001) centred on the development of human potential. All of these issues reflect the concern for achieving the equitable distribution of the benefits of free trade and integration. However, the question remains as to whether the follow up of these efforts is the individual responsibility of the countries or whether it requires cooperative community actions within the FTAA framework or in integrating hemispheric agreements in other areas.

Advances in trade agreements have been the result of complex negotiations processes and non-linear progress, whose results have not always satisfied all actors. In late November 2003, the 34 countries that met in Miami for the eighth round of FTAA negotiations arrived at a compromise between what had previously seemed like the irreconcilable positions of the United States and Brazil. This agreement left room for the countries of the region to join the free trade area at their own pace and permitted the debate to continue without addressing the most controversial issues for the parties: intellectual property (United States) and agricultural subsidies (Brazil). While the Miami accord satisfied the United States, which announced the opening of bilateral negotiations with five countries of the region (Bolivia, Colombia, Ecuador, Panama and Peru), it also satisfied Brazil, which prefers to negotiate as a bloc with its MERCOSUR partners. Nonetheless, it was disappointing for the countries of the region that already have free trade agreements with the United States: Canada, Mexico and Chile.

Integration Processes in Latin America and the Caribbean

Economic integration processes need to incorporate a socio-labour dimension in its institutional framework that contributes to the development objectives from the perspective of the social actors of these processes. The four economic integration processes existing among the countries of the region have not addressed this aspect in equal measure.

The Southern Common Market (MERCOSUR), established in 1991 between Argentina, Brazil, Paraguay and Uruguay, brought together a population that currently exceeds 200 million people and an estimated annual GDP of US \$1.03 trillion annually in 2000, which makes this initiative the largest economic integration process in Latin America and the southern hemisphere. Bolivia and Chile have signed economic and trade association agreements with MERCOSUR. Peru signed a free trade agreement with the bloc in 2003.

Thanks to income generated by foreign investment, attracted mainly by the process of privatization of public companies, the MERCOSUR countries (except Argentina) achieved strong economic growth and an acceptable labour performance until 1997. That year, the Asian crisis generated a process of economic and social instability, which eventually led to the Argentine crisis of 2002, and to negative effects on the economies of the other common market members.

MERCOSUR is the most developed process in the region in terms of labour and social dimensions of integration, as well as with respect to the incorporation of social actors into the process. Several years ago, a subcommittee of Sub-group 11 reviewed the situation of the bloc to harmonize labour legislation. The Sub-group selected 21 ILO conventions and promoted their ratification in the four MERCOSUR member countries to create a common doctrine. In July 1998, Sub-group 10 (which replaced Sub-group 11) began discussions on a possible labour agreement that would include part of the contents of a social charter presented by workers. That year, the MERCOSUR Socio-labour Declaration was approved, which recognizes the right to organize, collective bargaining, the right to strike, the elimination of forced labour, the special protection of minors, the principle of non-discrimination, equal employment and employment and occupational rights. In addition, the bloc has formed a permanent tripartite Socio-Labour Commission.

The Andean Community (CAN), comprised of Bolivia, Colombia, Ecuador, Peru and Venezuela, covers a total population of almost 90 million and had a GDP of

US\$ 183 billion in 2000. Among the best-known Andean instruments for social and labour integration are the Simón Rodríguez Convention (modified); the Andean Social Security Instrument (Decision 546); the Andean Instrument on Safety and Health at Work (Decision 547); the Andean Labour Migration Instrument (Decision 545), and the Andean Work Administration Instrument.

Approved in 1973, the Simón Rodríguez Convention promotes socio-labour integration. It was declared dormant in 1993 and was subsequently updated to adapt it to the current socioeconomic context of the sub-region and to integration objectives. A key innovation of the modifying protocol of the convention is the establishment of a tripartite participation in its implementation.

The Andean Social Security Instrument establishes a common policy on the rights of insured individuals to receive services in other countries of the Community in the case of illness, maternity, work accidents and work-related illnesses, as well as old age, disability and death benefits.

The Andean Instrument on Safety and Health at Work establishes the basic occupational safety and health standards that serve as the basis for the progressive harmonization of the laws and standards that regulate the specific labour activities in each member country. It will also serve to promote the adoption of guidelines on safety and health management systems at work in the countries, as well as the establishment of a national system for occupational safety and health.

The Andean Labour Migration Instrument establishes common policy in terms of rights, obligations and procedures of workers who migrate to another country of the Community for work reasons.

Currently, regulations are being developed for these three decisions. Decision 553 is now being implemented. This decision established the guidelines of the Integrated Social Development Plan to reduce poverty. New Andean instruments are being prepared on work administration and eliminating child labour.

The CAN has an Andean Labour Advisory Council and a similar Business Council. Both issue opinions on programmes and activities of the integration process and attend the meetings of the Andean Council of Ministers of Foreign Affairs, as well as meetings of experts or work groups associated with the integration process.

In May 1999, the XI Andean Presidential Council approved the Cartagena Declaration, which called for a multidimensional social agenda addressing the core

issues of the generation of employment, education, health and housing, and the establishment of a common migration policy to protect the rights of migrant workers.

The Central American Integration System (SICA), comprised of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama, covers a total population of 36 million and had a GDP of US\$ 66 billion in 2000. The economic integration of Central America began with the creation of the Organization of Central American States (ODECA) through the San Salvador Charter of October 1951, as well as through the adoption of bilateral trade agreements and reciprocal preferences. Important multilateral agreements were subsequently signed and in December 1960, the General Agreement of Central American Economic Integration (Managua Agreement) established the Central American Common Market. This agreement stipulated that all bodies and agencies of the Programme for Central American Economic Integration would form part of the ODECA.

In 1991, the Tegucigalpa Protocol was signed at the XI Summit of Central American Presidents, which updated the legal framework of the ODECA. On that occasion, the SICA was established by the original members of the ODECA (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua) and by Panama. Since then, the SICA has served as the institutional framework for the regional integration of Central America.

Several trade agreements, democratic stability accords and complementary integration instruments have since been signed in an effort to achieve a regional system for the welfare and economic and social justice of Central Americans. The instruments signed in the framework of this integration experience have mainly regulated trade aspects. Labour institutions have received little attention in the different legal instruments regulating them.

The Caribbean Community and Common Market (CARICOM) was created in 1973 and includes Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Granada, Guyana, Haiti, Montserrat, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago. The Community has a total population of over six million and had a GDP of US\$ 23 billion in 2000.

The following were the major achievements of the integration process in terms of social and labour development: The Civil Society Charter (1997); the Declaration of Labour and Industrial Relations Principles (1995); the CARICOM Agreement on Social Security



(1996); and the adoption of common principles to design, adopt and implement a multi-annual plan for the development of a labour market information system within the Caribbean sub-region.

The CARICOM Declaration is a true labour legal framework for the countries of the Community. The Declaration is used as the basis for the development of model community laws on the recognition of unions, safety and health at work, as well as equal opportunity and treatment. In addition, in 1993, a project was implemented to develop common labour laws for all member countries.

In the four integration processes described, social actors have not participated actively in the definition of community policies and in sub-regional decision-making. The strengthening of the presence of these actors in these decision-making bodies would give greater dynamism to the processes, contribute relevant information and at the same time generate the social support and legitimacy essential for their continued development.

At the national level, the weakness of employment administration hinders the effective follow up of labour legislation, even that referring to basic worker rights. Nevertheless, some countries in the region have established good labour practices, which could be better disseminated and shared with other partners of the sub-regional integration processes.

Labour Standards Specific to Integration

The four integration instruments described above (MERCOSUR, CAN, SICA and CARICOM) have made commitments and agreements on labour legislation in different areas (basic rights, work conditions, employment, gender, employment administration, social security, as well as promotion and control entities). These are described below:

In terms of *basic rights*, with the exception of SICA, the integration entities have instruments and declarations that specifically refer to the freedom of association and the right to organize, collective bargaining rights as well as the elimination of forced labour, child labour and discrimination. The CAN Labour Advisory Council recommends improving compliance with core ILO conventions. The SICA addresses non-discrimination only.

With respect to *work conditions*, the agreements, instruments and declarations of the Organization of American States (OAS) and the CARICOM refer to rights at work, work days, rest, fair and adequate pay, work stability, promotion, standards on women who work, disabled workers, vacations, holidays,

occupational safety and health and mechanisms to resolve labour disputes. The SICA addresses only fair and adequate pay. The CAN approved a new instrument on occupational safety and health. The MERCOSUR has established mechanisms to resolve labour disputes.

Regarding *employment*, these international standards address promotion of employment, movement of manual labour or migrant workers, professional training and vocational training.

The existing instruments do not specifically address *gender*, except from the perspective of non-discrimination on the basis of sex. The MERCOSUR Socio-labour Declaration establishes its commitment to guaranteeing the principle of non-discrimination in Article 1. In Article 3, it calls for equal treatment and opportunity among the sexes. In addition, MERCOSUR has established the Women's Forum and the Tripartite Committees for Women's Equal Employment Opportunities. Without specifically referring to women, the CAN establishes in its social security instrument the full application of the principle of equal treatment and the elimination of all forms of discrimination.

The CARICOM does not refer to gender issues although all countries of this sub-region call for non-discrimination in their respective constitutions. In addition, their national laws establish equal pay. In the SICA, the 1995 Central American Social Integration Treaty establishes non-discrimination on the basis of sex, and the Managua Protocol of that year calls for the elimination of de facto or legal discrimination against women, in an effort to improve their quality of life and position in society.

The agreements, instruments and declarations refer to *employment administration* and labour inspection in the case of CAN, CARICOM and MERCOSUR. There are no references to this issue in the OAS Declaration or in SICA agreements and protocols.

With respect to *social security*, the agreements, instruments and declarations of the integration processes address social security issues in general, subsidies for work accidents and work-related illnesses, severance pay for work accidents and work-related illnesses, medical care, coverage of funeral expenses, protection against unemployment, retirement and death benefits. There are few references to these topics in SICA documents.

Except in the case of the SICA, the integration instruments address the subject of *entities for the promotion* and control of the application of a variety of legal instruments.

In summary, labour regulations have been included in the four regional integration instruments of Latin America and the Caribbean, in varying degrees and scope, although in some cases they are incorporated only in declarational, generic terms. In general, specific or complementary instruments have addressed labour issues after the integration instrument was developed, in some cases many years later.

Despite their diversity, the labour institutions incorporated into the agreements, instruments and declarations originating from the different processes have developed into a coherent, complementary group. This indicates that developing a set of concerted legal labour standards is feasible according to the region's integration experiences.

Finally, in the framework of the classification system, the CARICOM has 31 labour provisions, making it the instrument with the most provisions in quantitative terms, followed by the MERCOSUR with 17 and the CAN with 15. The SICA has seven provisions, making it the integration experience with the fewest labour provisions.

Decent Work and Integration

A key reason governments choose to participate in economic or trade integration agreements is the new jobs they can generate. The creation of quality employment is also a crucial component of the social appraisal and legitimacy of integration processes. Employment is probably the social dimension of the initiatives that most directly affects individuals in the countries.

Decent work is the most deeply felt aspiration of men and women in all societies, as the ILO Director General said at the XV American Regional Meeting, held in Lima in 2002. Satisfying this aspiration implies that the worker has a job, of course. However, this basic condition is insufficient: for work to be decent, workers' basic rights must be respected and their occupation must permit them to support themselves and their families in dignity, satisfying their basic needs for food, housing, health, social security and education.

The integration processes have had diverse effects on employment and decent work in the countries of the region. Opponents of the trade liberalization which forms part of these initiatives point to the inevitable loss of jobs which it causes, while those who favour it stress the increased employment opportunities that it helps generate and the occupations that would be at risk if the country does not participate. Moreover, the inability of the economies to create a sufficient number of quality jobs has led to the social unrest that globalization provokes, since the lack of employment

is the main weakness of the economic and social system based on liberalized trade and investment.

Employment Performance and Wages

In light of the above, it is essential to review the existing evidence on the labour performance of these processes. The impact of foreign trade on wages and employment has been diverse both among and within countries. Evaluating this balance can be difficult because of the methodological complexity of distinguishing between the effects of trade policies and those of other policies.

With the trade liberalization of the 1990s, average tariffs in Latin America decreased from a low of 35% and a high of 100% to a minimum of 14% and a maximum of 22%. In addition, tariff differentiation declined and capital flow restrictions were eliminated. Nevertheless, the two expected effects of liberalization did not occur: unskilled manual labour (compared with skilled labour) did not increase in the formal sector and urban unemployment did not decline.

The unemployment rate, which averaged between 5.5% and 6.5% in Latin America during the first half of the 1990s, rose to 8.9% by the end of the decade and increased to 10.8% in late 2002. The 10.8% rate was calculated using the new Brazilian statistical series (based on the Monthly Employment Survey (PME)), which introduced an increase of two percentage points in the unemployment rate, and a break in the series for the region beginning in 2001. At the same time, employment increases were higher among unskilled workers than among more highly skilled workers. Considering that informal employment is synonymous with unskilled work and low productivity, 42.8% of total urban employment was in the informal sector in 1990, increasing to 46.5% in 2002. During the 1990s, seven of every 10 new workers were employed in the informal sector.

Although there are multiple causes for the insufficient growth of employment for unskilled workers and the increase in unemployment, one explanation is that the relative cost of unskilled labour in Latin America is high compared with that of Asia, for example.

After the liberalization of their economies, many countries began applying a fixed exchange rate policy, with or without trade protection measures. The net result of this form of opening in terms of the labour market is that countries without instruments to protect employment in their traded goods sector, which compete with imports, were less competitive due to their previous high protection levels. Other countries, such as Mexico, were in a different position. Mexico's use of a flexible exchange rate permitted the country

to implement protection policies and to foster employment in its traded goods sector.

Wage performance is also diverse. On the one hand, while employment of less skilled manual labour has increased in the informal sector (particularly in trade, informal services and microenterprises), the wage gap has widened between semi-skilled and unskilled workers. One explanation is that the informal sector has reached a saturation point and therefore does not have the great capacity of earlier years to absorb workers, despite the reduction in the average income in this sector. Another argument is that wage differences did not decrease because there was no export boom in the region, for which reason the employment of unskilled manual labour occurred in the non-traded goods sector, especially in the informal sector, rather than in the export or traded goods sector, without creating opportunities to close the income or wage gap.

In addition, the purchasing power of wages in most of the countries improved between 1990 and 2002. Real manufacturing wages increased by 1.6% annually and minimum wages rose by 1.3% on average. Nevertheless, this growth was insufficient to recover minimum wage levels existing in 1980, which in 2001 equalled 75% of the value of that year. In eight of the 18 Latin American countries analyzed, real minimum wage levels are 50% below the 1980 average.

Vulnerable Groups

Integration processes should be analyzed from the standpoint of their effects on vulnerable groups in society, including women, low-income groups and migrant workers.

Some analysts believe that processes of economic integration and free trade have neutral effects with respect to the situation of women. Others argue that because the purportedly neutral policies omit gender considerations, they are actually not neutral since they do not reduce gender gaps in the different areas of the labour market.

Regarding poverty trends, it is not possible to methodologically separate integration effects produced by economic and social policies from those generated by the external context the countries of the region face. Nevertheless, neither the decline in the inflation rate nor the increased public spending in social areas has managed to alleviate poverty. The efforts to make progress are lost when a new crisis occurs. According to the Economic Commission for Latin America and

the Caribbean (ECLAC), 43.4% of households in the region were poor and 18.8% were extremely poor in 2002, which means an increase of 2.1 and 2.5 percentage points, respectively, compared with 1999 levels. Compared with 1980, which is used as the reference year because it reflects the situation in Latin America before the foreign debt crisis, the number of people living in poverty increased by 19.2 percentage points while those living in extreme poverty rose by 8.4 percentage points. The increase was mainly due to the deterioration of employment, the main source of household income, during the period.

Poverty increasingly affects women and children. The impact is greatest on children. There is a larger proportion of minors in poor households given the higher fertility rate among poor women. Women face greater difficulties in obtaining employment and having access to opportunities to generate enough income to satisfy their basic needs. The Labour Force Participation Rate (LFPR) among women, particularly those from poor households, continues to be substantially below the LFPR among men, despite a significant increase in recent decades. The unemployment rate among women and their participation in the informal sector continue to be higher than those of men.

Migration has also increased, both on the international and national (rural-urban) levels. Changes in global prices of primary products can lead to migration, even national (rural-urban) migration. For example, the sharp decline in coffee prices has caused migration in recent years. The migration phenomenon has both positive and negative effects in the countries or regions with incoming and outgoing workers. Workers who migrate to another country, particularly illegally, are forced to do so by the lack of employment and opportunities. Societies in developed countries that receive migrants reject this trend, although there is growing recognition that immigration is an antidote against the aging of the population and the subsequent increase of labour and retirement costs.

In countries faced with emigration, the process has a positive effect in that migrants' relatives receive remittances, which in some Central American and Caribbean countries represent significant resources, exceeding 15% of the GDP in 2001 (El Salvador, 17%; Haiti, 24.5% and Nicaragua, 22%). At the same time, however, migration produces an understudied drain on human resources from those countries, compromising future development opportunities. In addition, the phenomenon results in the transfer of resources to more developed countries through investments in education and training.

Compensatory and Employment Policies

Although trade liberalization threatens different productive and service activities that are not competitive in the new environment, it is difficult to generalize which sectors of the economy will benefit or suffer from free trade. Moreover, the intrinsic characteristics of the labour market lack the dynamism of other markets to enable its participants to switch rapidly from activities in decline to sectors of rapid growth. Furthermore, information on new labour opportunities does not always reach workers of the less competitive sectors in a timely manner.

Many workers need training to qualify for new jobs, a process that does not occur automatically. Some groups of workers simply do not have access to training. One of the lessons of the past decade is that in open economies, the availability and quality of education is a key factor for the training of human capital to the level required to make it competitive in the new economy. Workers with more education and skill reap greater benefits in the new environment, which underscores the relationship between coverage and quality of the educational system and the reduction of poverty and a more equitable income distribution.

Integration processes and free trade agreements can adopt compensatory unemployment policies associated with trade liberalization. They can also include policies to stimulate the generation of employment by increasing competitiveness, define strategies for transitional periods, demand compliance with specific labour standards, encourage special treatment for vulnerable sectors, and promote improvements in education and training.

Conclusion

Since 1990, the rapid increase of integration processes in the hemisphere has underscored the close linkages between the economic and social agendas. To evaluate these processes in the societies where they take place, institutions and actors must analyze their economic and social effects, jointly or at least in parallel. In some ways, the globalization of the world's economies goes beyond previous analytical frameworks because global and multidimensional phenomena require equally broad approaches.

The ILO proposes the option of an integrated approach to overcome the tendency to analyze political, economic and social variables as if they were separate areas. This requires management practices among governments and in the public and private sectors aimed at integration, fostering synergies. The region has some valuable initiatives. Some governments have established inter-ministerial committees in which

officials responsible for economic and social policies interact. Cooperation between the ministries of labour, foreign trade and the economy is crucial for addressing work issues in the policies, economies and initiatives of integration and free trade.

During the XIII OAS Inter-American Conference of Ministers of Labour, held in Salvador de Bahía, the ministers stressed the need to advance toward an integral social agenda that incorporates socio-labour and economic policies, which requires the ministries of labour to take a more active role. "A social and labour agenda is an integral part of economic growth and is a way of ensuring the equitable distribution of benefits (...). An integrated policy framework combining economic and social policies must consider the economic realities the countries face in implementing a comprehensive social agenda. The integration of the economic and social development objectives also requires stronger forms of interaction between governments and citizens at the domestic, regional and hemispheric levels."

Economic and social policies intersect in the area of employment. Society will judge integration processes based on their performance in this area. Available data from more than a decade of integration efforts, which have developed with unprecedented speed and scope, indicate that they have not been satisfactory in generating jobs. Moreover, minimum wages have not recovered their historic levels and poverty has increased. The above should be viewed from the perspective that it is not possible to separate the effects of integration processes from the environment of volatile, cyclical economic growth that has predominated in recent years. Less clear are the effects of these processes on gender and the situation of migrant workers. At any rate, results indicate that there has been a decline in decent work.

This situation contrasts with the progress made in trade agreements and the progressive inclusion of basic labour rights and labour standards in these instruments. In addition to the inclusion of labour laws in these agreements, it is necessary to improve the enforcement of these norms since compliance levels vary between countries, which are associated with the different levels of development. Compliance also varies within countries. A dichotomy exists between the progress made in rights protection and the socio-labour context, thus hindering the expansion of the benefits of free trade. The contrast between these factors partially explains the existing social dissatisfaction, tensions and unrest, which jeopardize economic integration, as recent examples have illustrated. The success of integration processes depends on overcoming this new gap in a democratic environment.

Box C.1

LATIN AMERICA AND THE CANCUN SUMMIT

The failure of the World Trade Organization (WTO) Ministerial Conference, held in Cancun, Mexico in September 2003, reopened the controversy surrounding trade liberalization and heightened the scepticism regarding the benefits of globalization for the countries of the region.

Just when it appeared that the climate of uncertainty prevailing after the terrorist attacks on New York and Washington in 2001 had been overcome, and Latin America was once again on the path toward growth, the discouraging results of the Cancun Summit impeded a more optimistic outlook.

Despite their efforts, the trade ministers from the 147 member states of the WTO could not reach a consensus at the conference to move forward on several key issues of trade liberalization. Consensus was not reached relating to the call by most of the developing countries for reduced agricultural subsidies in industrialized countries. Also unsuccessful were the proposals to expand trade negotiations to include investments, establish competition policies, promote transparency in public sector purchases and facilitate trade. For their part, the industrialized countries did not obtain support for their petition for a greater opening of markets to the rest of the world. Discrepancies and debates not only took place between north and south, but also between industrialized countries, as well as between developing countries.

For countries of Latin America and the Caribbean, most of which are deeply committed to market liberalization measures as well as to sub-regional integration processes, and in some cases hemispheric integration, the results of the Cancun Summit were unsatisfactory. If the more prosperous countries, which demand unilateral access to poorer countries, do not open their borders to fair foreign competition in agriculture, respecting the WTO standards and regulations that apply to other countries, confidence in the benefits of globalization will erode further. In many countries of the region, agriculture is a key sector because of its participation in the GDP and employment. For example, more than 30% of workers are employed in this sector in five countries of the region (Guatemala, Haiti, Honduras, Nicaragua and Paraguay). Therefore,

barriers to access to the markets of industrialized countries with agricultural production negatively affect economic growth and employment.

Since the end of the Uruguay Round in 1994, which intensified the process of trade and financial liberalization, the labour market situation has deteriorated in Latin America due to rising unemployment, the expansion of informal sector employment and the low growth of real wages. The volatile performance of the economies and the nature of adjustment processes implemented to correct external imbalances are partially responsible for this decline. However, the decline is also the result of the unequal trade liberalization and capital flows among industrialized countries and developing countries. In addition, countries that prospered and industrialized by establishing tariff and non-tariff barriers, subsidies and other measures to protect the inefficient sectors of their economies, now discourage the use of these strategies by poorer countries.

In his message at the WTO Conference, UN Secretary General Kofi Annan warned that "Trade liberalization is no panacea for developing countries. For many of them, it involves considerable adjustment and social costs. (...) So many people have yet to benefit, and in the developing world there has been great dislocation without a safety net." In Latin America, the problem is familiar: at least one country has experienced a grave systemic crisis – political, economic and social – every year for the past few years. The phenomenon reflects the social disillusionment with globalization, which can potentially erode democratic processes.

One of the consequences of the Cancun Summit is, paradoxically, the effectiveness of multilateralism for resolving controversies. Countries of the region have a greater negotiating capacity when they negotiate as a multilateral group rather than at the sub-regional or bilateral level. If no progress is made toward free trade, prolonging the current situation – one of the possible scenarios – multilateral efforts rather than sub-regional or bilateral efforts will be required to break the status quo. A second lesson refers to the importance of using available mechanisms of the multilateral entities to defend their interests, such as has occurred in cases of product negotiations.

Labour Adjustment in Latin America: A Gender Perspective (1995-2002)

The growing influx of women into the labour force has profoundly transformed the Latin American labour market over the past 30 years. Nevertheless, this trend has occurred in an environment characterized by labour flexibilization without social and employment policies capable of guaranteeing women's continued presence in the labour market under equal conditions. In addition, sexual discrimination persists in the labour market.

The structural changes occurring in recent decades throughout the region, such as the shift from a rural economy to an urban one, the productive transformation from manufacturing of goods to services and the challenges of the region's greater trade and financial integration with the world, have had an impact on Latin American labour markets, generating new problems and causing old ones to resurface. An example of the latter is the increasing number of women who seek jobs and opportunities to earn income, which will require public policies to address the specific conditions under which women join the labour market.

The main conclusion of this report is that the structural transformations of the region's economies in the 1990s, which consisted mainly of a greater liberalization, deregulation and productive restructuring, have brought about changes in the labour market. These changes have alleviated or increased poverty, depending on the case. The favourable impact of the increased participation of women in the labour market has contributed to lessening the effects of poverty, although the barriers to access to employment women face must be eliminated. Furthermore, employment should be adequately remunerated, more stable and of better quality to increase the contribution of employment to achieving a better quality of life.

Transformation of the Labour Market during the 1990s

The economies of the six countries selected (Argentina, Bolivia, Honduras, Nicaragua, Paraguay and Peru) for the ILO Gender, Poverty and Employment Project (GPE) underwent profound transformations in the 1990s, in a process representative of the changes in Latin America resulting from the shift from a development paradigm centred on the domestic market to one that

prioritizes integration with the global economy. Key changes took place in the following areas:

- *Changes in economic policies:* Policies of financial and trade liberalization were implemented in an effort to facilitate the entry of foreign capital, deregulate markets, privatize different sectors or state-owned enterprises, and facilitate access of the countries to new foreign markets.
- *Changes in labour policy.* Reforms to labour legislation were designed to reduce labour costs by making labour contracts more flexible and facilitating layoffs.
- *Changes in the productive apparatus.* A productive restructuring occurred due to the reduction – or elimination – of less competitive sectors of the economies (such as the manufacturing sector in several countries), combined with incentives for service exports, particularly in the financial, communications, and trade sectors.

New changes have taken place in the labour market, requiring the labour force to adapt to new conditions of decreased protection, as well as greater contractual and wage instability. These have generated rapid changes in working conditions.

The relationship between the labour market and migration is particularly evident in Argentina and the Central American countries participating in the GPE Project. Argentina, once a country that received migrants under relatively favourable conditions, became one with a migratory mass in very precarious conditions. The Central American countries have experienced the migration of their labour force to developed countries to the north (United States and Canada). Likewise, Bolivia, Nicaragua and Paraguay experienced a strong rural-to-urban migration in the 1990s, with a high percentage of women in search of better employment opportunities.

Poverty in the Countries Participating in the GPE Project

In the countries where the GPE Project operates, poverty is a serious problem, affecting mainly the rural population. In Bolivia, 64% of households were poor and 40% were extremely poor in 2001, as measured by per capita earnings of the households. The situation

is more severe in rural areas, where 78% of households were poor and 61% extremely poor. In Honduras, poverty affected 56% of the urban population and 74% of the rural population in 2001, according to income measured against the poverty line. Poverty is also widespread in Nicaragua, particularly in rural areas, where more than two-thirds of the population lives in poverty, measured in terms of not meeting basic needs, reaching 90% in the two Atlantic regions, which are multiethnic and multicultural.

In urban areas of the countries analyzed, 70% of households headed by women are poor or extremely poor. In Metropolitan Lima (Peru), 56% of households are poor, measured according to family employment earnings per family member, with few differences by sex. In Paraguay, poverty is associated with the barriers poor men and women face in obtaining employment. In Argentina, 41.3% of households are poor, which is associated with high unemployment rates; in 2002, the increase in poor households was partially due to the insertion of heads of households in poor quality, low-paying jobs, and in employment regimes where income is insufficient for escaping poverty.

Poverty increased in the six countries in the 1990s. In Argentina, poverty and extreme poverty reached unprecedented levels in all regions of the country due to rising unemployment and labour market changes. In Bolivia, the gap between earnings and the income needed to cover the cost of the family basic goods basket increased over time in poor households. In contrast, households that were not poor improved their situation. The Honduran economy registered unstable, insufficient GDP growth in the past decade, with negative results for three years. In 1999, the effects of Hurricane Mitch, which ravaged the agricultural sector, led to a decline in the GDP, thereby contributing to increasing poverty. In Peru, the percentage of poor households remained practically unchanged at approximately 55% between 1997 and 2000.

The following factors have contributed to rising poverty rates:

- Vulnerability of the regional economies to capital market fluctuations; in Argentina, for example, the incentives to encourage capital inflows in the short term generated three major recessions in just over a decade.
- Decrease of government benefits and programmes due to the priority of maintaining fiscal balances,

despite the fact that social spending increased in most of the countries of the region during the period.

- High unemployment and underemployment rates, which implied an excessive labour supply and resulted in low-paying jobs.
- The deterioration in income distribution.

Evidence indicates that a large percentage of the labour force does not earn enough income to move above the poverty line or even the extreme poverty line. This situation has a greater impact on unskilled workers, as well as on highly educated and fulltime workers.

In this context, women are increasingly participating in the labour force. In many cases, women's participation in the labour market is part of a family strategy to confront the critical effects of the rapid transformations in economic and labour regimes. This participation has become increasingly permanent, generating a continuous increase in the number of women who report being economically active.

Labour Force Participation Rates, Employment-to-population Ratios, and Unemployment Rates

Labour Force Participation Rates (LFPR), unemployment rates, and employment-to-population ratios were analyzed based on household surveys for a single reference period during the year. For this reason, there may be differences between the figures presented in this feature article and those of the Statistical Appendix of the Labour Overview, which contains annual averages.

In 2002, the LFPR among women was more than 40% in five of the six countries studied. No country had rates below 30% (Table D.I). Between 1995 and 2002, LFPRs have tended to rise but with fluctuations in the countries analyzed. This may be the result of the types of employment available to women, which are usually short-term and unstable, such as reported in Honduras and Bolivia. The LFPRs among men remained practically unchanged during the period in the six countries. In 2002, the LFPR among women rose in Argentina compared with 2001, unlike in the other four countries with available data, where a slight decrease was recorded.

The female employment-to-population ratio increased overall between 1995 and 2002 in all of the countries studied (Table D.I). The period 1999-2002 was characterized by stagnation or decreasing female

TABLE D.I

LABOUR FORCE PARTICIPATION RATES, EMPLOYMENT-TO-POPULATION RATIOS AND UNEMPLOYMENT RATES BY SEX, 1995-2002
(percentages)

Countries	Men														
	1995			1997			1999			2001			2002		
	Participa- tion rate	Employ- ment-to-pop- ulation ratio	Unemploy- ment rate												
Argentina a/	67.9	57.3	15.6	68.3	59.9	12.4	68.1	59.0	13.4	66.5	53.4	19.7	66.0	53.4	19.0
Bolivia b/	65.0	62.8	3.3	62.3	59.5	4.5	-	-	-	67.7	62.0	8.3	-	-	-
Honduras	71.3	68.3	4.2	72.6	70.2	3.2	73.9	71.5	3.3	72.0	69.4	3.7	71.3	68.8	3.4
Nicaragua	60.3	50.3	15.6	62.6	54.3	13.3	61.4	55.8	9.2	59.8	52.2	12.8	59.3	51.4	13.4
Paraguay c/	-	-	-	74.4	71.1	4.5	73.9	69.1	6.5	75.1	70.0	6.8	76.9	70.0	9.0
Peru d/	77.3	72.7	6.0	77.5	72.0	7.0	76.7	70.0	8.7	76.2	70.4	7.6	75.3	69.1	8.3

Countries	Women														
	1995			1997			1999			2001			2002		
	Participa- tion rate	Employ- ment-to-pop- ulation ratio	Unemploy- ment rate												
Argentina a/	39.4	31.5	20.1	40.6	33.6	17.2	42.6	35.8	16.0	40.5	33.0	18.4	43.4	35.3	18.8
Bolivia b/	46.0	44.2	4.1	43.3	41.5	4.4	-	-	-	54.7	48.9	10.6	-	-	-
Honduras	28.7	27.5	4.1	35.0	31.9	3.2	37.6	36.4	3.3	33.0	31.6	4.3	31.9	30.4	4.7
Nicaragua	38.9	33.5	13.9	43.6	38.2	12.4	41.4	37.8	8.6	41.1	37.3	9.4	40.6	36.3	10.5
Paraguay c/	-	-	-	41.4	38.5	6.8	41.3	38.2	7.5	46.3	42.2	8.9	45.8	39.5	13.6
Peru d/	48.9	44.7	8.7	53.2	47.5	10.6	56.0	50.3	10.2	55.8	50.1	10.3	51.8	45.8	11.6

Source: ILO's own estimates based on information processed from household surveys from the countries. The data derive from processed microdata files from surveys conducted during a specific reference period during the year, which is why they may differ from the data presented in the Statistical Annex of *Labour Overview*, which reflect annual averages.

a/ Total urban areas. Encuesta Permanente de Hogares (Continuous Household Survey), User Base (28 urban areas), (1995 – 1997) and Enlarged User Base (32 urban areas), (1998 – 2002).

b/ Capital cities and El Alto.

c/ In the case of Paraguay, 1997 was used as the first year of the series due to lack of available data for 1995.

d/ Metropolitan Lima, based on information from the Encuesta Niveles de Empleo (Employment Levels Survey) (ENE) of the Ministry of Labour for 1995 and the Encuesta Nacional de Hogares (National Household Survey) (ENH) of the National Statistics and Information Institute (INEI) for 1997 – 2002.

employment-to-population ratios in some countries (Argentina, Honduras, Nicaragua and Peru), although they did not fall below 1995 levels. In 2002, the female employment-to-population ratio increased only in Argentina.

While female employment-to-population ratios increased between 1995 and 2002, male employment-to-population ratios generally decreased or remained unchanged during the period. Male and female employment-to-population ratios performed irregularly in the six countries, despite the greater stability

recorded in the male LFPRs. Nevertheless, in countries such as Argentina, Honduras and Nicaragua, male employment-to-population ratios fell substantially in 2001. As a result, the gaps between male and female employment-to-population ratios were reduced.

The irregular performance of employment-to-population ratios between 1995 and 2002 reflects the difficulties of the labour market in generating enough employment to keep pace with the growth of the Economically Active Population (EAP). The instability of the labour force growth initially favoured the incorporation of more

women into the labour force, such as in the case of Paraguay, where the indicator increased. This phenomenon was associated with survival strategies and self-generation of employment in the informal sector. However, this instability subsequently began to affect female employment-to-population ratios, which is clearly demonstrated in the unemployment trends.

In most of the countries (Bolivia, Honduras, Paraguay and Peru), the female unemployment rate rose during the period (Table D.I). Argentina and Nicaragua had double-digit unemployment rates for both men and women between 1995 and 2002 (except in Nicaragua between 1999 and 2001). In Nicaragua, unemployment was attenuated by the growth in the manufacturing export sector (*maquila*), which generated employment, especially for young women, as well as by the expansion of the tourism and agricultural sectors. In Argentina, if the unemployed participating in the Unemployed Head of Households Programme were considered unemployed instead of employed, the total unemployment rate would rise from 17.8% to 23.6%.

In Honduras, the low unemployment rate is explained by the high poverty rates and the lack of unemployment insurance, which forces people to generate income in any way they can. In Honduras and other countries, underemployment is more of an issue than is unemployment.

The female unemployment rate was generally higher than that of men, except in Nicaragua, where female unemployment rates were consistently lower than those of men in the period 1995-2002.

Informal Sector

Another aspect of this vulnerability is the significant percentage of the female labour force employed in the informal sector. In 2002, more than 40% of employed women worked in the urban informal sector in the countries studied. There is a significant gap between men and women in terms of informal sector employment, which is unfavourable to women.

In all cases, the informal sector is considered to be the redoubt of poverty and a "sponge" of the female labour force. This sector is basically a mechanism for reproducing poverty given that few activities developed in this sector can generate surpluses and consequently, economic growth. Most informal sector workers in these countries are independent workers employed in activities with low productivity and income, often insufficient to cover basic food needs. Individuals employed in this sector generally lack labour protection and social security. According to the definition used in the Labour Overview, this sector is composed of

individuals employed in establishments with five or fewer workers, self-employed workers (not including professionals and technicians), unpaid family workers and domestic services workers.

Men and women's participation in the informal sector differs. In all countries, women make up the majority of domestic service workers. In Honduras, most women employed in the sector are independent workers, while men are independent workers or microenterprise owners. In Nicaragua, women in the informal sector work in tertiary sector activities (that is, services) while men are employed in primary sector activities.

In Nicaragua, informal sector employment is associated with stabilization and structural adjustment policies and programmes, including the privatization of public companies and the reduction in the state apparatus, which leads to a reduction in public sector employment. Some laid-off workers make use of their severance pay by starting an informal business. In addition, the demand in the formal sector for skilled workers cannot be met by the poorly educated population, which generally finds employment in the informal sector. In Bolivia, the decline in the economic capacity to generate employment and the layoffs in the private business and public sectors have led to an expanded urban informal sector, in a process similar to that occurring in Honduras and Nicaragua, together with a significant rural-to-urban migration.

In Paraguay, the growing informal sector is associated with women's low educational levels, which constitute a barrier for their incorporation into the formal labour market. In Peru, the expansion of the informal sector is related to the decrease in GDP growth, which reduces employment opportunities in the business sector. In Argentina, the decrease in women's employment in the informal sector is associated with the creation of emergency employment, which is considered formal employment.

Trends in Labour Market Indicators and Gender Gaps

Analyzing overall trends in labour market indicators (LFPR, employment-to-population ratio, unemployment rate and percentage of informal sector employment) for the period 1997-2002, employment-to-population ratios and LFPRs performed similarly in five of the six countries studied, reflecting the capacity of the female labour force to adapt to labour market demand conditions (Table D.II). The labour market situation of women in the selected countries is troubling: the female unemployment rate increased, despite the downward adjustment for the decline in the female LFPR in all countries, except for Argentina, and these

has been an increase in informal sector employment. This sounds an alarm for the rest of the region and underscores the importance of determining which employment policies most effectively ensure women's sustained, equitable participation in employment.

Regarding the gaps for the four labour market indicators used, trends were encouraging at the beginning of the period under study, although gaps began to increase in 2001, except in Argentina (Table D.III). The gap between the male and female LFPRs decreased

TABLE D.II
TRENDS IN FEMALE LABOUR MARKET INDICATORS
IN FIVE SELECTED COUNTRIES a/
1997-2002 b/

Countries	1997 - 1999				1999 - 2001				2001 - 2002			
	Participa- tion rate	Employ- ment-to-pop- ulation ratio	Unemploy- ment rate	Percent- age of informal sector employment	Participa- tion rate	Employ- ment-to-pop- ulation ratio	Unemploy- ment rate	Percent- age of informal sector employment	Participa- tion rate	Employ- ment-to-pop- ulation ratio	Unemploy- ment rate	Percent- age of informal sector employment
Argentina	+	+	-	-	-	-	+	+	+	+	+	-
Honduras	+	+	+	+	-	-	+	-	-	-	+	+
Nicaragua	-	-	-	-	-	-	+	-	-	-	+	+
Paraguay	-	-	+	-	+	+	+	-	-	-	+	+
Peru	+	+	-	-	-	-	+	+	-	-	+	-

Source: ILO's own estimates based on information processed from household surveys from the countries.

- a/ Bolivia was not included for lack of data.
b/ Initial year of 1997 to facilitate comparisons.
+ = Increase.
- = Decrease.



TABLE D.III
TRENDS IN GENDER GAPS IN LABOUR MARKET INDICATORS
IN FIVE SELECTED COUNTRIES a/
1997-2002 b/

Países	1997 - 1999				1999 - 2001				2001 - 2002			
	Participa- tion rate	Employ- ment-to-pop- ulation ratio	Unemploy- ment rate	Percent- age of informal sector employment	Participa- tion rate	Employ- ment-to-pop- ulation ratio	Unemploy- ment rate	Percent- age of informal sector employment	Participa- tion rate	Employ- ment-to-pop- ulation ratio	Unemploy- ment rate	Percent- age of informal sector employment
Argentina	-	-	-	-	+	-	-	-	-	-	-	-
Honduras	-	-	0	+	+	+	+	+	+	+	+	-
Nicaragua c/	+	+	-	-	-	-	+	-	0	+	-	+
Paraguay	-	-	-	+	-	-	+	-	+	+	+	-
Peru	-	-	-	-	-	+	+	-	+	+	+	-

Source: ILO's own estimates based on information processed from household surveys from the countries.

- a/ Bolivia was not included for lack of data.
b/ Initial year of 1997 to facilitate comparisons.
c/ In the case of Nicaragua, men are at a disadvantage as regards the unemployment gap, as they have higher levels of unemployment.
+ = Increase.
- = Decrease.
0 = No change.

between 1995 and 2002, reflecting a decline or stagnation in the male LFPR and an increase in the female LFPR. Gaps narrowed most in Argentina, followed by Peru. Between 1997 and 1999, the gap became smaller in four of five countries, but it increased or remained unchanged during 2001-2002, except in Argentina. While the female labour supply adjusted to reflect the growing unemployment rates, the favourable trend in the LFPR gap showed signs of stagnation by the end of the period.

The gap in the employment-to-population ratio and the unemployment rate had a similar performance in the period 2001-2002, except in Nicaragua. By comparing the gaps in this period with the changes in the female LFPR, it can be observed that when the female labour supply decreased in four countries, the gender gap in employment increased in all of the countries while the unemployment gap widened in three of them, always unfavourably for women. In Nicaragua, despite the increase in the female unemployment rate, the gap declined in 2001-2002 due to the lower increase in the male unemployment rate. Argentina is a unique case since the slight decline in the unemployment gap, which cannot readily be extrapolated to the entire country given the household survey's coverage of main urban centres only, took place during a period of high unemployment.

The gap in the percentage of informal sector employment generally followed the trend of the percentage of female workers employed in the informal sector: when the latter increased, the gap widened, and vice versa.

Income

Income trends varied among the countries. Income declined considerably and there was a greater concentration of wealth in Argentina, Bolivia and Nicaragua. In Honduras and Peru, income increased in real terms. While income gaps between the sexes persisted, they showed signs of reduction in all countries (except Paraguay, where information was not available). The income gap decline was largely due to the deterioration of male income rather than to an improvement in the situation of women.

Within these very general trends, each country experienced specific scenarios. In Argentina, the higher unemployment rate, the expansion of low quality employment and the implementation of flexible labour reforms combined to generate a context that favoured declining income and a growing gap between the wealthiest and the poorest fifths of the population. The poverty gap rose from 36% to 54% between 1994 and 2002. Women's income declined less (4%) than that of men (15%) between 1994 and 2001, thereby

reducing the gender income gap. Nevertheless, the gap again widened in 2002.

Bolivia has experienced a decline in wages since 1999. This has affected wages of independent workers due to the reduced consumption of the basic goods this group sells. At the same time, income gaps expanded within the groups based on differences in educational level.

In Honduras, although median (or market) wages and the legal minimum wages recorded real increases in the last decade, purchasing power was low, as measured by the cost of food baskets and the work hours necessary to acquire certain goods and services. In a household with a single wage earner receiving close to the legal minimum wage, sending a child to school could mean falling into extreme poverty. Income concentration is high: the wealthiest 10% of the population received 36.5% of total income in 1999, a decrease of -6.6 percentage points compared with 1990, while the poorest 40% of the population received 11.8% of income in 1999, indicating an increase of just 1.7 percentage points of total income as compared with 1990. The income gap by gender tended to decrease although there were significant differences by sector.

In Nicaragua, which has the lowest income and purchasing power of wages in Central America, poverty affects almost two-thirds of the population, with a greater impact in rural areas and among children under the age of 12 years. Income distribution deteriorated in the 1990s: the average income of the wealthiest 10% the population was 19 times greater than that of the poorest 40%, although the total number of workers earning less than the cost of a basic food basket declined by two percentage points between 1998 and 2001. In terms of gender gaps, women earned less than men did in 2001, regardless of educational level and employment in the formal or informal sectors.

In Paraguay, there remained a persistent inequality in monthly income levels by sex: women earned 73.1% of men's earnings. Until 2001, male and female income increased, but the wage gap grew in 2002, while women's income per hour worked declined.

Beginning in 1992, monthly income increased at an annual average rate of 3% in Peru. In a period of just five years in the 1990s, women's income increased by 58.7%, indicating an increase in women's contribution to the family income, especially in the case of poor families. Nevertheless, this did not reverse the deterioration of income of the 1980s. Therefore, at the dawn of the twenty-first century, insufficient pay and a gender income gap persisted, with women earning only 60% of men's income.

Gaps in average hourly income tended to narrow in the countries, although women work fewer hours than men do, on average. In Bolivia, the gap decreased by 15 percentage points. The gap also narrowed in Peru when analyzed by hour worked. In Peru's urban areas, women received 76% of what men earned, on average, and 85% of men's income in the case of Lima.

Educational Level and Labour Force Participation

Data from the six countries reveal some basic facts: first, educational level has a major impact on the female LFPR. Second, individuals living in rural areas generally have fewer years of schooling than their urban counterparts do. Third, less education means less income, lower quality employment and more poverty for both men and women. Fourth, economically active women have a higher educational level than do men in similar circumstances. Finally, the greater the educational level, the greater the income gaps by gender. Each country has specific results that should be addressed.

In Argentina and Bolivia, high rates of unemployment among educated professionals are emerging, labelled "erudite unemployment." In Argentina, the unemployment rate rose in segments with little education due to the decline in construction and manufacturing activities in the 1990s. However, in 2002, while these segments suffered the impact of the crisis, the crisis in the financial sector and the closing of businesses increased the male unemployment rate, particularly among highly educated men. In Bolivia, the average educational level of unemployed job losers and especially those who were looking for work for the first time increased, particularly among women, whose educational level has surpassed that of men, on average. The educational level of the labour force improved for both sexes during the period, although more so among men than women, but participation gaps continued.

For the past decade, Honduran women have had more average years of schooling than men. This was true in both urban and rural areas, although both men and women living in rural areas had only half the years of schooling of the urban population. More poor urban women (seven percentage points) than men in similar circumstances had completed six years of schooling; in rural areas, the opposite occurred: fewer poor women had completed six years of study as compared with men in similar conditions, by a wide margin of 33 percentage points. The differences are less marked among the population that is not poor. In Nicaragua, male LFPRs did not exhibit marked differences by

educational level, unlike the case of women, in which more schooling meant a higher rate of participation in all sectors. In fact, the LFPR of women that had not completed primary school as well as those with a secondary school education was almost double that of men in these respective categories.

In recent years, Paraguay has increased educational coverage and increasingly equal access to education between girls and boys, although socioeconomic gaps persist and women still have limited access to better quality jobs. Sixty-seven percent of the inactive population is composed of individuals who have completed only primary school. The group comprising the labour force has more years of schooling. Within this group, the percentages of women with a secondary (33.4%) or tertiary education (12.2%) exceed those of men (31.5% and 7.5%, respectively). In Peru, education is the most influential factor in the rising LFPRs.

Final Considerations

The changes experienced in the 1990s in the six countries of the region – liberalization of the economies, decreased size of the state apparatus, productive restructuring, implementation of liberalizing economic policies and the increased flexibility of labour – modified the structure of the labour market. These modifications have contributed to alleviating or aggravating poverty, depending on the case, both of the population in general and of women in particular.

Key factors that have helped to alleviate poverty include: the increase in the female labour force participation rate and the female employment-to-population ratio; the growth of the export industry (*maquila*) – such as in the case of Honduras, which employs young women; the male migration to other countries, such as has occurred in Nicaragua, or the internal rural-urban migration of women in Bolivia, Nicaragua and Paraguay; the increase in real wages in Honduras; and the emergency employment programmes of Argentina and Paraguay.

In contrast, the following factors contributed to a rise in poverty: the increase in informal sector employment; the wage decline in Argentina, Bolivia and Nicaragua; the increased unemployment rate in Argentina and Nicaragua beginning with the crisis (1998); the increased number of households headed by women; the growing gap in income distribution and the concentration of wealth in the countries studied; the low levels of education of the working population, which were insufficient for obtaining employment in the formal sector; and the low income

levels of the informal sector, which do not permit the purchase of a basic food basket. Income in agricultural economies such as that of Honduras also is insufficient for purchasing a basic food basket.

These are some of the major challenges the countries face in implementing employment and anti-poverty policies. Countries must focus on increasing educational levels of the population in order to meet demand in the formal sector.

Undoubtedly, the decade increase over the decade in female labour force participation represents an achievement for these countries: women's income has contributed to moderating the effects of poverty on households. Nevertheless, women's increased presence in the labour market continues to be sharply segmented and concentrated in occupations

and fields of activity in which poor quality jobs abound.

The analyses of the countries indicate that many women are employed in jobs that lack the characteristics of decent work proposed by the ILO. In other words, these working women lack social protection, adequate pay and their rights of free association are not sufficiently respected. Employment policies should also ensure the right of individuals to balance work and family life. The tension between domestic and labour roles affects women who work, even those who work out of their home. This situation exacerbates the precariousness of their participation in the labour market, especially for low-income workers. Stressing the necessary balance between family and labour responsibilities of workers of both sexes would help to reduce the barriers women currently face in joining the labour market.

Box D.1

EMPLOYMENT POLICIES AND THE PROMOTION OF EQUAL OPPORTUNITIES FOR MEN AND WOMEN

Successful policies to eradicate poverty, generate employment and improve income must incorporate the gender perspective in all stages: design, implementation, evaluation and follow up. This is one lesson of the growing importance of women's paid employment in overcoming household poverty, together with the difficulties these women face in fulfilling this role under better, more equitable conditions.

To incorporate the gender perspective in policies, it is essential to begin by recognizing women, particularly heads of households, as key actors of these policies. This implies overcoming the commonly held view that women's employment constitutes a non-essential, secondary part of the labour market. In the early 1990s, the Organization for Economic Cooperation and Development (OCED) noted the negative effects of this point of view, both for the efficiency of public employment and income growth policies as well as for the objective of promoting gender equality.

Several Latin American employment and income transfer programmes have recognized women as exclusive, key or significant providers of family income, and therefore, as deserving of the same rights as men to access employment and/or income programmes. These programmes include Pro-Employment (Pro Empleo) in Chile, PLANFOR, School Assistance Programme (Bolsa Escola) and Zero Hunger (Fome Zero) in Brazil, and the Heads of Households Programme in Argentina.

One study of the ILO Project "Incorporating the Gender Perspective in Policies to Eradicate Poverty and Generate Employment in Latin America" identified four pillars in the strategies of the European Union to generate and consolidate employment: Improving employability through education, vocational training, and employment services; developing entrepreneurship and job creation; encouraging adaptability through modern and flexible organization in cooperation with social partners; and strengthening equal opportunities for women to reduce unemployment, income and labour participation gaps. Some of the experiences in promoting gender-equality employment in the countries of the region where these principles were applied are described below.

These initiatives were designed to address four challenges. In the case of Chile's National Programme to Support Women Heads of Low Income Households, as well as the youth programmes in Argentina, Chile, Peru and Uruguay, it was necessary to implement childcare services, which permitted covering women's opportunity costs for entering the labour market. In the youth programmes, sustained efforts were made to raise awareness of business owners, which facilitated the acceptance of women in non-traditional activities.

In the case of Peru's PROFECE Programme, the labour supply was adapted to meet the labour demand of

businesses to improve women's participation in the labour market. In the PLANFOR experience of Brazil, the project design required several revisions to achieve increased participation of the targeted groups (for reasons of ethnicity, sex, educational level and geographic location).

To guarantee women's equal rights and access to current policies, policy design should avoid elements that restrict these considerations. It is also crucial to increase opportunities for access to paid employment and income generation in order to promote women's economic and personal autonomy, as well as to ensure the success of poverty eradication policies. In this

regard, policies that deliberately avoid or delay women's insertion are contributing to the persistence of unequal opportunities.

Employment policies should promote effective equal opportunities for men and women. Gender "neutral" policies are insufficient because they do not consider the different characteristics and conditions of women, particularly poor women: the weight of family responsibility; cultural restrictions regarding paid employment; isolation and the difficulty of access to "networks" that help them find employment; and the lack of training in non-traditional fields, among others.

TABLE 1d

EXPERIENCES AND RESULTS OF EMPLOYMENT PROGRAMMES PROMOTING EQUAL EMPLOYMENT OPPORTUNITY BY GENDER IN LATIN AMERICAN COUNTRIES

Employment Strategies	Experiences in Latin America	Results
Employability	National Programme to Support Women Heads of Low Income Households (Chile).	An increase in the employment-to-population ratio among trained women. An improvement in working conditions (contracts, social security, and higher earnings). Empowerment of the women in the work environment.
	Youth employment programmes (Argentina, Chile, Peru, and Uruguay).	Greater participation of young women in the programmes designed for women to combat discrimination (subsidies provided for women with children). A decline in the turnover rate linked to the incorporation of women in the training. A rise in income associated with the formalization of employment. Higher employment among women due to greater gender-related awareness among employers.
	Women's Programme for Employment (PROFECE), (Peru).	Opportunities of job access made available to poor women of urban and marginalized areas through the publicity of the programme. Enhanced technical skills and development of organizational skills of the women to help them provide services demanded by firms. Promotion of the decentralization and service sector-orientation of the services offered to strengthen the large-scale assistance provided to women at the national level.
Equal Employment Opportunities	National Skills Plan for Workers (PLANFOR), (Brazil).	Equal access, without regard for sex or race, in the professional training plans. Greater awareness among public civil servants to include the gender dimension focusing on the design of professional training programmes.

Source: Studies carried out for the ILO project, "Incorporation of the Gender Perspective in Policies to Eradicate Poverty and Generate Employment in Latin America" (GPE-AL).

To ensure that these policies and programmes promote equal opportunities, they must consider including the following in their design and implementation: the existence of childcare services and flexible work schedules (in the case of temporary paid employment and emergency employment), as well as initiatives to overcome occupational segmentation, such as training and the possibility of access to non-traditional fields and levels of supervision. Actions of this

type have been successfully implemented in temporary employment programmes. For example, with ILO technical assistance, programmes were developed in Central America to confront the Hurricane Mitch emergency. Policies should also expand possibilities and facilitate women's access to microcredit, and female heads of households should be the main beneficiaries of income transfer programmes.

Inequality and Gender and Race Discrimination in the Brazilian Labour Market

Poverty is directly associated with employment status and patterns as well as with inequality and the discrimination processes existing in society. Moreover, the different forms of discrimination are closely related to the phenomena of social exclusion that cause poverty. Discrimination is also responsible for superimposing different types of vulnerability, as well as for creating major barriers that make it impossible for the people and groups discriminated against to escape poverty. The sectors discriminated against are more vulnerable to poverty and lack to a greater extent the fulfilment of social and economic needs than do other groups.

Gender and race are two key factors that determine the possibilities that people have for accessing employment, and especially decent work. Both characteristics also condition the manner in which individuals and their families experience poverty and whether they are able to overcome it.

This brief feature article examines the gender and race inequalities existing in the Brazilian labour market, based on data of the National Household Sample Survey (PNAD), which were used to prepare the National Supplement on Brazil for the ILO Global Report *Time for Equality at Work* (2003). According to the PNAD, the category "negros" refers to all individuals claiming to be *prietas* (black) and *pardas* (mixed race-black). The survey does not include rural populations of Rondônia, Acre, Amazonas, Roraima, Pará and Amapá.

This feature article concludes that addressing inequality and the different forms of discrimination existing in Brazil requires a concerted, crosscutting effort in which considerations of gender and race take centre stage

in public policies to eradicate poverty, improve education coverage and quality, generate employment and increase income. Likewise, it is necessary to fully respect and apply international labour standards as well as existing and future national legislation in Brazil to eliminate inequality and all forms of discrimination.

International Conventions and Standards on Discrimination

For many years, the United Nations has promoted and supported different initiatives on international standards associated with non-discrimination on the basis of sex, race and colour in the labour market. Of special note are the ILO conventions, the Convention on the Elimination of all Forms of Discrimination against Women (CEDAW), adopted in 1979 by the General Assembly of the United Nations, and the Durban Declaration and Action Programme, adopted in 2001 at the World Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance.

The concern of the ILO for the protection of workers' rights and the promotion of equal employment opportunities is reflected in the international labour standards established since 1919. All international labour standards apply to men and women, and in this regard are basic instruments to ensure women's rights at work. In addition, other standards specifically address the situation of women in the labour market. These include the agreements and recommendations for the protection of maternity: Convention N° 3 on Maternity Protection, 1919; Convention N° 103 on Maternity Protection (revised), 1952, and Convention N° 183 on Maternity Protection (revised), 2000.

Also in force are Convention 100 on Equal Pay, 1951, which addresses equal pay among men and women for jobs of equal value; Convention N° 111 on Discrimination (relating to Employment and Occupation), 1958, which discusses the nonallowance of discrimination in employment and occupation, exclusion or preference made on the basis of race, colour or sex; and Convention N° 156 on workers with family responsibilities, 1981. Conventions 100 and 111 have been widely ratified in Latin America and the Caribbean.

In addition, in 1998 the International Labour Conference adopted the ILO Declaration on Fundamental Principles and Basic Rights at Work and their follow-up. The objective of the Declaration is to promote the fundamental rights and principles (right to organize and freedom of association, right to collective bargaining, the eradication of forced and child labour and the principle of non-discrimination) and to achieve the universal ratification of eight basic conventions. These include Conventions 100 and 111, which as mentioned, directly address non-discrimination at work.

In the following sections, the main trends in the Brazilian labour market are analyzed from the perspective of gaps between male and female, black and white workers.

Women and Blacks Make up the Largest Share of the Brazilian Labour Force

Gender and race discrimination are the bases of inequality and social exclusion in Brazil. These phenomena do not refer solely to "minorities" or specific groups of society since women and blacks represent 42% and 44.5% of Brazil's labour force, respectively. Together they comprise 68% of the country's labour force, a majority share, with the equivalent of 55 million people (19 million white women and 36 million blacks).

The situation of black women in Brazil (more than 14 million people, representing 18% of the Brazilian labour force) deserves special attention, because these individuals are subject to double and often triple discrimination: gender and race, as well as social origin associated with the first two types of discrimination. These manifestations of discrimination accumulate and mutually reinforce themselves, thereby generating a situation of profound inequality and disadvantage for black women from the perspective of all labour market indicators.

Although the female LFPR in the Brazilian labour market is rising, the market is characterized by the

large gap between male and female LFPRs. The LFPR among Brazilian women was 55%, which was considerably higher than the Latin American average (45%), but still well below the levels of many developed countries. Although this indicator has increased substantially over the past three decades, it remains 27 percentage points below the male LFPR.

This gap reflects the greater difficulty many women face in joining the labour force. This is especially true for uneducated, poor women, as compared with women of middle and high income. The main barriers to access include having to assume a greater share of domestic responsibilities, especially childcare.

Increasing Unemployment among Men, Women, Whites and Blacks

According to the PNAD, Brazil's total unemployment rate ranged from 6% to almost 9% between 1992 and 2001. Nevertheless, that average hides major gaps between the groups analyzed. For all years, age ranges and educational levels, women and blacks had higher unemployment rates than did men and whites. The female unemployment rate was higher than the rate for men, increasing from 7.8% in 1992 to 11.7% in 2001. The rates among men for these years were 5.2% and 7.4%, respectively. In contrast to the LFPR, the gaps among unemployment rates between men and women tended to increase during the decade: in 1992, the female unemployment rate was 50% higher than the male rate; by 2001, it was 58% higher.

The unemployment rate among blacks was higher than that among whites, and the gap continued to widen during the period. In 1992, the unemployment rate among blacks (6.9%) was 1.2 percentage points higher than that of whites, rising to 10.6% in 2001, 2.5 percentage points higher than the rate for whites.

As demonstrated, in terms of unemployment rates, gender inequality is more marked than that of race. In other words, the difference in unemployment rates among men and women was greater than that among whites and blacks. Black women were in the most vulnerable situation of these groups. In 2001, the unemployment rate among black women was 13.8%, more than double that of white men.

Segmentation of the Labour Market by Sex and Race

The distribution of men and women, whites and blacks classified according to employment in the formal or informal sector is quite marked in Brazil, indicating a sharp labour market segmentation in terms of sex and



TABLE E.I

BRAZIL: DISTRIBUTION OF THE EMPLOYED, BY SEX AND RACE-COLOR, 2001
(percentages)

Labour group	Total Brazil	Men	Women	Whites	Blacks	White men	Black men	White women	Black women
1. Formal sector	45.9	49.0	41.8	50.2	40.1	52.5	44.5	47.4	34.0
a. Formal wage and salaried workers	44.3	47.4	40.1	48.1	39.2	50.5	43.7	45.1	33.1
i. Public sector	12.2	9.6	15.8	12.8	11.5	9.7	9.4	16.7	14.5
ii. Establishments with 5 or more workers	32.0	37.9	24.3	35.4	27.7	40.8	34.3	28.5	18.6
b. Self-employed workers (professionals/technical workers)	1.6	1.5	1.7	2.1	0.9	2.0	0.9	2.2	0.9
2. Informal sector	54.1	51.0	58.2	49.8	59.9	47.5	55.5	52.6	66.0
a. Establishments with less than 5 workers	12.6	15.1	9.5	13.2	11.8	15.1	14.9	10.8	7.5
b. Domestic service workers	8.4	0.9	18.2	6.6	10.7	0.7	1.2	14.1	23.9
c. Self-employed workers (except professionals/technical workers)	22.9	28.8	15.2	21.1	25.4	26.7	31.7	14.1	16.6
d. Non-paid family workers	10.2	6.2	15.5	8.8	12.0	5.0	7.7	13.7	18.0
i. For own subsistence	4.1	2.2	6.6	3.3	5.1	1.8	2.6	5.2	8.5
ii. Others	6.1	4.0	8.9	5.5	6.9	3.3	5.0	8.4	9.4
Total employed a/	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: Developed by the ILO based on microdata files from the Pesquisa por Amostra de Domicílios (National Survey of Sampled Households) (PNAD), Instituto Brasileiro de Geografia e Estatística (Brazilian Geography and Statistics Institute) (IBGE).

a/ Total employed includes formal and informal sector workers over 16 years of age. The formal sector includes the formal wage and salaried workers and self-employed workers (professionals and technical workers). Formal wage and salaried workers includes workers in the public sector and those that work in establishments with 5 or more workers. The informal sector includes employed persons in establishments with fewer than 5 workers, domestic service workers, self-employed workers except professionals and technical workers, and non-paid family workers. The latter include those that work for their own subsistence and others.



race. This reflects mechanisms of discrimination since it is associated with deep-rooted cultural and social norms, which attribute hierarchically defined "places" and values in society to the work carried out by women and men, blacks and whites, rather than judging the individuals comprising the labour force based on their technical or educational qualifications. At the same time, the segmentation of the labour market by sex and race/colour is a very influential factor in the key quality indicators of the employment of women and men, blacks and whites: remuneration, training and promotion opportunities, possibilities of access to formal employment and social protection.

Informal sector employment, including workers employed in microenterprises, self-employed workers (excluding professionals and technicians), unpaid family workers and domestic service workers represented 54.1% of total employment in Brazil (Figure E.I). However, this figure hides important differences according to sex and race/colour. In 2001, while the percentage of informal sector workers

accounted for 51% of total male employment, this figure was 7.2 percentage points higher for women. In terms of race, inequality was even more marked for that year: 49.8% of employed whites of both sexes were employed in the informal sector while 59.9% of blacks of both sexes were employed in that sector.

A large percentage of employed women were concentrated in the most precarious labour market sectors in 2001: self-employed workers (except professionals and technicians), domestic service workers and unpaid family workers. The percentage of women employed in domestic service in Brazil (18.2%) was among the highest in Latin America. Domestic workers and female workers who did not receive pay accounted for 33.7% of employment, which means that one in three Brazilian female workers did not receive remuneration for her work or worked in domestic service. Moreover, only 25.9% of domestic workers had a *carteira de trabalho assinada* (a booklet signed by the employer that guarantees the worker's access to the benefits granted by labour law), which

implies that approximately three of every four of these women were not registered and did not enjoy the benefits granted by labour legislation, including maternity leave.

Compared with whites, black women were over-represented in all precarious forms of employment. Workers employed in domestic service (23.9%) and those without pay represented 41.9% of black workers. Among domestic service workers, 71.2% of whites and 76.2% of blacks lacked a signed *carteira de trabalho*.

Earnings Differences Associated with Sex and Race/Colour

Earnings differences are one of the most persistent forms of inequality among men and women. Ending these disparities is a key issue in the global debates on eliminating discrimination in employment. Data from the 2001 PNAD reveal large income gaps between men and women, blacks and whites in Brazil's labour market.

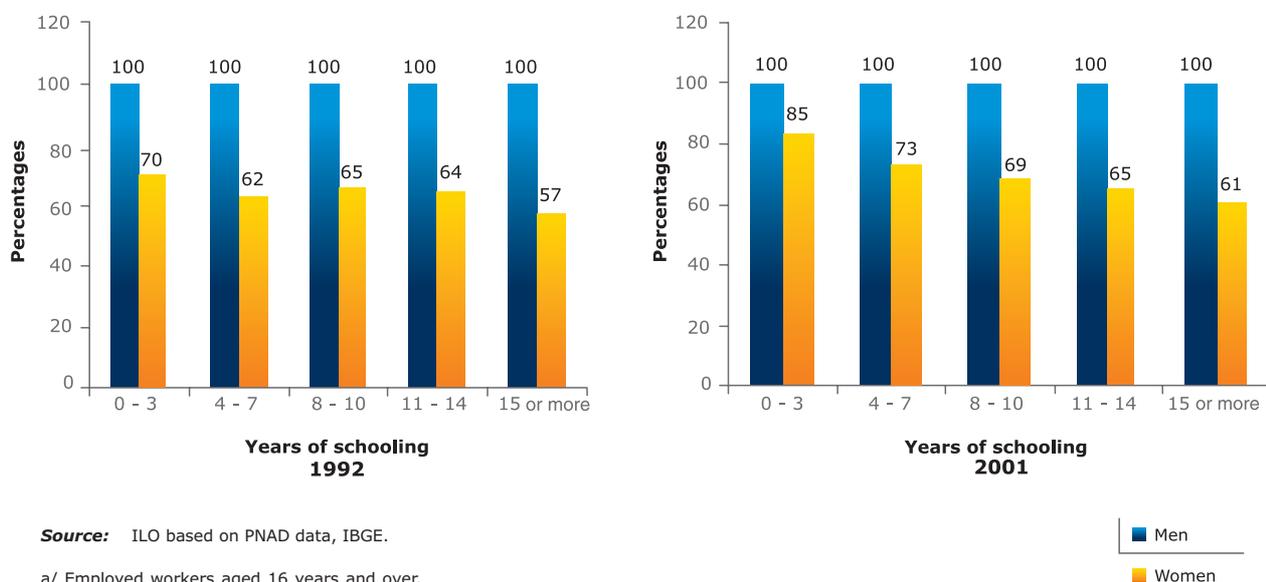
Average pay rates were systematically lower than men's rates for all age groups considered and in all years of the period analyzed. Women earned an average of 79% of what men earned for per hour worked.

Black workers of both sexes also earned less than whites did: black workers earned an average of half (50%) of what white workers of both sexes earned. Black women received just 39% of what white men earned. Monthly earnings gaps rose for all women, who earned an average of 66% of what men earned. Black women's monthly earnings were just 32% of the earnings of white men. The gap in monthly earnings between blacks and whites remained unchanged over the past decade, at 50%.

There were two distinct trends in the gaps in earnings per hour worked in the groups analyzed during the period. In the case of men and women, the disparity declined by 8 percentage points between 1992 and

FIGURE E.I

BRAZIL: WOMEN'S EARNINGS PER HOUR WORKED AS A PERCENTAGE OF MEN'S EARNINGS, BY EDUCATIONAL LEVEL, 1992-2001 a/ (percentages)



Source: ILO based on PNAD data, IBGE.

a/ Employed workers aged 16 years and over.

2001, the year women earned 79% of what men earned. There was no significant increase in earnings disparities based on the race/colour of the individuals: in 1992, the average earnings, per hour worked of the total of employed blacks (of both sexes) was just half of the average earnings of employed whites (of both

sexes). The average earnings of black women reached a maximum of 53% of the average earnings of white women. In addition, the relationship between the average earnings of black women and white men for hour worked also remained extremely low between 1992 and 2001 (from 37% to 39%).

Comparing women and men of similar educational level, women systematically earned less than men did. Contrary to what might be expected, the disparities in men and women's earnings increased, rather than decreased, as the educational level rose (Figure E.I). In 2001, while the total of employed women earned 79% of what men earned for hour worked, this percentage decreased to 65% among those with 11 to 14 years of schooling and to 61% among those with 15 or more years of schooling.

This fact can be partially explained by the effects of occupational segmentation, that is, by the concentration of the female labour force, including university-educated women, in a reduced number of occupations and tasks. These have less value for the market because they are associated with "caring" for children (including pre-school and primary school teachers) and adults (nurses). Women also earn less

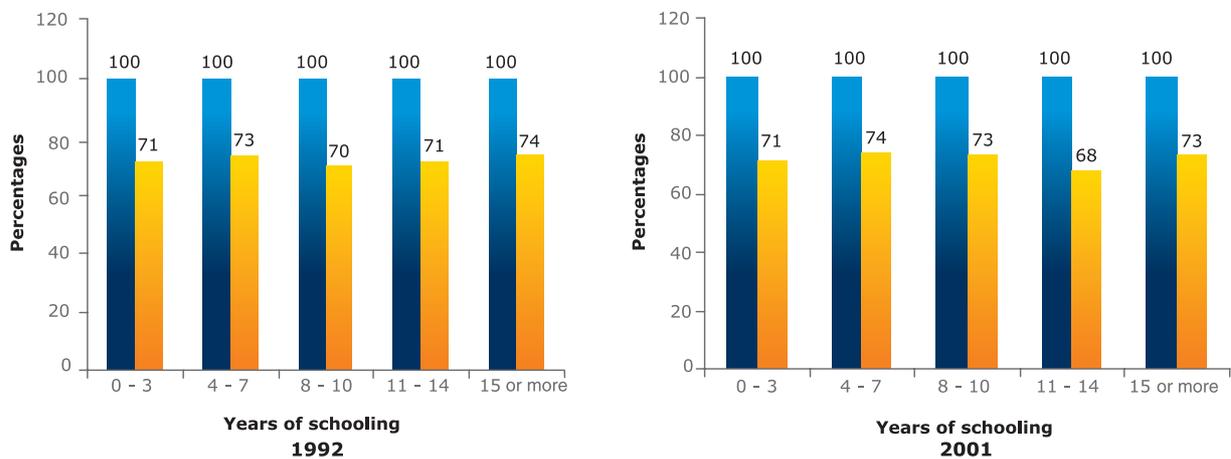
as a result of direct discrimination and the barriers women face in terms of promotions.

Including the "years of schooling" variable in the analysis of earnings differences in the groups under study is crucial for understanding the complexity of the problem. While earnings differences between blacks and whites (of both sexes) are much greater than the disparities between men and women, this relationship is reversed when the years of schooling variable is introduced: white women are at a greater disadvantage with respect to black men of a similar educational level.

One of the most frequent arguments to justify the marked income differences between blacks and whites is that whites have significantly more years of schooling than do blacks. In 2001, 39% of whites and 19% of blacks had 11 or more years of schooling.

FIGURE E.II

BRAZIL: EARNINGS PER HOUR WORKED OF BLACKS OF BOTH SEXES AS A PERCENTAGE OF EARNINGS OF WHITES OF BOTH SEXES, BY EDUCATIONAL LEVEL, 1992-2001 a/
(percentages)



Source: ILO based on PNAD data, IBGE.

a/ Employed workers aged 16 years and over.

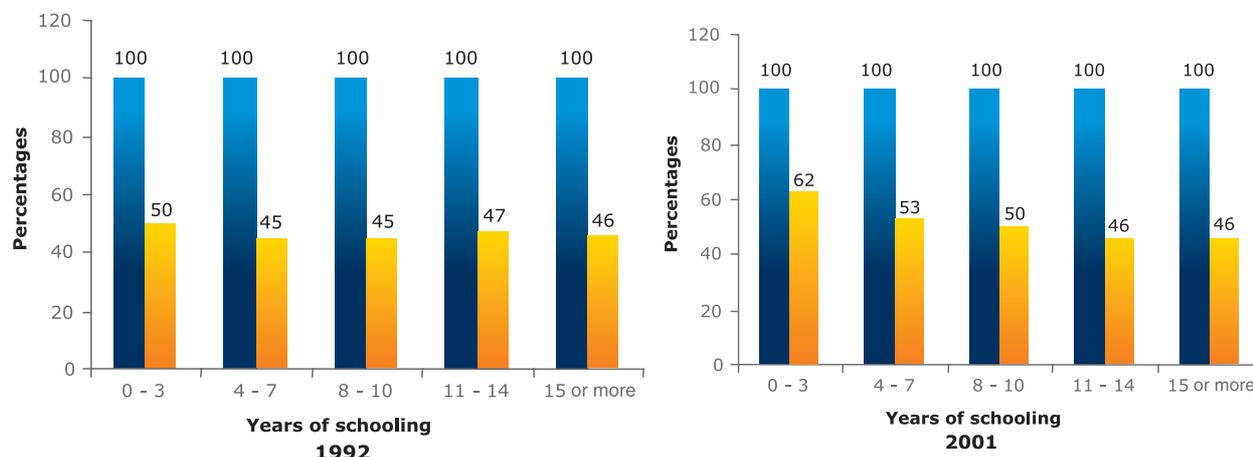
■ Whites, both sexes
■ Blacks, both sexes

However, this argument does not hold when the data in Figure E.II are analyzed. In each range of years of schooling, blacks systematically earned less than whites, even among those with a tertiary education: black workers with 11 or more years of schooling earned 30% or less than similarly educated whites.

As mentioned, analyzing the data on work earnings by educational level, black women are victims of double discrimination: gender and race. Black women with 11 or more years of schooling earned just 46% of the earnings per hour of similarly educated white men (Figure E.III).

FIGURE E.III

BRAZIL: BLACK WOMEN'S EARNINGS PER HOUR WORKED AS A PERCENTAGE OF WHITE MEN'S EARNINGS, BY EDUCATIONAL LEVEL, 1992-2001 a/ (percentages)



Source: ILO based on PNAD data, IBGE.

a/ Employed workers aged 16 years and over.

■ White men
■ Black women

Conclusions

The magnitude and persistence of gender and race inequality in Brazil's labour market underscores the need for all actors to make a major concerted effort to overcome this situation. A basic requirement for the success of this effort is to incorporate gender and race considerations in all policies to reduce poverty, expand education coverage and quality, generate more decent work and increase income in Brazil. This measure will help to ensure the effectiveness and efficiency of these policies in reducing these disparities.

A second basic need for eliminating gender and race disparities is to strengthen the efforts underway in Brazil against all forms of discrimination. This requires the implementation of international legislation on this issue, especially the ILO conventions, the CEDAW and the Durban Declaration and Programme of Action. In addition, it requires the enforcement of existing laws in Brazil, as well as the implementation of the different initiatives, institutions and mechanisms of action being developed by several government entities as well as workers' organizations, business organizations and other civil society organizations, particularly movements of women and blacks.

Political Declarations on Economic Growth, Social Progress and Decent Work

Different opinion polls demonstrate that Latin Americans are primarily concerned with unemployment, low wages and job instability, ahead of concerns over corruption or crime. Therefore, the generation of employment constitutes an urgent demand of the men and women of the region. Responding to this demand is a priority for strengthening democracies and easing social tensions.

Echoing these concerns, the ILO Director General recently said: "Unemployment is the main political problem of our time. To date, the new global economy has not been able to create the employment opportunities that people need (...) Work is the best means for escaping poverty. However, it cannot be imposed by law. It is an urgent but complex process that demands the participation of all components of society." (Pulso Latinoamericano Magazine, 2003).

In late 2003, a series of declarations along these lines were made. These underscore the need to design policy proposals that prioritize the generation of employment, integrating economic and social dimensions. The different government sectors responsible for these proposals should jointly discuss them as well as social actors so that they can become policies of state rather than of government only and in this way contribute to strengthening democracy in the region.

The first recent declaration was adopted in September 2003 in Salvador de Bahía (Brazil) by the ministers of labour of the Americas. This declaration states the following:

"3. We recall the Inter-American Democratic Charter, approved by the OAS in Lima, Peru, in September 2001 and, in particular, Article 10, which recognizes that the promotion and strengthening of democracy require the full and effective exercise of workers' rights and the application of core labour standards, as recognized in the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work and its Follow-up, adopted in 1998, as well as other related basic ILO conventions. Democracy is strengthened by improving working conditions, employment stability and enhancing the quality of life for workers in the Hemisphere. The OAS members reaffirm their commitment to adopting and

implementing all those actions required to generate gainful employment, reduce poverty, and eradicate extreme poverty, taking into account the different economic realities and conditions of the countries of the Hemisphere, as recognized in article 12 of the Charter. (...)

7. We recall the Ottawa Declaration of the XII Inter-American Conference of Ministers of Labour, held in Canada in October 2001, in which we emphasized our commitment to create more and better employment as an effective means of combating poverty in the region. At that meeting, we approved an Action Plan that created two Working Groups: one to examine the social and labour dimensions of the Summit of the Americas process, and the other to find ways to strengthen the capacity of Ministries of Labour and institutions to more effectively implement labour legislation and better carry out their mission. (...)

9. We reaffirm our commitment to the 1998 Declaration on Fundamental Principles and Rights at Work of the ILO, which provides the foundation for broad-based sustainable development and social justice through full respect for the internationally recognized core labour rights. We recall the agreement of our leaders to adopt and implement legislation and policies that provide for the effective application of the labour principles and rights recognized in the Declaration. (...)

10. We reaffirm our conviction that decent work, as conceived by the ILO leadership, is the most effective instrument for the improvement of living conditions for the peoples of our Hemisphere and their participation in the benefits of material and human progress. We embrace the idea that decent work is necessary for sustainable development in each of our countries, and is a condition for the success of hemispheric economic integration. For that reason, the decent work agenda should become the axis for national and regional development policies, together with investment in health, education, and culture. In addition, we reaffirm our commitment to integrate the gender perspective in the development and implementation of all labour policies. (...)

11. We recall that respect for the principles and rights recognized in the ILO Declaration and the promotion

of decent work as foundations for globalization which is inclusive were central themes of the discussion agenda during the Fifteenth American Regional Meeting held in Lima, Peru, in December 2002. (...)

17. We are convinced that economic growth and social progress are interdependent and inter-related aspects of the same project for building prosperous, united and equitable societies. Aware of the challenges associated with the creation of decent and productive employment in the context of globalization, we propose to combine the capacities and efforts of our Labour Ministries and other Ministries in the quest for ideas and practices capable of integrating the economic, social and labour dimensions of the regional and national policies of our Hemisphere. (...)

20. Socioeconomic challenges cannot be faced exclusively through social policies, and adequate consideration must be given to the economic policies necessary to create the capacity to develop and sustain the social agenda. A social and labour agenda is an integral part of economic growth and is a way of ensuring the equitable distribution of benefits. Diverse factors, such as political instability and conflict, weak policy and institutional frameworks, corruption, absence of comprehensive health, education and social welfare programs, lack of infrastructure and access to technological changes, and unfavourable investment climate, are conducive to poverty and inequality. An integrated policy framework combining economic and social policies must take account of the economic realities countries face in implementing a comprehensive social agenda.

The second important declaration was developed at the Buenos Aires Consensus and signed by Argentine President Néstor Kirchner and Brazilian President Luiz Inácio Lula da Silva in October 2003. This declaration states the following:

"13. We reaffirm our conviction that decent work, as conceived by the ILO, constitutes the most effective instrument for improving the lives of our peoples and giving them greater access to the fruits of material and human progress. We look forward to the next MERCOSUR Regional Conference on Employment, in March 2004, and hope its conclusions give rise to courses of action that will allow social cohesion in our communities, and dignity for workers and their families."

The third pronouncement is included in the Santa Cruz de la Sierra (Bolivia) Declaration signed by the heads

of state and government at the XIII Ibero-American Summit. This declaration states the following:

"23. We are certain that the problem of poverty will not be solved through welfare programmes. Even if such programmes are a necessary palliative until such time as effective solutions to the problem are found, it is important to prevent the emergence of a divided society in which some have work while others depend on assistance. That is why we propose to promote all necessary measures to reduce the high unemployment levels that plague our societies, by creating conditions favourable to business and productive investment and through training and job creation programmes that will enable us to get the unemployed into productive work. We reaffirm our conviction that decent work, as conceived by the ILO, is the most effective means of promoting better conditions for our peoples in which to live and share in the fruits of material and human progress."

All of these pronouncements, including the Salvador Declaration of Labour Ministers, which trade ministers of the region reiterated at their meeting in Miami in the Ministerial Declaration signed on November 20, 2003, establish high-level government commitments to the priority issues of the labour agenda of the ILO and its constituents. These are the fundamental principles and rights at work, the generation of productive employment, training, work conditions and the generation of more and better businesses. These objectives, together with the need for workers to receive fair compensation, are all elements of decent work, defined as a productive job in conditions of liberty, equity, security and human dignity.

The Salvador Declaration also addresses the policy focus necessary to make these commitments a reality. It is a vision that the ILO and its Director General share and have reiterated in recent years: the integration of economic and social policies, understood as the acknowledgement that "economic growth and social progress are interdependent and inter-related aspects of the same goal for building prosperous, united and equitable societies." For this reason "a social and labour agenda is an integral part of economic growth and a way of ensuring the equitable distribution of benefits." (Salvador Declaration) In summary, these are commitments, which, while recognizing the challenges of their full compliance, manifest the firm determination of top officials of the countries of the region to build freer, more just, united and equitable societies.

EXPLANATORY NOTE

The tables in the Statistical Annex constitute the data source used in the analysis provided in the labour market report of *2003 Labour Overview*. The ILO prepares these tables using information from different official sources of the countries of Latin America and the Caribbean. Below is an explanation of the concepts and definitions used, the information sources, the international comparability of the data, and the reliability of the estimates contained in the Statistical Annex. The information presented refers to the urban area unless otherwise indicated.

I. Concepts and Definitions

The national definitions of several concepts appearing in the *Labour Overview* may vary from international standards adopted for these concepts at the International Conferences of Labour Statisticians. The definitions listed below are generally based on international standards, although some are defined according to standards developed for this publication.

Employed persons are those above a certain specified age who, during the brief reference period of the survey, such as a week or a day: (1) had *wage or salaried employment*, were working during the reference period for a wage or salary, or were employed but without work due to temporary absence during the reference period, during which time they maintained formal attachment to their job, or (2) were *independently employed or self-employed*, working for profit or family gain (includes unpaid family workers), or were not working independently due to a temporary absence during the reference period.

Labour Overview defines *employed persons in the informal sector* as employed individuals whose main employment activities are classified into one of the following categories: (1) independent workers (which include family workers and self-employed workers, except those performing administrative, professional and technical jobs), (2) domestic service workers, and (3) workers employed in establishments with a maximum of five workers.

The term *urban unemployed* refers to individuals over a specified age who during the reference period were (1) without employment, (2) available for wage or salaried work or self-employment, and (3) actively seeking employment, having taken concrete action to obtain employment in a specific recent period.

The *economically active population (EAP)* or the *labour force* includes all individuals who, being of at least a specified minimum age, fulfil the requirements to be included in the category of employed or unemployed individuals. In other words, the EAP is the sum of the group of employed and unemployed individuals.

Inactive individuals are people of working age that do not belong to the EAP.

The *urban employment-to-population ratio* refers to the number of employed individuals in the urban area of the country divided by the working age population in the country's urban area.

The *urban unemployment rate* refers to the number of unemployed people as a percentage of the urban EAP.

The *urban labour force participation rate* is the urban EAP as a percentage of the country's urban population of working age.

Labour productivity is defined in the *Labour Overview* as increases (or decreases) of the average product per worker, which is calculated using series of GDP growth rate and rates of total employment growth for the countries.

The concept of *wages* refers to remuneration in cash and/or in kind (for example foodstuffs or other articles) paid to workers, usually at regular intervals, for the hours worked or the work completed, along with pay for periods not worked, such as annual vacations or holidays.

The *Labour Overview* defines *real manufacturing wages* as the average wages paid to workers in manufacturing, which are adjusted (deflated) for inflation. In other words, this indicator compares the nominal increases of the average wages of manufacturing workers relative to the increase in the national consumer price index (CPI). The series of average manufacturing wages was obtained from establishment surveys of manufacturing industries in the countries, except in Central America and the Caribbean, where the information was obtained through household surveys. The real manufacturing wage index in the *2003 Labour Overview* was constructed using 1990 as the base year (1990 = 100). In previous editions, the indicator used 1980 as the base year.

Urban real minimum wages are defined in the *Labour Overview* as the value of the national minimum wage paid on average to workers over the specified age in each country, which are adjusted (deflated) for inflation. In other words, this indicator is constructed by comparing the nominal increases of the national average minimum wages relative to the increase in the relevant national consumer price index. Beginning with the *2003 Labour Overview*, the real minimum wage index was built using 1990 as the base year (1990=100). In previous editions, this indicator used 1980 as the base year.

II. International Comparability

Advances in harmonizing concepts and methodologies of statistical data that permit international comparisons are directly related to the situation and development of the statistical system of every country of the region, in terms of their institutional capacity, information needs, infrastructure and level of development of their data collection system through surveys of labour force samples, as well as available human and financial resources. In general, the comparability of labour market statistics of Latin America and the Caribbean is mainly hampered by the lack of conceptual and methodological standardization of key labour market variables. This is also true of other variables associated with the world of work, since countries may have different concepts for geographic coverage, minimum working age thresholds, and may use different versions of international classification manuals.

III. Information Sources

Most of the information on employment indicators, real wages, productivity and GDP growth (expressed in constant monetary units) of the countries of Latin America and the Caribbean presented in the *Labour Overview* originate from household surveys, establishments' surveys or administrative records that can be found at the following websites:

Argentina: Instituto Nacional de Estadísticas y Censos (INDEC) (www.indec.gov.ar).

Bolivia: Instituto Nacional de Estadísticas (INE) (www.ine.gov.bo).

Brazil: Instituto Brasileiro de Geografia e Estatística (IBGE) (www.ibge.gov.br).

Chile: Instituto Nacional de Estadísticas (INE) (www.ine.cl) and Banco Central de Chile (www.bcentral.cl).

Colombia: Departamento Administrativo Nacional de Estadísticas (DANE) (www.dane.gov.co) and Banco de la República de Colombia (www.banrep.gov.co).

Costa Rica: Instituto Nacional de Estadísticas y Censos (INEC) (www.inec.go.cr) and Central Bank of Costa Rica (www.bccr.fi.cr).

Ecuador: Banco Central de Ecuador (BCE) (www.bcentral.fin.ec).

El Salvador: Ministerio de Economía (MINEC) (www.minec.gob.sv).

Honduras: Instituto Nacional de Estadística (INE) (www.ine-hn.org).

Mexico: Instituto Nacional de Estadística, Geografía e Informática (INEGI) (www.inegi.gob.mx).

Nicaragua: Instituto Nacional de Estadística y Censos (INEC) (www.inec.gob.ni).

Panama: Contraloría General de la República de Panamá (www.contraloria.gob.pa).

Paraguay: Banco Central de Paraguay (BCP) (www.bcp.gov.py).

Peru: Instituto Nacional de Estadísticas e Informática (INEI) (www.inei.gob.pe), Banco Central de Reserva del Perú (www.bcrp.gob.pe) and Ministerio del Trabajo y Promoción del Empleo (www.mtps.gob.pe).

Uruguay: Instituto Nacional de Estadística (INE) (www.ine.gub.uy).

Venezuela: Instituto Nacional de Estadística (INE) (www.ine.gov.ve) and Banco Central de Venezuela (www.bcv.gov.ve).

The information for employment, earnings and productivity indicators of the countries not previously mentioned, as well as data for the employment structure indicators of all countries of Latin America presented in the *Labour Overview*, were obtained from household surveys processed by the ILO project, Information System for Latin America (SIAL), and from the administrative records of that entity.

All indicators for employment, income, productivity and employment structure of the countries of the Caribbean presented in the *Labour Overview* were obtained from official data from household surveys of those countries.

The information on GDP growth expressed in 1995 US dollars of the countries of Latin America and the Caribbean included in the Labour Overview were obtained from the Economic Commission for Latin America and The Caribbean (ECLAC) records.

Finally, the household surveys that collect monthly data on the labour market situation in Brazil (2001), Colombia (2000), Ecuador (1999) and Peru (2001) underwent methodological changes or were newly established (Ecuador) such that the contents of the series changed with respect to previous years.

IV. Reliability of the Estimates

The data in the Statistical Annex originating from household surveys or establishments of the countries are subject to sampling and non-sampling errors. Sampling errors occur, for example, when a survey is conducted based on a sample of the population instead of a census, for which reason there is the possibility

that these estimates will differ from the "real" values of the target population. The exact difference, called the sampling error, varies depending on the sample selected. Its variability is measured through the standard error of the estimate. In most countries of Latin America and the Caribbean, estimates of the key labour market indicators presented in the Labour Overview have a confidence level of 95%. This means that estimates of these indicators have a coefficient of variation of no more than 5% of the true value of the population caused by sampling errors.

Non-sampling errors can also affect estimates derived from household or establishment surveys. These may occur for a variety of reasons, including the lack of a sample of a population segment; the inability of researchers to obtain information for all people in the sample; the lack of cooperation on the part of respondents to provide accurate, timely information; errors in the responses of survey respondents; and errors introduced during data collection and processing.

STATISTICAL ANNEX

TABLE 1-A

LATIN AMERICA AND THE CARIBBEAN: OPEN URBAN UNEMPLOYMENT, 1985-2003 a/
(average annual rates)

Country	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2002 2003		
															Until the third quarter		
Argentina b/	6.1	6.1	5.9	7.0	9.3	12.2	16.4	17.3	14.9	12.9	14.3	15.1	17.4	19.7	21.5	15.6	n/
Bolivia b/	5.7	7.2	5.9	5.5	5.9	3.1	3.6	4.0	4.3	4.1	7.2	7.5	8.5	8.7	...	...
Brazil (old series) c/	5.3	4.3	4.8	4.9	5.4	5.1	4.6	5.4	5.7	7.6	7.8	7.1	6.2	7.1			
Brazil (new series) c/													11.3	11.7	12.0	12.4	o/
Chile d/	17.0	7.4	7.1	6.2	6.4	7.8	6.6	5.4	5.3	6.4	9.8	9.2	9.1	9.0	9.3	8.9	o/
Colombia e/	13.8	10.5	10.2	10.2	8.6	8.9	8.8	11.2	12.4	15.2	19.4	20.2	16.9	16.2	16.8	16.3	o/
Costa Rica b/	7.2	5.4	6.0	4.3	4.0	4.3	5.2	6.2	5.7	5.6	6.0	5.2	6.1	6.8	6.8	6.7	p/
Dominican Republic f/	...	...	19.6	20.3	19.9	16.0	15.8	16.5	15.9	14.3	13.8	13.9	15.4	17.2	...	...
Ecuador g/	10.4	6.1	8.5	8.9	8.9	7.8	7.7	10.4	9.3	7.0	10.9	9.7	7.9	6.4	6.3	6.7	o/
El Salvador b/	...	10.0	7.5	6.8	...	7.0	7.0	5.8	7.5	7.6	6.9	6.5	7.0	6.2	...	...
Honduras b/	11.7	6.9	7.1	5.1	5.6	4.0	6.6	6.6	5.2	5.8	5.2	...	6.3	5.9	...	...
Mexico h/	4.4	2.8	2.7	2.8	3.4	3.7	6.2	5.5	3.7	3.2	2.5	2.2	2.4	2.7	2.8	3.2	o/
Nicaragua b/	3.2	7.6	...	14.4	17.8	17.1	16.9	16.0	14.3	13.2	10.7	9.8	11.3	12.1	...	...
Panama b/	15.7	20.0	20.0	18.2	15.6	15.8	16.4	16.9	15.4	15.6	13.6	15.3	17.0	16.4	16.5	15.6	q/
Paraguay i/	5.1	6.6	5.1	5.3	5.1	4.4	5.3	8.2	7.1	6.6	9.4	10.0	10.8	14.7	...	...
Peru j/	10.1	8.3	5.9	9.4	9.9	8.8	7.9	7.9	8.4	8.2	8.3	7.0	9.2	9.4	9.7	9.4	o/
Uruguay b/	13.1	9.2	8.9	9.0	8.4	9.2	10.8	12.3	11.6	10.2	11.8	13.6	15.3	17.0	16.5	17.4	o/
Venezuela b/	14.3	11.0	10.1	8.1	6.8	8.9	10.3	11.8	11.4	11.3	14.9	13.9	13.5	15.9	15.7	18.9	o/
Latin America k/	9.5	8.1	8.5	8.6	8.8	8.5	9.2	9.8	9.3	9.1	10.1	10.4	10.6	11.3	12.2	11.9	
l/	8.3	5.7	5.6	5.7	6.3	6.6	7.4	7.9	7.5	8.1	8.9	8.5	10.3	10.8	11.2	11.0	
The Caribbean m/																	
Barbados	18.7	15.0	17.3	23.0	24.3	21.9	19.7	15.6	14.5	12.3	10.4	9.2	9.9	10.3	...	...
Jamaica	25.0	15.3	15.7	15.4	16.3	15.4	16.2	16.0	16.5	15.5	15.7	15.5	15.0	15.1	...	...
Trinidad and Tobago	15.7	20.0	18.5	19.6	19.8	18.4	17.2	16.2	15.0	14.2	13.1	12.1	10.8	10.4	...	...

Source: ILO, based on information from household surveys of the countries.

a/ For the period 1985-2002, data are annual averages.

b/ Urban national coverage.

c/ Six metropolitan areas. New series beginning in 2001.

d/ National coverage.

e/ Seven metropolitan areas, from 1985 to 1999, annual average. The universe was modified to 13 urban areas in 2000.

f/ Includes hidden unemployment.

g/ National coverage until 1997. Only Quito, Guayaquil and Cuenca beginning in 1998.

h/ 39 urban areas.

i/ Asuncion.

j/ Metropolitan Lima. From 1996 to 2000, national urban coverage. Beginning in 2001, Metropolitan Lima.

k/ Simple average. Beginning in 2001 calculated based on new Brazilian series.

l/ Weighted average. Beginning in 2001 calculated based on new Brazilian series.

m/ Not include in the average since the methodology used in the Caribbean countries to measure open unemployment differs from that applied in other countries of the region.

n/ First semester.

o/ Average of the first three quarters.

p/ Corresponds to July.

q/ Corresponds to August.



TABLE 2-A
LATIN AMERICA AND THE CARIBBEAN: URBAN UNEMPLOYMENT BY SEX, 1990-2003 a/
(annual rates)

Country	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2002 Until the third quarter	2003	
Latin America																
Argentina b/	7.3	5.8	6.7	10.1	12.1	18.8	18.4	15.7	12.9	15.1	15.4	17.4	20.5	21.5	16.4	m/
Men	7.4	5.6	6.5	8.5	10.7	16.5	16.8	13.4	12.2	16.9	17.2	17.9	21.1	23.2	17.1	
Women	7.3	6.2	7.1	12.7	14.5	22.3	20.9	19.2	15.2	13.8	14.0	17.7	19.4	20.1	15.4	
Bolivia c/	7.2	5.9	5.5	5.9	3.1	3.6	4.2	4.4	...	7.2	7.5	8.5	8.7	...	...
Men	6.8	5.7	5.5	6.5	3.4	3.3	3.9	4.5	...	6.2	6.2	7.5	7.3	...	...
Women	7.8	6.3	5.6	5.3	2.9	4.0	4.5	4.4	...	8.5	9.0	9.7	10.3	...	...
Brazil d/	4.3	4.8	4.9	5.4	5.1	4.6	5.4	5.7	7.6	7.7	7.1	11.3	11.7	12.0	12.4	n/
Men	...	4.8	5.6	5.2	4.8	4.5	5.0	5.3	7.1	7.1	6.5	9.6	9.9	10.1	10.1	
Women	...	4.9	6.0	5.6	5.5	4.8	6.1	6.3	8.3	8.3	8.0	13.4	13.9	14.3	15.1	
Chile e/	7.4	7.1	6.2	6.4	7.8	6.6	5.4	5.3	6.4	9.7	9.2	9.1	9.0	9.3	8.9	n/
Men	6.6	6.1	5.0	5.3	6.5	5.5	4.8	4.7	5.7	9.3	8.7	8.9	8.6	9.0	8.2	
Women	9.2	9.4	8.9	8.8	10.3	8.9	6.7	6.6	7.6	10.5	10.0	9.7	9.6	10.0	10.1	
Colombia f/	11.0	9.8	9.2	7.8	7.6	8.7	12.0	12.1	15.0	20.1	20.5	16.9	16.2	17.5	16.3	n/
Men	8.3	7.4	6.5	5.3	4.9	6.8	9.6	9.8	12.6	17.1	15.0	16.0	15.3	16.3	14.6	
Women	14.7	13.1	12.6	11.0	11.2	11.3	15.1	15.1	18.8	23.3	19.9	20.7	20.1	22.0	20.3	
Costa Rica c/	5.4	6.0	4.3	4.0	4.3	5.7	6.5	5.9	5.4	6.0	5.3	6.1	6.8	6.8	6.7	o/
Men	4.9	1.8	1.2	0.9	3.8	5.4	6.0	5.4	4.6	4.9	4.6	5.5	6.2	6.2	6.1	
Women	6.2	13.3	9.9	9.7	5.1	6.2	7.6	6.8	6.7	8.2	6.4	7.0	7.7	7.7	7.6	
Dominican Republic c/	...	19.6	20.3	19.9	16.0	15.8	16.7	15.9	14.3	...	15.3	16.4	17.2	...	...
Men	...	12.5	11.7	11.4	10.0	10.2	10.2	...	...	...	9.8	10.9	11.0	...	...
Women	...	33.1	34.9	34.8	26.9	26.2	28.7	...	...	...	22.8	24.2	25.7	...	...
Ecuador c/	6.1	8.1	8.9	8.3	7.1	6.9	10.4	9.3	8.5	...	...	8.5	...	...	...
Men	4.3	5.4	6.0	6.2	5.8	5.5	...	7.4	...	...	...	5.4	...	...	...
Women	9.1	13.2	13.2	11.5	9.3	8.8	...	12.1	...	...	...	12.8	...	...	...
El Salvador c/	9.9	7.5	8.7	9.9	7.7	7.6	7.7	7.5	7.6	8.0	6.6	7.0	6.2	...	...
Men	10.1	8.3	9.0	11.8	8.4	8.7	8.4	9.0	9.6	9.9	9.9	8.7	7.4	...	...
Women	9.8	6.6	8.3	6.8	6.4	5.9	6.5	5.5	6.1	5.8	3.7	4.9	3.4	...	...
Honduras c/	6.9	7.1	5.1	5.6	4.0	6.6	6.6	5.2	5.8	3.7	...	6.3	5.9	...	...
Men	9.6	13.1	9.8	5.9	5.9	10.7	11.8	5.9	6.3	3.7	...	7.0	6.2	...	...
Women	5.2	4.1	3.0	5.1	3.1	4.1	4.4	4.3	5.1	3.8	...	5.4	5.5	...	...
Mexico g/	2.7	2.7	2.8	3.4	3.7	6.3	5.5	3.7	3.3	2.5	2.2	2.4	2.7	2.8	3.2	n/
Men	2.6	2.5	2.7	3.2	3.6	6.1	5.3	3.5	3.0	2.4	2.1	2.4	2.7	2.7	3.1	
Women	3.0	2.9	3.2	3.9	4.0	6.5	5.9	4.2	3.7	2.6	2.4	2.5	2.8	2.8	3.4	
Panama h/	...	20.0	18.2	15.6	15.8	16.4	17.0	15.4	15.5	11.6	15.3	17.0	16.1	16.5	15.6	p/
Men	...	12.8	10.8	9.7	10.7	10.8	11.0	13.3	12.4	8.8	12.0	15.1	13.9	14.0	12.9	
Women	...	22.6	22.3	20.2	20.4	20.1	20.0	18.2	19.7	16.7	18.1	19.8	19.3	19.8	19.3	
Paraguay i/	6.6	5.1	5.3	5.1	4.4	5.3	8.2	6.9	6.9	9.4	10.0	10.8	14.7	...	...
Men	6.6	5.4	6.4	5.5	4.9	5.1	7.8	6.2	6.2	9.6	9.9	10.5	14.0	...	...
Women	6.5	4.7	3.8	4.5	3.7	5.5	8.6	7.8	7.8	9.3	10.2	11.2	15.7	...	...
Peru j/	8.5	5.8	9.4	9.9	8.8	7.9	7.9	8.4	8.2	8.3	7.0	9.2	9.4	9.7	9.4	n/
Men	6.5	4.8	7.5	8.4	7.0	6.0	7.2	7.1	6.4	7.6	6.9	8.2	8.3	8.5	8.4	
Women	11.4	7.3	12.5	12.2	11.8	8.7	9.1	10.1	9.6	9.2	7.1	10.6	10.8	11.1	10.7	

(continued...)

TABLE 2-A (continued)

LATIN AMERICA AND THE CARIBBEAN: URBAN UNEMPLOYMENT BY SEX, 1990-2003 a/
(annual rates)

Country	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2002 2003		
														Until the third quarter		
Uruguay k/	9.2	8.9	9.0	8.4	9.2	10.8	12.4	11.6	10.2	11.8	13.9	15.5	17.0	16.6	17.4	n/
Men	7.3	7.1	6.7	6.3	6.9	8.4	10.5	9.2	8.1	9.8	10.9	11.6	14.1	13.5	14.5	
Women	11.8	11.3	11.9	11.0	12.0	13.7	14.5	14.5	12.7	14.0	17.2	15.4	20.3	19.9	20.1	
Venezuela c/	11.0	10.1	8.1	6.8	8.9	10.3	11.8	11.4	11.3	14.9	13.9	15.1	15.9	15.7	18.9	n/
Men	11.4	9.5	8.1	7.1	8.2	8.9	10.3	10.3	9.9	13.6	13.2	13.6	14.4	14.4	17.0	
Women	10.4	8.6	5.9	5.5	9.6	12.9	14.5	14.2	13.6	17.1	14.8	17.4	18.2	17.8	21.7	
The Caribbean l/																
Barbados	15.0	17.3	23.0	24.3	21.9	19.7	15.6	14.5	12.3	10.4	9.2	9.9	10.3	...	...
Men	10.1	13.2	20.2	21.3	17.6	16.5	12.4	11.3	8.4	7.7	7.3	8.3	8.7	...	...
Women	20.3	21.4	26.1	27.7	26.4	23.0	18.9	17.8	16.4	13.3	11.7	11.4	12.1	...	...
Jamaica	15.3	15.4	15.7	16.3	15.4	16.2	16.0	16.5	15.5	15.7	15.5	15.0	15.1	...	...
Men	9.1	9.4	9.5	10.9	9.6	10.8	9.9	10.6	10.0	10.0	10.2	10.3	10.6	...	...
Women	20.4	22.2	22.8	22.4	21.8	22.5	23.0	23.5	22.1	22.4	22.3	21.0	20.7	...	...
Trinidad and Tobago																
Tobago	20.0	18.5	19.6	19.8	18.4	17.2	16.2	15.0	14.2	13.1	12.1	10.8	10.4	...	...
Men	17.8	15.7	17.0	17.6	16.1	15.1	13.2	12.3	11.3	10.9	10.2	8.6	7.8	...	...
Women	24.2	23.4	23.9	23.4	22.3	20.6	21.0	19.4	18.9	16.8	15.2	14.4	14.5	...	...

Source: ILO, based on household surveys.

a/ For the period 1990-2002, data are annual averages.

b/ Greater Buenos Aires.

c/ Urban national coverage.

d/ Six metropolitan areas. New series beginning in 2001.

e/ National coverage.

f/ Seven metropolitan areas, September of each year. Beginning in 2001, 13 metropolitan areas.

g/ 43 urban areas.

h/ Metropolitan area.

i/ Asuncion.

j/ Metropolitan Lima. From 1996 to 2000, national urban coverage. Beginning in 2001, Metropolitan Lima.

k/ Montevideo. Moving average.

l/ Not include average since the methodology used in the Caribbean countries to measure open unemployment differs from that applied in other countries of the region.

m/ First semester.

n/ Average of the first three quarters.

o/ Corresponds to July.

p/ Corresponds to August.

TABLE 3-A

LATIN AMERICA AND THE CARIBBEAN: URBAN YOUTH UNEMPLOYMENT, 1990-2003 a/
(annual rates)

Country	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2002 Until the third quarter	2003	
Latin America																
Argentina b/																
15-19	21.7	16.3	16.4	26.8	32.3	46.8	44.3	39.6	35.3	32.8	39.5	41.1	45.4	46.1	51.2	n/
15-24	15.2	12.3	13.0	...	21.2	30.1	31.1	27.2	24.4	26.4	...	...	...	...	...
Bolivia c/																
10-19	13.3	13.1	8.3	8.6	4.9	5.0	7.0	...	...	16.1	14.7	14.2	20.0	...	...
20-29	9.5	7.3	7.0	8.2	4.5	5.4	...	...	...	9.9	10.8	10.9	10.7	...	...
Brazil d/																
15-17	...	11.6	14.4	12.2	11.9	11.0	13.0	14.3	18.8	17.8	17.8	29.8	34.5	34.6	37.9	o/
18-24	...	9.1	11.2	10.3	9.6	9.3	10.5	11.4	14.0	14.5	14.7	19.6	21.4	21.8	23.5	o/
Chile e/																
15-19	15.9	13.7	12.6	13.0	16.8	15.8	15.0	19.9	20.8	27.6	26.1	29.0	28.4	28.1	29.6	o/
20-24	12.0	12.4	10.3	10.2	11.9	10.1	12.2	13.6	15.1	19.8	20.1	18.9	20.0	20.7	20	o/
Colombia f/																
12-17	...	23.8	20.7	18.4	19.1	21.0	31.8	29.1	33.3	42.2	33.3	35.6	32.7	31.8	30.7	o/
18-24	...	18.4	18.0	15.7	14.5	16.6	22.0	23.7	29.2	36.3	32.4	33.1	32.0	33.4	33.2	o/
Costa Rica g/																
12 - 24	10.4	14.1	9.3	10.2	9.8	13.5	13.9	13.1	12.8	14.9	10.9	14.0	16.3	16.3	14.5	p/
Ecuador g/																
15-24	13.5	18.5	17.3	15.7	14.9	15.3	20.0	19.4	22.6	...	17.4	14.8	17.4	...	...
El Salvador g/																
15-24	18.6	14.6	14.3	14.4	13.5	13.3	13.1	14.6	15.0	13.9	14.3	13.2	...	...	...
Honduras g/																
10 - 24	10.7	12.3	6.6	9.7	6.7	10.2	9.7	8.7	10.0	10.0	...	...	8.8	...	...
Mexico h/																
12-19	7.0	5.0	6.9	7.3	8.3	13.1	11.5	8.4	7.0	5.7	5.4	5.6	6.5	6.7	8.2	o/
20-24	...	...	4.4	5.7	6.0	9.9	8.8	6.5	5.8	4.9	4.0	4.8	5.2	5.2	6.4	o/
Panama i/																
15-24	...	38.8	37.0	31.6	31.1	31.9	34.8	31.5	31.7	29.5	32.6	35.4	34.1	...	...
Paraguay j/																
15-19	18.4	9.0	14.1	9.8	12.3	10.8	29.1	13.7	...	21.2	...	15.3	20.6	...	...
20-24	14.1	9.5	7.3	8.8	5.5	7.8	12.6	12.7	...	13.4	...	12.3	16.7	...	...
Peru k/																
14-24	15.4	11.2	15.8	16.1	13.7	11.2	14.9	14.5	14.1	15.7	17.1	14.2	15.1	15.1	14.4	o/
Uruguay l/																
14-24	26.6	25.0	24.4	23.3	25.5	25.5	28.0	26.8	26.1	27.1	31.7	36.2	40.0	38.4	40.1	o/
Venezuela g/																
15-24	18.0	15.8	13.4	13.0	15.9	19.9	25.4	23.1	21.9	26.6	25.3	23.2	27.2	26.4	31.3	o/
The Caribbean m/																
Barbados																
15-24	...	33.8	36.4	43.2	41.7	37.8	27.5	28.9	27.4	21.8	18.5	23.6	...	...	...
Jamaica																
15-24	30.7	29.2	28.3	29.5	28.9	34.1	34.4	34.2	33.3	34.0	32.1	33.0	...	...	...
Trinidad and Tobago																
15-24	36.4	34.2	34.8	38.9	39.9	31.0	28.5	35.3	25.8	23.7	23.2	22.6	...	...	...

Source: ILO, based on household surveys.

a/ For the period 1990-2002, data are annual averages.

b/ Greater Buenos Aires.

c/ National urban area 1996 (15-25 years).

d/ Six metropolitan areas. New series beginning in 2001.

e/ National total coverage.

f/ Seven metropolitan areas, September of each year. Beginning in 2001, 13 metropolitan areas.

g/ National urban coverage.

h/ 41 urban areas.

i/ Metropolitan area.

j/ Asuncion.

k/ Metropolitan Lima. From 1996 to 2000 national urban coverage. Beginning in 2001, Metropolitan Lima.

l/ Montevideo.

m/ The methodology used for the Caribbean countries to measure open unemployment differs from that used by the other countries of the region.

n/ First semester.

o/ Average of the first three quarters.

p/ Corresponds to July.

TABLE 4-A

LATIN AMERICA AND THE CARIBBEAN: URBAN LABOUR FORCE PARTICIPATION RATES, 1990-2003 a/
(percentages)

Country	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2002	2003	
														Until the third quarter		
Latin America																
Argentina b/	53.6	53.8	54.5	54.9	54.6	55.2	55.0	55.8	56.1	56.7	56.4	56.1	55.6	55.0	57.3	l/
Bolivia b/	51.2	51.5	50.6	52.6	53.7	55.0	56.5	52.5	...	55.9	56.1	60.6	58.0	...	...
Brazil c/	63.8	61.1	59.5	58.7	59.3	59.3	59.6	58.5	58.2	57.1	58.0	54.8	55.1	54.9	56.9	m/
Chile b/	53.0	53.0	54.3	56.0	56.0	54.9	54.5	54.4	55.1	54.4	53.7	52.9	52.5	52.3	52.8	m/
Colombia d/	58.4	59.5	60.8	60.1	60.0	59.9	59.7	59.9	62.2	63.1	63.3	63.9	64.2	63.9	64.2	m/
Costa Rica b/	53.2	51.8	50.4	51.7	53.3	54.5	52.2	53.8	55.3	54.8	54.8	56.8	56.4	56.4	56.8	m/
Dominican Republic b/	...	55.0	58.9	57.4	53.3	51.9	53.2	54.1	52.6	56.5	55.2	57.0	57.0	...	...
Ecuador e/	52.3	56.8	58.9	57.5	55.6	55.7	55.8	56.6	55.8	56.3	56.8	55.6	54.1	53.9	54.4	m/
El Salvador b/	55.0	52.6	54.2	54.6	55.5	54.1	52.9	53.0	55.7	54.0	54.5	54.8	53.1	...	...
Honduras b/	50.1	48.9	50.7	49.7	50.1	51.5	54.7	55.6	54.8	56.5	...	54.8	52.3	...	...
Mexico f/	51.8	53.3	53.8	55.2	54.7	55.0	55.4	56.2	56.6	55.8	56.3	55.6	55.1	55.2	55.4	m/
Nicaragua b/	...	...	...	48.8	48.3	48.7	46.9	52.2	48.8	...	...	49.8	49.3	...	...
Panama g/	56.7	58.7	61.9	61.8	62.7	63.1	61.7	63.1	63.9	61.2	60.9	61.4	63.4	63.5	63.4	o/
Paraguay h/	60.9	62.2	61.0	62.9	63.9	70.5	66.0	63.7	60.6	58.5	60.6	60.6	60.5	...	...
Peru i/	59.6	55.9	57.1	60.1	59.7	62.4	60.4	63.3	65.4	66.9	64.4	67.1	68.5	68.4	67.7	m/
Uruguay j/	59.6	59.5	59.5	59.0	60.5	62.1	61.6	60.2	60.2	59.4	59.6	60.6	59.1	59.3	57.9	m/
Venezuela b/	59.4	59.8	59.3	57.9	59.0	61.6	62.2	63.8	65.1	66.8	64.5	66.5	68.9	68.5	69.3	m/
The Caribbean k/																
Barbados	67.3	65.2	66.2	66.3	67.4	68.2	67.4	67.5	67.7	67.7	68.5	69.9	68.5	...	...
Jamaica	66.9	68.1	69.1	68.3	69.2	69.0	67.7	66.6	65.6	64.5	63.2	...	...	...	...
Trinidad and Tobago	55.9	58.5	60.0	59.5	59.4	60.2	60.5	60.3	61.2	60.8	61.2	60.7	60.9	...	...

Source: ILO based on household surveys

a/ For the period 1990-2002, data are annual averages.

b/ National coverage.

c/ Six metropolitan regions. New series beginning in 2001.

d/ Seven metropolitan regions. Beginning in 2001, 13 metropolitan areas.

e/ Three metropolitan areas.

f/ 41 urban areas.

g/ Metropolitan areas.

h/ Asuncion.

i/ Metropolitan Lima. Since 1996 national urban coverage. Beginning in 2001, Metropolitan Lima.

j/ Montevideo.

k/ The methodology used for the Caribbean countries to measure open unemployment differs from that used by the other countries of the region.

l/ First semester.

m/ Average of the first three quarters.

n/ Corresponds to July.

o/ Corresponds to August.



TABLE 5-A

**LATIN AMERICA AND THE CARIBBEAN: URBAN EMPLOYMENT TO
POPULATION RATIOS, 1990-2003 a/
(percentages)**

Country	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2002		2003	
														2002	Until the third quarter		
Latin America																	
Argentina b/	50.3	50.6	50.7	49.8	47.9	46.1	45.5	47.5	48.9	48.6	47.9	45.6	44.6	43.2	46.7		i/
Bolivia b/	47.5	48.5	47.8	49.5	52.0	53.0	54.2	50.2	...	51.9	51.9	55.4	53.0	...	...
Brazil c/	61.1	58.1	56.6	55.6	56.3	56.6	56.4	55.2	53.8	52.6	53.9	48.6	48.7	48.3	49.8		m/
Chile b/	49.1	49.3	50.9	52.4	51.6	51.2	51.6	51.5	51.6	49.1	48.8	48.1	47.8	47.5	48.1		m/
Colombia d/	52.3	53.4	54.6	55.0	54.6	54.6	53.0	52.5	52.7	50.9	50.5	52.5	52.9	52.3	53.0		m/
Costa Rica b/	50.3	48.7	48.2	49.6	51.0	51.7	49.0	50.7	52.2	51.5	52.0	53.8	52.5	52.6	53.0		n/
Dominican Republic b/																	
	...	44.2	46.9	46.0	44.8	43.7	44.4	45.4	45.1	46.1	47.6	47.6	47.2	...	...
Ecuador e/	49.1	52.0	53.7	52.4	51.3	51.4	50.0	51.3	50.1	47.8	48.8	49.8	49.5	49.2	49.0		m/
El Salvador b/	49.5	48.7	50.5	...	51.6	50.3	49.8	49.0	51.5	50.3	48.9	51.0	49.8	...	...
Honduras b/	46.6	45.4	48.2	46.9	48.1	48.1	51.1	52.7	51.6	53.6	...	51.3	49.2	...	...
Mexico f/	50.3	51.8	52.3	53.3	52.7	51.6	52.4	54.1	54.7	54.4	55.1	54.2	53.6	53.7	53.6		m/
Nicaragua b/	...	...	...	40.1	40.0	40.5	39.4	44.7	42.4	...	...	44.9	43.3	...	...
Panama g/	45.4	46.9	50.6	52.2	52.8	52.8	51.3	53.4	53.9	52.9	51.6	51.2	53.2	53.1	53.5		o/
Paraguay h/	56.9	59.0	57.8	59.7	61.1	66.8	60.6	59.2	56.6	52.3	52.2	50.8	48.4	...	...
Peru i/	54.7	52.6	51.7	54.2	54.4	57.5	55.6	58.0	60.0	61.6	59.7	60.9	62.0	61.8	61.3		m/
Uruguay j/	54.1	54.2	54.1	54.0	54.9	55.4	54.0	53.2	54.1	52.7	51.9	51.4	49.1	49.6	47.8		m/
Venezuela b/	52.8	53.7	54.5	54.0	53.8	55.3	54.8	56.5	57.8	56.4	55.6	57.1	57.8	57.6	56.2		m/
The Caribbean k/																	
Barbados	54.7	55.4	54.7	51.1	51.0	53.3	54.1	57.0	57.9	59.4	57.2	58.4	61.4	...	...
Jamaica	50.2	57.7	58.3	57.8	57.9	58.4	56.7	55.9	54.8	54.5	56.2	...	...	...	...
Trinidad and Tobago																	
	47.1	46.8	48.9	47.8	47.6	49.1	50.1	50.5	52.0	52.2	54.6	53.4	54.6	...	...

Source: ILO based on household surveys

a/ For the period 1990-2002, data are annual averages.

b/ National coverage.

c/ Six metropolitan areas. New series beginning in 2001.

d/ Seven metropolitan areas. Beginning in 2001, 13 metropolitan areas.

e/ Three metropolitan areas.

f/ 41 urban areas.

g/ Metropolitan areas.

h/ Asuncion.

i/ Metropolitan Lima. Since 1996 national urban area. Beginning in 2001, Metropolitan Lima.

j/ Montevideo.

k/ The methodology used for the Caribbean countries to measure open unemployment differs from that used by the other countries of the region.

l/ First semester.

m/ Average of the first three quarters.

n/ Corresponds to July.

o/ Corresponds to August.

TABLE 6-A

LATIN AMERICA: STRUCTURE OF NON-AGRICULTURAL EMPLOYMENT, 1990-2002
(percentages)

Countries/Years	Informal Sector				Formal Sector			
	Total	Independent Worker ^a /	Domestic Service	Micro- enterprises ^b /	Total	Public sector	Small, medium and large private establishments ^c /	
Latin America								
1990	<i>Total</i>	42.8	22.2	5.8	14.7	57.2	15.5	41.7
	Men	39.4	21.6	0.5	17.3	60.6		
	Women	47.4	23.2	13.8	10.4	52.6		
1995	<i>Total</i>	46.1	24.0	7.4	14.8	53.9	13.5	40.4
	Men	42.7	23.9	0.8	18.0	57.3		
	Women	51.0	24.1	17.0	9.9	49.0		
2000	<i>Total</i>	46.9	24.6	6.7	15.6	53.1	13.3	39.7
	Men	44.5	25.3	0.6	18.7	55.5		
	Women	50.3	23.7	15.4	11.2	49.7		
2002	<i>Total</i>	46.5	23.9	6.8	15.8	53.5	13.9	39.7
	Men	44.3	24.7	0.7	18.9	55.7		
	Women	49.4	22.8	15.2	11.3	50.6		
Argentina								
1991	<i>Total</i>	52.0	27.5	5.7	18.8	48.0	19.3	28.7
	Men	49.8	28.2	0.5	21.2	50.2		
	Women	55.5	26.5	14.3	14.7	44.5		
1998	<i>Total</i>	49.3	22.7	6.4	20.3	50.7	12.7	38.0
	Men	48.0	24.1	0.3	23.6	52.0		
	Women	51.4	20.4	15.8	15.2	48.6		
2002	<i>Total</i>	44.5	20.6	5.2	18.6	55.5	22.8	32.8
	Men	47.2	25.1	0.0	22.1	52.8	16.4	36.4
	Women	40.8	14.7	12.0	14.1	59.2	31.2	28.0
Brazil								
1990	<i>Total</i>	40.6	20.3	6.9	13.5	59.4	11.0	48.4
	Men	36.1	19.6	0.5	16.0	63.9		
	Women	47.6	21.3	16.7	9.6	52.4		
1995	<i>Total</i>	46.5	23.8	9.5	13.2	53.5	15.1	38.4
	Men	42.1	25.1	0.9	16.0	57.9	12.5	45.4
	Women	52.8	21.8	21.6	9.4	47.2	18.8	28.5
1999	<i>Total</i>	47.1	24.0	9.4	13.7	52.9	14.2	38.8
	Men	43.8	26.4	0.9	16.4	56.2	11.4	44.9
	Women	51.6	20.7	20.9	10.1	48.4	17.9	30.4
2001	<i>Total</i>	46.0	22.3	9.5	14.3	54.0	13.7	40.3
	Men	42.3	24.5	0.9	16.9	57.7	10.9	46.8
	Women	51.0	19.2	21.0	10.8	49.0	17.4	31.6
Chile								
1990	<i>Total</i>	37.9	20.9	5.4	11.7	62.1	7.0	55.1
	Men	33.5	21.3	0.2	12.0	66.5		
	Women	45.9	20.1	14.7	11.1	54.1		
1996	<i>Total</i>	38.8	18.9	7.1	12.8	61.2	11.8	49.4
	Men	34.0	19.9	0.3	13.7	66.0		
	Women	46.3	17.4	17.7	11.2	53.7		
2000	<i>Total</i>	38.0	19.7	5.9	12.5	62.0	10.8	51.2
	Men	34.3	20.8	0.1	13.5	65.7	8.6	57.0
	Women	44.5	17.8	16.0	10.7	55.5	14.6	40.9



TABLE 6-A (continued)

LATIN AMERICA: STRUCTURE OF NON-AGRICULTURAL EMPLOYMENT, 1990-2002
 (percentages)

Countries/Years	Informal Sector				Formal Sector		
	Total	Independent Worker a/	Domestic Service	Micro-enterprises b/	Total	Public sector	Small, medium and large private establishments c/
Colombia							
1990 Total	45.7	24.1	2.0	19.5	54.3	9.6	44.7
Men	45.1	22.6	0.1	22.3	54.9		
Women	46.6	26.3	5.0	15.2	53.4		
2000 Total	55.6	32.2	5.3	18.1	44.4	7.0	37.3
Men	54.7	32.6	0.5	21.6	45.3	6.1	39.1
Women	56.7	31.8	11.2	13.7	43.3	8.1	35.1
Costa Rica							
1990 Total	41.2	18.9	5.8	16.4	58.8	22.0	36.8
Men	37.7	19.1	0.3	18.3	62.3		
Women	47.5	18.6	15.8	13.1	52.5		
1995 Total	43.3	18.5	5.0	19.7	56.7	17.4	39.3
Men	40.4	17.8	0.3	22.3	59.6		
Women	48.3	19.9	13.3	15.1	51.7		
2000 Total	45.2	19.7	6.0	19.5	54.8	16.4	38.5
Men	42.2	20.1	0.5	21.6	57.8	15.0	42.8
Women	50.1	18.9	15.1	16.1	49.9	18.7	31.2
2002 Total	44.8	19.2	5.1	20.5	55.2	15.9	39.3
Men	40.6	17.0	0.5	23.1	59.4	13.1	46.3
Women	51.3	22.5	12.3	16.5	48.7	20.2	28.6
Ecuador							
1990 Total	55.6	35.4	5.0	15.3	44.4	18.7	25.7
Men	51.7	32.6	0.7	18.4	48.3		
Women	62.1	39.9	12.1	10.1	37.9		
1995 Total	63.7	33.6	5.2	25.0	36.3	14.2	22.0
Men	60.0	29.6	0.7	29.8	40.0		
Women	69.2	39.4	11.8	17.9	30.8		
2000 Total	51.6	31.0	5.3	15.3	48.4	17.6	30.7
Men	51.1	31.6	0.9	18.6	48.9	14.1	34.8
Women	52.4	30.1	11.8	10.5	47.6	22.8	24.8
2002 Total	55.0	33.5	5.1	16.5	45.0	12.7	32.3
Men	50.3	29.6	0.8	19.9	49.7	12.1	37.6
Women	62.2	39.3	11.5	11.3	37.8	13.6	24.3
El Salvador							
2002 Total	51.8	32.0	5.3	14.5	48.2	10.3	36.6
Men	40.7	19.4	1.0	20.3	59.3	11.4	46.3
Women	63.3	45.0	9.7	8.6	36.7	9.2	26.7
Honduras							
1990 Total	57.6	37.3	7.1	13.3	42.4	14.9	27.5
Men	45.1	25.7	0.5	18.9	54.9		
Women	72.0	50.5	14.6	6.9	28.0		
1995 Total	57.1	35.5	5.6	16.0	42.9	12.6	30.2
Men	49.1	25.2	0.9	23.1	50.9		
Women	66.3	47.4	11.1	7.8	33.7		
1999 Total	60.7	39.6	5.5	15.6	39.3	10.1	29.2
Men	53.3	28.6	0.7	23.9	46.7	9.4	37.3
Women	67.6	49.8	9.9	7.9	32.4	10.6	21.7
2002 Total	65.1	37.3	4.2	23.5	34.9	9.2	25.7
Men	61.8	29.5	0.6	31.8	38.2	8.3	29.8
Women	68.6	45.8	8.2	14.6	31.4	10.2	21.2

(continued...)

TABLE 6-A (continued)

LATIN AMERICA: STRUCTURE OF NON-AGRICULTURAL EMPLOYMENT, 1990-2002
 (percentages)

Countries/Years	Informal Sector				Formal Sector			
	Total	Independent Workera/	Domestic Service	Micro-enterprises b/	Total	Public sector	Small, medium and large private establishments c/	
Mexico								
1990	Total	38.4	19.0	4.6	14.8	61.6	19.4	42.3
	Men	37.6	19.1	0.7	17.8	62.4		
	Women	39.9	18.7	12.0	9.2	60.1		
1995	Total	43.2	20.9	5.3	17.0	56.8	16.1	40.7
	Men	42.1	19.9	1.1	21.1	57.9		
	Women	45.1	22.6	12.6	9.9	54.9		
2000	Total	39.2	18.3	3.7	17.2	60.8	14.5	46.4
	Men	38.4	17.5	0.2	20.7	61.6	12.5	49.1
	Women	40.5	19.6	9.6	11.3	59.5	17.9	41.6
2002	Total	41.0	19.5	4.3	17.3	59.0	14.0	45.0
	Men	40.8	19.0	0.8	21.0	59.2	11.8	47.4
	Women	41.4	20.3	10.1	11.0	58.6	17.7	40.8
Nicaragua								
2002	Total	54.4	31.9		22.5	45.6	12.8	32.8
	Men	52.6	31.0		21.6	47.4	12.0	35.4
	Women	56.3	32.9		23.4	43.7	13.7	29.9
Panama								
1991	Total	36.0	19.8	7.9	8.3	64.0	32.0	32.0
	Men	34.6	23.8	1.0	9.7	65.4		
	Women	38.0	14.0	17.8	6.3	62.0		
1995	Total	37.1	20.5	7.6	9.0	62.9	25.9	37.0
	Men	35.2	23.4	1.5	10.3	64.8		
	Women	40.0	16.1	16.9	7.0	60.0		
2000	Total	37.3	22.2	6.8	8.3	62.7	21.8	40.9
	Men	36.0	25.2	1.6	9.3	64.0	19.0	45.0
	Women	39.1	17.6	14.7	6.8	60.9	26.1	34.8
2002	Total	42.6	24.4	7.1	11.1	57.4	20.4	37.0
	Men	41.2	26.4	1.4	13.3	58.8	17.9	40.9
	Women	44.6	21.3	15.3	7.9	55.4	24.1	31.3
Paraguay								
1999	Total	58.1	27.7	9.6	20.7	41.9	12.3	29.6
	Men	49.7	23.1	0.9	25.7	50.3	12.7	37.6
	Women	69.1	33.8	21.1	14.2	30.9	11.8	19.0
2002	Total	60.9	30.9	10.6	19.4	39.1	13.2	25.9
	Men	55.5	27.9	1.7	25.9	44.5	13.3	31.2
	Women	67.7	34.7	21.9	11.1	32.3	13.1	19.3
Peru d/								
1991	Total	52.7	33.4	4.9	14.5	47.3	11.6	35.7
	Men	46.3	28.9	0.6	16.9	53.7		
	Women	62.9	40.4	11.6	10.8	37.1		
1995	Total	55.1	33.0	4.8	17.3	44.9	9.3	35.6
	Men	48.8	26.9	0.5	21.4	51.2		
	Women	64.1	41.8	11.0	11.4	35.9		
2000	Total	59.2	36.4	5.4	17.4	40.8	7.8	33.0
	Men	53.2	31.6	0.4	21.0	46.8	7.8	39.0
	Women	67.0	42.4	11.9	12.7	33.0	7.9	25.1
2002	Total	56.2	36.5	5.4	14.3	43.8	9.1	34.7
	Men	51.9	33.1	0.6	18.2	48.1	8.6	39.5
	Women	61.9	41.0	11.8	9.1	38.1	9.8	28.3

TABLE 6-A (continued)

LATIN AMERICA: STRUCTURE OF NON-AGRICULTURAL EMPLOYMENT, 1990-2002
(percentages)

Countries/Years	Informal Sector				Formal Sector		
	Total	Independent Workera/	Domestic Service	Micro-enterprises b/	Total	Public sector	Small, medium and large private establishments c/
Uruguay e/							
1990 <i>Total</i>	39.1	18.6	6.8	13.7	60.9	20.1	40.8
Men	33.7	18.6	0.2	15.0	66.3		
Women	46.6	15.5	16.2	11.8	53.4		
1995 <i>Total</i>	43.3	21.9	7.4	13.9	56.7	20.0	36.7
Men	38.4	21.9	0.2	16.3	61.6		
Women	49.7	21.9	17.0	10.8	50.3		
1999 <i>Total</i>	43.1	22.5	7.5	13.1	56.9	17.1	39.8
Men	39.4	24.5	0.2	14.6	60.6	16.6	44.0
Women	47.9	19.8	17.0	11.1	52.1	17.6	34.4
2001 <i>Total</i>	42.2	21.3	7.5	13.4	57.8	17.2	40.6
Men	39.5	24.0	0.2	15.3	60.5	17.0	43.5
Women	45.6	18.0	17.0	10.6	54.4	17.4	37.0
Venezuela							
1990 <i>Total</i>	38.6	22.3	3.9	12.4	61.4	22.3	39.1
Men	38.3	22.0	0.4	15.9	61.7		
Women	39.3	22.8	10.4	6.1	60.7		
1995 <i>Total</i>	44.5	28.1	2.4	14.0	55.5	19.9	35.7
Men	45.3	28.1	0.1	17.1	54.7		
Women	43.0	28.0	6.4	8.6	57.0		
2000 <i>Total</i>	50.6	34.5	2.3	13.8	49.4	16.1	33.3
Men	49.2	32.1	0.2	17.0	50.8	11.8	38.9
Women	52.7	38.1	5.6	9.0	47.3	22.6	24.7
2001 <i>Total</i>	52.4	32.2	2.9	17.3	47.6	15.2	32.4
Men	50.0	28.5	0.2	21.3	50.0	11.4	38.6
Women	55.7	37.3	6.8	11.6	44.3	20.5	23.8

Source: ILO estimates based on data from household surveys and other official sources (revised series).

a/ Includes self-employed workers (except administrative, professional and technical workers) and family workers.

b/ Employed persons working in establishment with a maximum of 5 workers.

c/ Includes establishments with six or more employed persons.

d/ Corresponds to Metropolitan Lima.

e/ Corresponds to Montevideo.

TABLE 7-A

LATIN AMERICA AND THE CARIBBEAN: SELECTED COUNTRIES
NON-AGRICULTURAL EMPLOYMENT BY
ECONOMIC ACTIVITY AND SEX, 1990-2002 a/
(percentages)

Country and period	Total	Goods sector b/	Manufacturing, Mining, Electric power and water	Construction	Service Sector c/	Trade	Transportation d/	Financial Establishments e/	Services f/	Non-specified Activities
Latin America										
1990 Total	100.0	28.8	21.7	7.1	71.2	24.0	5.7	5.0	36.2	0.4
Men	100.0	36.2	25.0	11.1	63.3	23.1	8.3	5.2	26.7	0.5
Women	100.0	16.9	16.3	0.6	83.0	25.4	1.4	4.7	51.4	0.2
2002 Total	100.0	26.1	19.6	6.5	74.1	26.5	6.8	4.8	35.8	0.0
Men	100.0	33.5	22.3	10.9	66.7	25.8	10.4	5.2	25.1	0.0
Women	100.0	15.8	15.3	0.5	84.3	27.7	1.8	4.3	50.4	0.0
Argentina										
1991 Total	100.0	26.4	18.2	8.2	72.1	21.7	5.6	6.9	37.9	1.6
Men	100.0	34.2	21.4	12.8	63.6	22.3	8.1	7.2	26.0	2.1
Women	100.0	13.4	13.0	0.4	86.1	20.8	1.4	6.3	57.6	0.6
2000 Total	100.0	23.9	16.8	7.2	76.1	20.9	9.1	11.7	33.7	0.6
Men	100.0	31.6	20.1	11.5	68.4	21.0	13.1	12.4	21.3	0.6
Women	100.0	12.4	11.8	0.6	87.6	20.8	3.1	10.6	52.3	0.7
2002 Total	100.0	22.2	15.5	6.6	77.8	17.8	8.2	11.1	40.6	
Men	100.0	29.7	15.8	11.2	70.3	18.1	12.2	11.3	28.6	
Women	100.0	11.7	11.4	0.3	88.3	17.4	2.6	10.8	57.4	
Barbados										
1991 Total	100.0	21.4	12.4	9.1	78.6	25.8	5.0	4.2	43.5	0.1
Men	100.0	28.2	12.1	15.7	71.8	23.1	6.5	2.9	39.4	0.0
Women	100.0	13.6	12.4	1.1	86.4	29.2	3.1	5.7	48.5	0.0
1995 Total	100.0	20.5	12.1	8.4	79.5	27.2	4.9	7.2	40.2	0.0
Men	100.0	27.0	11.4	15.6	73.0	24.8	6.8	4.2	37.2	0.0
Women	100.0	13.4	12.8	0.6	86.6	29.9	2.6	10.6	43.5	0.0
2000 Total	100.0	21.4	10.0	11.4	78.6	27.2	4.0	7.5	39.7	0.2
Men	100.0	30.6	10.4	20.2	69.4	22.7	5.0	5.7	35.9	0.2
Women	100.0	11.0	9.5	1.4	80.4	32.2	3.0	9.5	44.2	0.2
2002 Total	100.0	19.6	8.9	10.7	89.0	27.4	3.8	8.8	40.1	0.3
Men	100.0	28.0	8.7	19.3	72.0	23.4	4.9	6.9	36.4	0.4
Women	100.0	10.4	9.0	1.4	89.6	31.7	2.6	11.0	44.1	0.1
Bolivia										
1990	100.0	23.9	17.1	6.8	76.1	26.4	7.9	3.1	38.6	
1997	100.0	30.4	21.1	9.3	69.6	30.7	8.9	4.9	25.1	
Brazil										
1990 Total	100.0	28.6	20.9	7.7	71.0	21.7	5.1	3.3	40.9	0.4
Men	100.0	37.9	25.5	12.4	61.6	22.2	7.8	3.5	28.1	0.5
Women	100.0	14.3	13.8	0.5	85.6	20.9	1.1	3.0	60.6	0.1
1995 Total	100.0	25.0	16.7	8.3	75.0	22.6	5.0	2.1	45.0	0.3
Men	100.0	34.8	20.9	13.9	65.2	23.3	7.8	2.2	31.3	0.6
Women	100.0	11.3	10.9	0.5	88.7	21.7	1.0	1.9	63.9	0.1
1999 Total	100.0	25.1	16.3	8.8	74.8	22.6	5.2	1.8	44.8	0.4
Men	100.0	34.9	20.3	14.6	65.2	22.8	8.2	1.8	31.7	0.7
Women	100.0	11.9	11.1	0.8	88.2	22.3	1.2	1.9	62.7	0.1
2002 Total	100.0	27.0	18.0	9.0	73.3	26.4	5.9	3.4	37.3	
Men	100.0	36.1	20.6	15.5	64.4	28.5	9.3	3.9	22.2	
Women	100.0	15.2	14.7	0.5	84.9	23.7	1.5	2.8	56.8	

(continued...)

TABLE 7-A (continued)

LATIN AMERICA AND THE CARIBBEAN: SELECTED COUNTRIES
NON-AGRICULTURAL EMPLOYMENT BY
ECONOMIC ACTIVITY AND SEX, 1990-2002 a/
(percentages)

Country and period	Total	Goods Sector b/	Manufacturing, Mining, Electric power and water	Construction	Service Sector c/	Trade	Transportation d/	Financial Establishments e/	Services f/	Non-specified Activities
Chile										
1994 Total	100.0	31.3	20.9	10.4	67.6	21.7	8.4	6.6	30.9	1.2
Men	100.0	40.7	24.8	15.8	58.2	19.3	11.9	6.3	20.7	1.1
Women	100.0	15.2	14.1	1.0	83.6	25.7	2.6	7.1	48.3	1.3
1996 Total	100.0	28.0	17.7	10.3	72.0	22.6	8.5	7.5	32.9	0.5
Men	100.0	36.9	20.8	16.1	63.1	20.3	12.1	7.3	22.8	0.5
Women	100.0	13.9	12.8	1.1	86.1	26.3	2.8	7.8	48.7	0.6
2000 Total	100.0	28.1	18.8	9.4	71.9	22.0	8.6	8.5	32.8	1.0
Men	100.0	38.1	23.3	14.8	61.9	19.4	12.3	8.5	21.7	1.0
Women	100.0	12.9	11.9	1.1	87.1	25.9	2.9	8.5	49.8	0.9
Colombia										
1992 Total	100.0	31.3	25.0	6.3	68.6	28.4	6.2	7.3	26.7	0.1
Men	100.0	34.6	24.8	9.8	65.4	26.1	9.2	7.6	22.4	0.1
Women	100.0	26.2	25.3	0.9	73.7	32.0	1.4	6.9	33.4	0.1
2000 Total	100.0	25.0	20.2	4.9	75.0	27.0	7.6	8.1	32.2	0.1
Men	100.0	29.3	20.9	8.4	70.7	25.4	11.8	9.0	24.4	0.1
Women	100.0	19.8	19.2	0.5	80.2	29.0	2.3	7.1	41.8	0.1
Costa Rica										
1990 Total	100.0	34.9	26.1	8.8	64.2	21.2	5.3	4.5	33.2	1.0
Men	100.0	39.8	26.4	13.4	59.2	20.5	7.8	5.6	25.3	1.2
Women	100.0	26.0	25.5	0.5	73.3	22.4	0.9	2.6	47.4	0.7
1995 Total	100.0	29.1	21.1	8.0	70.9	24.7	6.8	5.5	32.8	1.1
Men	100.0	33.3	21.0	12.3	66.7	23.5	9.5	6.5	25.9	1.3
Women	100.0	21.7	21.3	0.4	78.3	27.0	2.1	3.5	45.1	0.6
2000 Total	100.0	28.0	19.4	8.6	71.2	25.4	7.5	6.1	32.1	0.9
Men	100.0	34.3	20.9	13.4	64.7	24.1	10.7	6.8	23.1	1.0
Women	100.0	17.5	16.9	0.5	81.9	27.6	2.3	5.0	47.0	0.7
2002 Total	100.0	25.0	17.0	8.0	75.0	25.4	6.8	10.1	28.8	
Men	100.0	31.8	18.8	13.0	68.2	23.7	10.1	10.6	18.1	
Women	100.0	14.6	14.2	0.4	85.4	28.1	1.7	9.4	45.2	
Ecuador										
1990 Total	100.0	28.1	20.3	7.7	71.9	29.4	6.1	5.0	31.4	0.0
Men	100.0	34.6	22.6	12.0	65.3	24.5	9.0	5.9	25.9	0.0
Women	100.0	17.2	16.6	0.6	82.8	37.6	1.2	3.5	40.5	0.0
1995 Total	100.0	22.2	15.6	6.6	77.8	34.0	5.9	4.8	33.0	0.1
Men	100.0	27.5	16.7	10.8	72.5	28.9	9.0	5.5	29.0	0.0
Women	100.0	14.5	14.0	0.5	85.5	41.4	1.3	3.9	38.7	0.1
2000 Total	100.0	26.1	18.4	7.7	73.9	33.8	6.8	5.6	27.7	0.0
Men	100.0	33.2	20.7	12.5	66.8	31.3	10.2	6.0	19.3	0.0
Women	100.0	15.6	14.9	0.7	84.4	37.6	1.8	5.0	40.1	0.0
2002 Total	100.0	24.6	17.0	7.6	75.4	35.3	7.0	6.4	26.6	
Men	100.0	31.1	19.2	11.9	68.9	32.3	10.4	7.9	18.3	
Women	100.0	14.9	13.8	1.1	85.1	39.9	2.0	4.1	39.0	
El Salvador										
1990 Total	100.0	31.4	24.8	6.6	68.6	29.7	5.8	2.9	30.2	0.0
Men	100.0	33.6	26.3	7.3	66.4	28.0	6.0	2.2	30.2	0.0
Women	100.0	39.4	25.9	13.5	60.6	24.9	10.6	2.1	23.0	0.0

(continued...)

TABLE 7-A (continued)

LATIN AMERICA AND THE CARIBBEAN: SELECTED COUNTRIES
NON-AGRICULTURAL EMPLOYMENT BY
ECONOMIC ACTIVITY AND SEX, 1990-2002 a/
(percentages)

Country and period	Total	Goods Sector b/	Manufacturing, Mining, Electric power and water	Construction	Service Sector c/	Trade	Transportation d/	Financial Establishments e/	Services f/	Non-specified Activities
1995 <i>Total</i>	100.0	33.6	26.3	7.3	66.4	28.0	6.0	2.2	30.2	0.0
Men	100.0	39.4	25.9	13.5	60.6	24.9	10.6	2.1	23.0	0.0
Women	100.0	27.4	26.8	0.6	72.6	31.3	0.9	2.4	38.0	0.0
2000 <i>Total</i>	100.0	30.9	24.4	6.5	69.1	33.5	6.0	4.8	24.7	0.0
Men	100.0	36.5	23.6	12.9	63.5	27.1	11.1	6.6	18.7	0.0
Women	100.0	25.3	25.1	0.2	74.7	40.0	0.9	3.1	30.7	0.0
2002 <i>Total</i>	100.0	31.9	23.5	8.4	68.1	32.6	5.7	5.3	24.5	
Men	100.0	39.8	23.2	16.6	60.2	22.5	10.6	6.9	20.2	
Women	100.0	24.3	23.7	0.5	75.7	42.2	1.0	3.7	28.8	
Honduras										
1990 <i>Total</i>	100.0	33.8	25.1	8.7	66.2	29.4	4.3	2.3	30.2	0.1
Men	100.0	42.0	26.0	16.0	57.8	24.0	7.4	2.9	23.5	0.1
Women	100.0	24.2	23.9	0.3	75.7	35.4	0.7	1.6	38.0	0.1
1995 <i>Total</i>	100.0	35.6	28.0	7.6	64.4	28.7	3.9	3.0	28.8	0.0
Men	100.0	41.6	27.6	14.0	58.4	22.8	6.4	3.9	25.3	0.1
Women	100.0	28.8	28.5	0.3	71.2	35.4	0.9	2.0	32.9	0.0
1999 <i>Total</i>	100.0	33.1	25.9	7.1	66.9	32.2	3.7	3.2	27.8	0.0
Men	100.0	39.8	25.2	14.6	60.2	24.3	6.9	4.3	24.7	0.0
Women	100.0	26.8	26.6	0.2	73.2	39.4	0.8	2.3	30.7	0.0
2002 <i>Total</i>	100.0	34.7	26.1	8.5	65.3	32.8	5.2	4.4	22.8	
Men	100.0	40.3	24.3	16.0	59.7	29.6	8.9	5.5	15.6	
Women	100.0	28.6	28.1	0.5	71.4	36.1	1.3	3.3	30.6	
Jamaica										
1991 <i>Total</i>	100.0	25.9	16.9	8.9	74.1	25.7	5.2	5.8	35.6	1.8
Men	100.0	38.6	20.8	17.8	61.4	17.8	8.3	5.8	27.7	1.7
Women	100.0	13.8	13.3	0.5	86.2	33.2	2.4	5.8	43.0	1.8
1995 <i>Total</i>	100.0	27.3	16.6	10.7	72.7	27.3	5.7	6.7	32.6	0.4
Men	100.0	39.7	18.6	21.1	60.3	19.7	9.6	6.3	24.4	0.3
Women	100.0	15.5	14.8	0.7	84.5	34.6	2.0	7.2	40.4	0.4
2002 <i>Total</i>	100.0	23.3	11.8	11.4	76.7	28.6	7.6	6.9	33.2	0.5
Men	100.0	36.2	14.7	21.6	63.8	20.6	11.9	6.4	24.5	0.4
Women	100.0	9.9	8.9	1.0	90.1	36.8	3.1	7.4	42.2	0.5
2002 <i>Total</i>	100.0	22.9	10.8	12.1	76.7	27.9	7.6	7.2	33.5	0.5
Men	100.0	36.3	14.0	22.4	63.7	19.8	12.8	6.6	24.1	0.4
Women	100.0	9.0	7.6	1.4	91.0	36.3	3.0	7.8	43.2	0.7
Nicaragua										
2002 <i>Total</i>	100.0	27.3	21.3	6.0	72.7	29.2	7.2	5.1	31.1	
Men	100.0	35.1	23.8	11.3	64.9	23.7	12.7	6.2	22.4	
Women	100.0	19.1	18.7	0.4	80.9	35.1	1.4	4.0	40.3	
Mexico										
1990 <i>Total</i>	100.0	30.0	25.0	5.0	69.9	26.0	5.6	5.9	32.4	0.0
Men	100.0	34.8	27.6	7.3	65.1	23.9	7.5	5.8	27.9	0.1
Women	100.0	20.9	20.2	0.7	79.1	30.0	1.9	6.1	41.1	0.0
1990 <i>Total</i>	100.0	20.9	20.1	0.8	79.1	28.3	6.2	2.2	42.4	0.1
Men	100.0	23.3	22.2	1.0	76.7	25.5	8.6	2.1	40.4	0.1
Women	100.0	16.8	16.4	0.4	83.2	33.0	1.9	2.3	45.9	0.0

(continued...)

TABLE 7-A (continued)

LATIN AMERICA AND THE CARIBBEAN: SELECTED COUNTRIES
NON-AGRICULTURAL EMPLOYMENT BY
ECONOMIC ACTIVITY AND SEX, 1990-2002 a/
(percentages)

Country and period	Total	Goods Sector b/	Manufacturing, Mining, Electric power and water	Construction	Service Sector c/	Trade	Transportation d/	Financial Establishments e/	Services f/	Non-specified Activities
2000 <i>Total</i>	100.0	30.0	29.3	0.7	70.0	26.5	6.3	1.6	35.5	0.1
Men	100.0	24.7	33.8	0.9	65.3	23.3	9.0	1.4	31.5	0.1
Women	100.0	21.8	21.6	0.3	78.2	32.0	1.8	1.9	42.4	0.1
2002 <i>Total</i>	100.0	27.8	27.3	0.6	72.2	27.9	6.3	1.6	36.3	
Men	100.0	32.6	31.9	0.8	67.4	24.8	9.0	1.5	32.1	
Women	100.0	19.6	19.3	0.3	80.5	33.3	1.6	1.8	43.7	
Panama										
1991 <i>Total</i>	100.0	19.2	14.8	4.4	80.6	27.1	9.4	5.7	38.4	0.1
Men	100.0	25.2	17.8	7.4	74.8	29.5	13.9	5.7	25.7	2.1
Women	100.0	10.9	10.7	0.2	89.1	23.8	3.1	5.7	56.5	0.1
1995 <i>Total</i>	100.0	21.3	13.5	7.8	78.7	26.2	9.3	6.9	36.3	0.0
Men	100.0	28.4	15.6	12.7	71.6	26.6	13.2	6.6	25.2	0.0
Women	100.0	10.6	10.2	0.3	89.4	25.6	3.2	7.3	53.4	0.0
2000 <i>Total</i>	100.0	20.9	12.0	8.8	79.1	27.5	9.2	8.2	34.3	0.0
Men	100.0	28.5	14.4	14.1	71.5	27.7	12.7	7.6	23.5	0.0
Women	100.0	9.2	8.5	0.8	90.8	27.2	3.7	9.1	50.8	0.0
2002 <i>Total</i>	100.0	19.6	11.4	8.2	80.4	27.9	9.3	7.3	35.8	
Men	100.0	26.1	12.9	13.2	73.9	27.5	13.6	7.2	25.5	
Women	100.0	10.1	9.3	0.8	89.9	28.5	3.1	7.5	50.9	
Paraguay										
1999 <i>Total</i>	100.0	23.7	16.8	6.9	76.3	29.9	7.0	6.0	33.4	
Men	100.0	31.9	20.0	11.9	68.1	26.8	10.9	6.0	24.4	
Women	100.0	13.0	12.6	0.4	87.0	34.0	1.8	6.0	45.2	
2002 <i>Total</i>	100.0	22.0	15.3	6.7	78.0	34.3	5.4	6.3	31.8	
Men	100.0	30.7	19.2	11.5	69.3	33.5	7.9	7.0	20.6	
Women	100.0	10.8	10.3	0.5	89.2	35.3	2.1	5.4	46.2	
Peru										
1991 <i>Total</i>	100.0	24.4	19.7	4.7	75.6	33.2	6.5	5.8	30.1	0.0
Men	100.0	30.1	22.3	7.7	69.9	27.1	9.9	7.4	25.6	0.0
Women	100.0	15.5	15.5	0.0	84.5	42.7	1.3	3.3	37.2	0.0
1995 <i>Total</i>	100.0	25.4	20.2	5.3	74.6	32.2	7.6	7.8	26.9	0.0
Men	100.0	31.7	23.0	8.7	68.3	24.9	11.9	10.2	21.4	0.0
Women	100.0	16.3	16.0	0.3	83.7	42.9	1.4	4.4	35.0	0.0
2000 <i>Total</i>	100.0	21.5	17.2	4.3	78.5	32.7	9.9	8.6	27.4	0.0
Men	100.0	27.4	20.2	7.2	72.6	23.7	15.8	9.8	23.3	0.0
Women	100.0	13.8	13.2	0.6	86.2	44.4	2.1	6.9	32.8	0.0
2002 <i>Total</i>	100.0	22.2	16.4	5.8	77.8	31.9	9.6	8.0	28.4	0.0
Men	100.0	29.5	19.6	9.8	70.5	24.5	15.5	9.0	21.5	0.0
Women	100.0	12.3	12.1	0.2	87.7	41.9	1.6	6.6	37.6	0.0
Trinidad and Tobago										
1991 <i>Total</i>	100.0	32.9	15.1	17.8	67.1	19.8	7.1	7.7	32.2	0.3
Men	100.0	41.7	17.1	24.6	58.3	15.1	9.7	6.2	27.1	0.2
Women	100.0	19.4	12.0	7.3	80.6	27.0	3.1	10.1	40.1	0.4

(continued...)

TABLE 7-A (continued)

LATIN AMERICA AND THE CARIBBEAN: SELECTED COUNTRIES
NON-AGRICULTURAL EMPLOYMENT BY
ECONOMIC ACTIVITY AND SEX, 1990-2002 a/
(percentages)

Country and period	Total	Goods Sector b/	Manufacturing, Mining, Electric power and water	Construction	Service Sector c/	Trade	Transportation d/	Financial Establishments e/	Services f/	Non-specified Activities
1995 <i>Total</i>	100.0	29.6	13.8	15.8	70.4	20.8	7.6	7.8	34.2	0.1
Men	100.0	38.6	16.7	21.9	61.4	15.4	10.3	7.0	28.5	0.1
Women	100.0	16.3	9.4	6.9	83.7	28.6	3.5	8.8	42.7	0.2
2000 <i>Total</i>	100.0	30.1	13.4	16.7	69.9	21.2	8.1	8.2	32.3	0.1
Men	100.0	40.4	15.9	24.5	59.6	15.6	11.0	7.1	25.8	0.1
Women	100.0	15.3	9.8	5.5	84.7	29.2	4.0	9.8	41.6	0.1
2002 <i>Total</i>	100.0	30.1	13.1	17.0	69.9	20.2	8.3	8.8	32.2	0.4
Men	100.0	40.2	16.2	24.0	59.8	15.0	11.3	7.5	25.6	0.4
Women	100.0	16.0	8.8	7.2	84.0	27.5	4.1	10.7	41.3	0.4
Uruguay										
1991 <i>Total</i>	100.0	31.3	24.2	7.1	68.7	18.7	5.8	5.2	39.0	0.0
Men	100.0	37.3	25.6	11.8	62.7	19.4	8.6	5.5	29.2	0.0
Women	100.0	22.7	22.3	0.4	77.3	17.8	1.9	4.8	52.8	0.0
1995 <i>Total</i>	100.0	26.3	19.0	7.3	73.7	20.3	6.2	6.5	40.7	0.0
Men	100.0	34.1	21.6	12.5	65.9	20.3	9.3	6.6	29.8	0.0
Women	100.0	16.0	15.6	0.5	84.0	20.4	2.1	6.3	55.1	0.0
1999 <i>Total</i>	100.0	24.4	16.0	8.4	75.6	20.4	6.4	7.6	41.2	0.0
Men	100.0	33.3	18.8	14.5	66.7	20.7	9.2	7.6	29.3	0.0
Women	100.0	13.0	12.5	0.5	87.0	20.0	2.7	7.6	56.6	0.0
2001 <i>Total</i>	100.0	24.0	16.0	8.0	76.0	20.5	6.4	10.0	39.0	0.0
Men	100.0	33.7	19.3	14.3	66.3	21.1	10.0	10.7	24.5	0.0
Women	100.0	12.4	12.0	0.4	87.6	19.7	2.1	9.2	56.5	0.0
Venezuela										
1990 <i>Total</i>	100.0	29.1	20.2	8.9	70.8	24.3	7.0	6.6	32.9	0.1
Men	100.0	36.4	23.2	13.2	63.5	24.0	9.9	6.2	23.5	0.1
Women	100.0	15.8	14.8	1.0	84.1	24.8	1.6	7.4	50.2	0.1
1995 <i>Total</i>	100.0	24.9	15.6	9.3	75.1	26.6	7.2	6.6	34.4	0.2
Men	100.0	31.6	17.5	14.1	68.4	25.7	10.3	6.5	25.8	0.2
Women	100.0	13.4	12.3	1.1	86.6	28.3	1.8	6.9	49.3	0.4
1999 <i>Total</i>	100.0	25.5	16.3	9.2	74.5	28.9	7.6	5.5	32.4	0.1
Men	100.0	33.8	19.1	14.7	66.2	25.4	11.5	5.7	23.4	0.1
Women	100.0	12.9	11.9	0.9	87.1	34.1	1.6	5.2	46.1	0.1
2002 <i>Total</i>	100.0	22.9	14.2	8.8	77.1	29.8	8.1	5.4	33.5	
Men	100.0	30.9	16.4	14.5	69.1	25.7	12.8	5.8	24.5	
Women	100.0	11.8	11.1	0.8	88.2	35.5	1.6	4.8	46.1	

Source: ILO based on household surveys of the countries: Argentina (urban national), Barbados (total country), Brazil (urban area), Bolivia (9 main cities), Chile (total country), Colombia (10 metropolitan areas), Costa Rica (total country), Ecuador (urban area), El Salvador (total country), Honduras (total country), Jamaica (total country), Mexico (urban area), Panama (total country), Peru (Metropolitan Lima), Trinidad and Tobago (total country), Uruguay (total country) and Venezuela (urban area).

a/ Employed, excluding for in agricultural sector

b/ Includes manufacturing, mining, electric power, water and construction sectors.

c/ Includes trade, transportation, financial establishments and services.

d/ Corresponds to transportation, storage and communications.

e/ Financial establishments, insurance, real estate and services rendered to firms, including the housing sub-sector.

f/ Includes social and personal community services.

TABLE 8-A

**LATIN AMERICA: WAGE AND SALARIED WORKERS THAT
CONTRIBUTE TO SOCIAL SECURITY, BY SEX, AS A PERCENTAGE
OF THE TOTAL, 1990-2002**
(percentages)

Countries/Years	Informal Sector			Formal Sector	Total	
	Total	Domestic Service	Small Establishments ^{a/}			
Latin America						
1990	Total	29.2	17.6	34.7	80.6	66.6
	Men	32.5	35.5	32.5	79.1	68.4
	Women	27.0	16.6	39.5	82.8	65.1
1995	Total	24.2	19.1	28.3	79.3	65.2
	Men	25.4	32.0	24.8	78.2	66.6
	Women	24.0	18.0	37.5	81.1	65.7
2000	Total	27.2	23.2	29.4	79.6	64.6
	Men	26.6	31.9	26.6	78.4	66.0
	Women	27.9	22.7	37.6	81.5	62.9
2002	Total	26.2	21.5	28.2	78.9	63.7
	Men	25.5	29.2	25.6	77.9	64.9
	Women	27.0	20.9	35.7	80.6	62.3
Argentina						
1990	Total	24.9	7.8	38.1	86.2	61.9
	Men	34.8	25.5	35.0	83.0	70.0
	Women	24.9	6.8	34.3	86.2	61.9
2000	Total	21.7	6.3	26.4	70.9	55.8
	Men	25.9	0.0	26.0	71.3	59.1
	Women	17.3	6.4	27.2	70.3	51.4
2002	Total	22.7	7.1	26.9	64.6	52.3
	Men	27.3	0.0	27.3	64.5	53.8
	Women	17.6	7.1	26.1	64.9	50.5
Brazil						
1990	Total	38.7	24.9	45.8	86.1	74.0
	Men	43.9	44.0	43.9	85.4	76.9
	Women	33.8	24.1	50.6	87.5	69.5
1995	Total	27.7	20.5	34.4	82.9	66.5
	Men	30.8	39.5	30.0	81.6	70.9
	Women	25.6	19.1	44.6	85.0	61.0
1999	Total	32.3	27.1	36.8	82.0	67.0
	Men	32.5	44.0	31.4	80.2	69.8
	Women	32.0	25.8	48.6	84.7	63.7
2002	Total	32.4	28.1	36.0	82.2	67.2
	Men	31.7	42.0	30.7	81.0	70.1
	Women	32.9	27.1	46.6	84.1	63.9
Chile						
1990	Total	59.0	51.7	63.6	86.3	79.9
	Men	63.3	66.7	63.3	86.7	83.1
	Women	55.9	51.4	64.3	85.6	74.8
1996	Total	56.4	46.7	62.9	87.6	79.4
	Men	60.2	52.1	60.5	87.7	83.4
	Women	53.9	46.6	67.3	87.4	75.6
2000	Total	50.9	53.8	44.9	81.2	74.3
	Men	52.3	52.1	70.1	81.1	76.2
	Women	49.7	57.4	44.5	81.5	71.1

(continued...)

TABLE 8-A (continued)

**LATIN AMERICA: WAGE AND SALARIED WORKERS THAT
CONTRIBUTE TO SOCIAL SECURITY, BY SEX, AS A PERCENTAGE
OF THE TOTAL, 1990-2002**
(percentages)

Countries/Years	Informal Sector			Formal Sector	Total	
	Total	Domestic Service	Small Establishments a/			
Colombia						
1990	Total	25.7	12.5	27.1	77.2	62.6
	Men	25.1	51.3	25.0	74.8	60.4
	Women	26.7	10.8	32.0	81.1	66.1
2000	Total	31.6	31.2	31.8	82.2	66.1
	Men	29.4	38.1	29.2	80.5	65.8
	Women	33.5	30.8	36.3	84.3	66.4
Costa Rica						
1990	Total	51.7	40.0	55.9	88.6	78.5
	Men	55.2	59.5	55.2	88.4	80.8
	Women	47.6	39.3	57.7	89.0	74.3
1995	Total	49.3	35.6	53.7	90.4	79.0
	Men	50.7	31.7	51.1	90.1	80.8
	Women	47.5	35.8	59.9	90.9	76.1
2000	Total	46.7	38.7	49.9	86.5	74.9
	Men	47.9	38.5	48.1	86.3	77.2
	Women	45.7	38.7	63.2	87.0	71.5
2002	Total	44.5	34.9	47.2	88.3	75.5
	Men	45.6	58.1	45.3	87.2	76.2
	Women	43.1	33.6	51.9	90.4	74.1
Ecuador						
1990	Total	17.7	17.8	23.6	72.1	55.1
	Men	16.3	20.8	16.1	71.1	55.5
	Women	19.7	17.5	32.8	74.4	54.2
2000	Total	14.1	17.1	12.9	48.9	39.2
	Men	12.0	31.1	10.9	47.5	38.3
	Women	16.6	15.5	18.0	50.9	40.4
2002	Total	12.4	9.8	13.5	61.3	46.7
	Men	11.1	20.3	10.6	58.6	46.2
	Women	13.9	8.7	21.0	66.4	47.4
Mexico						
1990	Total	12.7	4.2	15.3	72.9	58.5
	Men	12.9	20.7	12.6	70.7	57.6
	Women	12.3	2.5	25.0	77.2	60.3
1995	Total	16.2	16.1	16.3	80.7	69.1
	Men	14.0	23.6	13.4	79.3	64.5
	Women	19.3	15.0	25.6	83.0	78.1
2000	Total	14.1	11.7	14.8	82.1	66.4
	Men	12.4	14.7	12.3	81.5	66.4
	Women	16.6	11.6	21.6	83.1	66.4
2002	Total	11.8	9.0	12.6	82.6	65.2
	Men	10.5	16.3	10.2	82.1	65.0
	Women	13.8	8.0	20.1	83.3	65.6
Panama						
2002	Total	29.5	30.6	28.9	87.6	74.3
	Men	25.4	37.2	24.6	85.2	73.5
	Women	34.3	29.8	45.7	91.5	76.1



TABLE 8-A (continued)

**LATIN AMERICA: WAGE AND SALARIED WORKERS THAT
CONTRIBUTE TO SOCIAL SECURITY, BY SEX, AS A PERCENTAGE
OF THE TOTAL, 1990-2002**
(percentages)

Countries/Years	Informal Sector			Formal Sector	Total	
	Total	Domestic Service	Small Establishments a/			
Paraguay						
2001	Total	4.4	1.3	6.5	48.3	29.1
	Men	5.1	2.4	5.3	44.8	30.0
	Women	3.8	1.2	10.1	54.5	27.9
Peru b/						
1990	Total	22.1	17.3	23.6	66.6	53.6
	Men	20.3	31.3	19.9	66.3	55.1
	Women	24.2	16.3	32.8	67.2	51.0
1995	Total	14.6	8.6	16.8	65.8	55.1
	Men	15.2	4.9	15.6	67.2	54.7
	Women	13.8	8.8	19.7	63.0	55.9
2000	Total	15.4	16.8	14.8	67.7	50.0
	Men	10.7	14.6	10.6	66.8	51.0
	Women	20.0	16.9	23.6	69.4	48.5
2002	Total	16.6	14.3	17.8	65.8	51.6
	Men	13.6	8.5	13.8	65.8	53.2
	Women	19.4	14.7	27.3	65.8	49.4
Uruguay c/						
1990	Total	63.6	44.8	73.0	88.9	82.6
	Men	70.0	42.1	70.2	88.5	85.0
	Women	58.8	44.8	77.8	89.7	79.1
1995	Total	92.4	92.4	92.4	97.5	96.2
	Men	90.8	91.7	90.8	97.1	96.0
	Women	93.4	92.4	95.2	98.0	96.4
1999	Total	94.4	95.2	93.8	97.8	97.0
	Men	92.5	96.5	92.5	97.4	96.6
	Women	95.5	95.2	95.9	98.4	97.4
2002	Total	96.7		96.7	98.7	98.2
	Men	94.4		94.4	98.6	97.8
	Women	98.2		98.2	98.9	98.7
Venezuela						
1995	Total	22.7	17.6	23.6	81.0	70.6
	Men	20.7	29.8	20.6	78.2	64.9
	Women	26.9	17.1	35.4	85.8	81.7
2000	Total	28.1	30.3	27.6	81.3	69.9
	Men	23.5	42.4	23.2	78.2	66.9
	Women	34.6	29.8	38.2	86.1	74.5
2002	Total	17.2	22.1	16.1	73.3	58.4
	Men	13.2	26.9	13.0	69.4	55.1
	Women	22.7	21.9	23.2	79.2	63.3

Source: ILO estimates based on information from household surveys and other official sources (revised series).

a/ Employed persons in establishments with a maximum of five workers.

b/ Corresponds to Metropolitan Lima.

c/ Corresponds to Montevideo.

TABLE 9-A

LATIN AMERICA: REAL MANUFACTURING WAGES, 1990-2003 a/
(1990=100)

Country	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2002 Until the third quarter d/	2003
Argentina	100.0	101.4	102.6	101.0	98.9	97.7	98.2	94.5	94.0	94.5	95.8	94.4	76.1	-17.8	-14.1
Barbados	100.0	92.9	89.9	90.9	88.9	87.9	99.7	102.2	...	...	...	...	...	...	...
Bolivia	100.0	99.1	100.1	101.5	110.5	108.8	109.1	117.7	120.5	127.7	130.3	132.5	139.3	4.3	...
Brazil	100.0	94.0	101.7	112.4	117.3	128.4	132.8	137.4	140.3	135.3	133.2	135.1	131.6	-1.9	-5.9
Chile	100.0	106.7	111.7	115.7	121.5	128.5	132.9	138.8	142.0	143.7	144.2	144.8	146.6	1.1	0.3
Colombia	100.0	99.4	100.7	105.4	106.3	107.7	109.1	112.3	112.5	114.3	118.6	119.1	122.2	1.7	-0.5
Costa Rica	100.0	96.7	97.3	112.1	114.6	112.0	110.2	115.0	119.1	124.3	137.0	137.2	...	...	...
Ecuador	100.0	104.6	113.5	127.7	139.0	152.9	161.2	157.5	151.2	138.7	132.1	134.7	161.0	15.4	-5.2
Honduras	100.0	98.0	112.7	143.6	108.9	100.7	93.9	96.5	99.7	119.5	...	...	...	...	...
Mexico	100.0	103.9	113.4	116.7	119.9	101.1	92.6	94.4	97.7	100.9	107.9	114.0	117.1	2.3	1.4
Panama	...	100.0	109.0	107.3	106.7	101.9	112.8	109.6	116.5	121.5	138.3	139.5	...	...	...
Paraguay	100.0	95.4	91.6	91.5	93.3	98.5	99.1	98.9	99.2	95.3	98.7	112.9	102.8	-7.1	-1.9
Peru	100.0	118.2	113.6	111.0	131.4	126.4	123.2	122.9	125.1	122.5	123.2	126.1	126.8	0.5	5.9 e/
Uruguay	100.0	104.5	106.0	111.7	110.9	104.2	103.0	102.6	103.6	103.5	102.2	100.4	89.0	-10.3	-14.0
Venezuela	100.0	91.4	87.1	82.2	85.8	80.7	68.1	85.5	90.1	81.5	82.8	84.7	75.9	-9.3	-19.8 e/
Average b/	100.0	100.4	103.4	108.7	110.2	109.2	109.7	112.4	115.1	115.9	118.8	121.2	117.1	-1.9	-5.4
c/	100.0	97.9	103.5	109.3	112.7	114.0	113.9	117.3	119.5	117.3	118.4	121.3	118.3	-2.6	-4.8

Source: ILO, based on official country data.

a/ The period 1990-2002 corresponds to the annual series.

b/ Simple average. Does not include Honduras or Barbados.

c/ Weighted average. Does not include Honduras or Barbados.

d/ Corresponds to the annualized growth rate of the first three quarters.

e/ January-June average.



TABLE 10-A

**LATIN AMERICA: REAL URBAN
MINIMUM WAGES, 1990-2003 a/
(1990=100)**

Country	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2002 2003	
														Until the third quarter e/	
Argentina b/	100	131.8	112.8	174.4	202.0	195.5	195.2	194.2	192.4	194.7	196.6	198.7	160.0	-16.4	0.3
Bolivia b/	100	163.4	164.0	178.9	196.9	193.2	185.8	191.0	222.6	232.4	246.5	273.4	291.2	6.9	-0.8
Brazil b/	100	117.0	102.0	115.3	109.7	121.1	120.5	124.3	128.5	130.4	134.0	148.8	155.3	5.7	1.0
Chile b/	100	109.0	113.8	119.4	123.9	129.3	134.6	139.4	147.7	160.9	172.5	179.1	184.3	3.1	0.9
Colombia b/	100	97.9	96.3	98.9	97.2	96.9	95.1	97.1	97.0	101.4	102.1	104.0	105.7	1.7	0.1
Costa Rica c/	100	96.9	98.6	102.7	105.8	102.1	101.9	105.9	109.9	112.2	111.5	112.2	112.6	1.1	0.5
Dominican Republic b/	100	116.5	137.5	130.6	139.0	139.7	140.5	142.5	148.5	155.7	155.6	157.1	...	...	...
Ecuador b/	100	91.2	97.3	111.5	121.2	146.0	154.3	149.0	138.0	130.0	118.0	121.1	119.0	-3.9	-3.9 f/
El Salvador c/	100	102.1	86.1	105.9	110.0	108.6	103.5	99.0	102.3	104.8	102.6	98.8	97.0	-1.7	0.5
Guatemala c/	...	100.0	103.9	91.6	90.1	103.6	102.7	94.0	98.7	102.4	107.1	115.6	116.0	-0.6	-0.6 g/
Haiti b/	100	93.8	78.0	60.1	43.2	81.2	67.3	57.9	51.4	47.3	41.7	43.0	...	...	...
Honduras c/	100	102.0	122.2	123.2	101.1	97.9	101.8	100.5	101.4	98.8	102.2	104.7	109.8	-0.9	6.6 g/
Mexico b/	100	94.3	91.2	90.0	89.8	79.3	72.2	71.4	71.8	69.4	69.8	70.1	70.6	0.8	-0.3
Panama c/	100	98.7	97.1	108.9	107.5	107.3	112.1	110.8	113.7	117.5	118.9	123.0	121.7	-0.9	-0.8
Paraguay b/	100	95.2	86.8	83.4	85.7	85.4	87.2	91.9	90.7	86.5	90.3	93.5	93.1	0.1	3.4
Peru b/	100	69.6	72.9	56.7	67.1	68.7	71.0	127.6	145.5	140.7	156.2	158.4	158.1	0.2	-1.9
Uruguay b/	100	91.5	87.3	74.9	66.9	62.4	60.3	59.0	61.4	61.7	60.6	59.8	53.7	-7.4	-15.0
Venezuela b/	100	111.4	127.2	92.0	95.5	97.3	83.5	73.9	76.1	76.4	78.8	78.1	75.9	-1.0	-15.9
Average d/	100	104.6	104.2	106.6	108.5	112.0	110.5	112.7	116.5	118.0	120.3	124.4	123.6	-0.8	-1.6

Source: ILO, based on official country data.

a/ The period 1990-2002 corresponds to the annual series.

b/ National minimum wage.

c/ Lowest minimum of industrial wage.

d/ Simple average.

e/ Corresponds to the annualized growth rate of the first three quarters.

f/ Beginning in April 2000, wages were standardized and dollarized.

g/ Change in the January-June average.

TABLE 11-A

LATIN AMERICA AND THE CARIBBEAN CONSUMER PRICES, 1994-2003
(percentage change, December to December)

Country	1994	1995	1996	1997	1998	1999	2000	2001	2002	2002	2003
										Until the third quarter b/	
Argentina	3.9	1.6	0.1	0.3	0.7	-1.8	-0.7	-1.5	41.0	21.1	18.5
Bolivia	8.5	12.6	7.9	6.7	4.4	3.1	3.4	0.9	2.4	0.5	3.2
Brazil	916.4	22.4	9.6	5.2	1.7	8.9	6.0	7.7	12.5	7.7	15.9
Chile	8.9	8.2	6.6	6.0	4.7	2.3	4.5	2.6	2.8	2.3	3.4
Colombia	22.6	19.5	21.6	17.7	16.7	9.2	8.8	7.6	7.0	6.2	7.4
Costa Rica	...	22.6	13.9	11.2	12.4	10.1	10.2	11.0	9.7	8.9	9.3
Dominican Republic	14.3	9.2	4.0	8.4	7.8	5.1	9.0	4.4	10.5	...	...
Ecuador	25.3	22.8	25.6	30.7	43.4	60.7	91.0	22.4	9.4	13.4	8.4
El Salvador	8.9	11.4	7.4	1.9	4.2	-1.0	4.3	1.4	2.8	1.8	2.0
Guatemala	11.6	8.6	10.9	7.1	7.5	4.9	5.1	8.9	6.3	9.1	5.6 c/
Haiti	32.2	24.8	14.5	15.7	7.4	9.7	19.0	8.1	14.8	...	...
Honduras	29.1	26.9	25.2	12.7	15.7	11.0	10.1	8.8	8.1	7.7	7.8 d/
Mexico	7.1	52.0	27.7	15.7	18.6	12.3	9.0	4.4	5.7	5.0	4.8
Panama	1.4	0.8	2.3	-0.5	1.4	1.5	0.7	0.0	1.9	0.9	1.4
Paraguay	18.3	10.5	8.2	6.2	14.6	5.4	8.6	8.4	14.6	9.2	16.0
Peru	15.4	10.2	11.8	6.5	6.0	3.7	3.7	-0.1	1.5	-0.2	2.6
Uruguay	44.1	35.4	24.3	15.2	8.6	4.2	5.1	3.6	25.9	10.2	23.1
Venezuela	70.8	56.6	103.2	37.6	29.9	20.0	13.4	12.3	31.2	19.4	33.1
Average a/	72.9	19.8	18.0	11.4	11.4	9.4	11.7	6.2	11.6	7.7	10.2

Source: ILO, based on ECLAC data and official country information.

a/ Simple average.

b/ Change of the CPI in September of the year stated with respect to September of the previous year.

c/ Change of the CPI in June of the year stated with respect to June of the previous year.

d/ Change of the CPI in August of the year stated with respect to August of the previous year.



TABLE 12-A

**LATIN AMERICA AND THE CARIBBEAN
GROSS DOMESTIC PRODUCT, 1994-2002**
(annual percentage changes)

Country	1994	1995	1996	1997	1998	1999	2000	2001	2002 a/	1994-2002
Latin America										
Argentina	5.8	-2.9	5.5	8.0	3.8	-3.4	-0.8	-4.4	-10.9	-0.1
Bolivia	4.8	4.7	4.5	4.9	5.0	0.3	2.3	1.6	2.7	3.4
Brazil	6.2	4.2	2.5	3.1	0.1	1.0	4.0	1.5	1.4	2.6
Chile	5.0	9.0	6.9	6.8	3.3	-0.5	4.2	3.2	2.1	4.4
Colombia	5.9	4.9	1.9	3.3	0.8	-3.8	2.5	1.5	1.5	2.0
Costa Rica	4.6	3.9	0.8	5.4	8.0	8.0	1.8	1.2	2.6	3.9
Dominican Republic	4.7	4.3	7.2	8.2	7.4	8.0	7.3	3.0	4.3	5.9
Ecuador	3.7	2.1	3.0	5.2	2.2	-5.7	0.9	5.5	3.8	2.2
El Salvador	6.0	6.2	1.8	4.2	3.8	3.4	2.1	1.9	2.2	3.4
Guatemala	4.1	5.0	3.0	4.4	5.1	3.9	3.4	2.6	2.2	3.7
Haiti	-17.6	9.5	5.6	3.2	2.9	2.9	2.0	-0.6	-0.5	0.5
Honduras	-1.9	3.7	3.7	4.9	3.3	-1.5	5.6	2.7	2.4	2.5
Mexico	4.5	-6.2	5.4	6.8	5.0	3.7	6.8	-0.5	0.8	2.8
Nicaragua	4.0	4.4	5.1	5.4	4.1	7.5	6.5	3.2	0.7	4.4
Panama	3.1	1.9	2.7	4.7	4.6	3.5	2.6	0.4	0.8	2.7
Paraguay	3.0	4.5	1.1	2.4	-0.6	-0.1	-0.6	2.4	-2.3	1.1
Peru	12.7	8.6	2.5	6.9	-0.5	0.9	2.5	-0.1	5.3	4.1
Uruguay	7.0	-2.3	5.0	5.4	4.4	-3.4	-1.9	-3.5	-10.7	-0.2
Venezuela	-3.0	4.8	0.0	6.9	0.6	-5.5	3.8	3.5	-9.0	0.1
The Caribbean										
Barbados	4.4	1.9	2.5	2.6	4.0	3.0	3.1	-2.2	-0.4	2.1
Belize	1.5	3.7	1.3	4.4	2.0	6.0	10.5	4.7	3.7	4.1
Dominica	1.9	1.2	2.9	2.2	3.1	1.3	1.3	-5.4	-6.0	0.2
Guyana	9.4	3.1	7.4	6.8	-2.2	5.0	-2.3	2.3	1.5	3.3
Jamaica	1.6	2.2	-0.1	-1.8	-0.8	0.6	1.0	1.8	0.9	0.6
Trinidad and Tobago	4.2	4.2	4.4	4.0	5.3	7.8	9.2	4.3	3.0	5.0
Latin America and the Caribbean										
	5.2	1.1	3.8	5.1	2.2	0.5	3.8	0.4	-0.6	2.3

Source: ILO, based on ECLAC data. Official figures were converted to dollars at constant 1995 prices.

a/ Preliminary figures.

TABLE 13-A

**LATIN AMERICA: FORECASTS FOR THE
URBAN UNEMPLOYMENT RATE BY SEMESTER, 2003-2004***
(percentages)

	2000			2001			2002			2003			2004
	I	II	Annual	I	II	Annual	I	II	Annual	I	II	Annual	Annual
Latin America a/													
1/	8.8	8.2	8.5	8.3	8.2	8.3	9.2	8.9	9.1				
2/					10.5	10.5	11.1	10.4	10.8	10.8	10.6	10.7	10.0
Selected countries b/													
1/	8.7	7.8	8.2	8.1	8.2	8.2	9.1	8.7	8.9				
2/					10.5	10.5	11.4	10.6	11.0	11.0	10.8	10.9	10.1
Argentina	15.4	14.7	15.1	16.4	18.4	17.4	21.5	17.8	19.7	15.6	14.8	15.2	14.5
Brazil		7.8	6.5	7.1	6.3	6.2	6.2	7.3	7.4	7.4			
2/					11.3	11.3	12.1	11.3	11.7	12.2	12.0	12.1	11.7
Chile	8.8	9.5	9.2	9.3	9.0	9.1	9.2	8.7	9.0	8.7	8.5	8.6	8.0
Colombia	17.3	16.7	17.0	17.8	16.0	16.9	16.9	15.5	16.2	16.3	15.3	15.8	15.2
Ecuador	10.8	8.7	9.7	8.7	7.2	7.9	6.6	6.2	6.4	6.7	6.4	6.6	6.3
Mexico	2.2	2.2	2.2	2.4	2.4	2.4	2.7	2.7	2.7	2.9	3.6	3.3	2.6
Peru c/	6.8	7.2	7.0	9.2	9.2	9.2	10.3	8.5	9.4	9.7	8.9	9.3	9.1
Uruguay	13.2	14.1	13.6	15.5	15.2	15.3	15.2	18.8	17.0	18.1	15.8	17.0	14.5
Venezuela	14.6	13.2	13.9	14.1	12.8	13.5	15.7	16.2	15.9	19.6	17.8	18.7	14.5
Rest of the countries d/	10.2	11.3	10.7	9.8	7.9	8.8	8.7	9.2	8.9	9.2	9.3	9.2	9.0

Source: ILO, based on the Employment and Unemployment Projection Model.

* The figures correspond to forecasts in a «moderate» GDP growth scenario.

a/ Weighted averages.

b/ The selected countries represent 94% of the urban labour force.

c/ Corresponding to Metropolitan Lima beginning in 2001.

d/ Includes the group of Central American countries, Bolivia, Paraguay and the Dominican Republic. These countries represent 6% of the total urban labour force of the region.

1/ Using with the old Brazilian series.

2/ Using with the new Brazilian series.

TABLE 14-A

**LATIN AMERICA: FORECAST FOR THE ANNUAL GDP
GROWTH RATE, 2003-2004***
(annual percentage change)

	2000			2001			2002			2003			2004
	I	II	Annual	I	II	Annual	I	II	Annual	I	II	Annual	Annual
Latin America a/	4.1	3.6	3.9	1.6	-0.9	0.4	-1.7	0.6	-0.6	1.1	1.9	1.5	3.5
Selected countries b/	4.1	3.6	3.8	1.6	-1.1	0.3	-2.4	0.4	-1.0	1.0	2.1	1.5	3.5
Argentina	0.4	-1.2	-0.4	-1.1	-7.7	-4.4	-15.0	-6.6	-10.8	6.5	5.0	5.8	4.0
Brazil	4.3	4.6	4.5	3.2	0.6	1.9	0.1	3.0	1.6	0.3	2.0	1.2	3.0
Chile	4.2	4.2	4.2	3.7	2.5	3.1	1.5	2.8	2.2	3.2	3.8	3.5	4.5
Colombia	2.7	3.2	3.0	2.0	0.8	1.4	1.0	2.0	1.5	3.0	2.0	2.5	3.0
Ecuador	-0.1	4.8	2.4	6.3	4.0	5.2	2.6	4.2	3.4	1.1	3.9	2.5	4.0
Mexico	7.7	6.2	7.0	1.1	-1.6	-0.3	0.1	1.9	1.0	1.3	1.8	1.5	3.5
Peru	5.5	0.8	3.2	-1.6	2.1	0.3	4.2	6.2	5.2	4.6	3.4	4.0	4.0
Uruguay	-1.5	-1.5	-1.5	-1.6	-5.0	-3.3	-8.1	-13.4	-10.8	-6.8	1.9	-2.5	4.5
Venezuela	1.9	4.5	3.2	3.5	2.1	2.8	-6.4	-11.1	-8.8	-18.5	-7.4	-13.0	7.7
Rest of the countries c/	4.3	4.0	4.2	1.4	0.7	1.0	2.8	1.6	2.2	1.6	1.0	1.3	3.4

Source: ILO, based on official data and estimates, IMF, ECLAC, World Bank, IFI and JP Morgan.

* The figures correspond to forecasts in a «moderate» GDP growth scenario. The growth rates correspond to GDP in constant values of the local currency of each country.

a/ Weighted averages.

b/ The GDP of the group of selected countries represents 95% of the total GDP for the region.

c/ Includes the group of Central American countries, Bolivia, Paraguay and the Dominican Republic. These countries represent 5% of the total GDP for the region.

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