

# ECLAC / ILO Bulletin

## The employment situation in Latin America and the Caribbean

June 2010  
Number 3



### Crisis, stabilization and reactivation: performance of the labour market in 2009

#### Foreword

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Following a five-year period during which economic and social performance in Latin America and the Caribbean surpassed anything seen in recent decades, the global economic and financial crisis not only hurt macroeconomic variables but also impacted heavily on labour markets in the region's countries. Between 2003 and 2008 employment rates had risen considerably, especially in the formal sector, but the crisis spelled a reversal of this trend.

Nevertheless, the region was better prepared than it had been in previous crises, since it had achieved a sound fiscal footing, a good level of international reserves and low rates of inflation. This meant that the authorities had the space to implement countercyclical policies on both fiscal and monetary levels. Be this as it may, faced with the worst global crisis since the Great Depression of the 1930s, these measures could only attenuate the impact on the region's economies —they could not prevent it altogether. Furthermore, the crisis struck with notable differences among subregions and countries depending on the nature of their trade integration, and not all the countries had the fiscal space to implement vigorous countercyclical policies.

As discussed in this third ECLAC/ILO bulletin, the crisis did less damage to the region's labour markets than had been feared at the beginning of last year, thanks to the implementation of public policies geared towards employment, as reviewed in the two previous bulletins. This bulletin offers an additional analysis from the perspective of gender equality. Moreover, some countries in the region, notably Brazil, managed to rapidly stabilize and revive economic growth, with positive effects on labour variables.

The fact remains, however, that millions in Latin America and the Caribbean lost their jobs or were obliged to accept more poorly paid employment in more precarious conditions.

The macroeconomic data indicate that recovery is under way and is stronger and occurring more rapidly than foreseen one year ago. In fact, regional growth in 2010 may well exceed the 4.1% forecast at the end of 2009. Consequently, although the unemployment rate may be expected to record a modest drop, it may not return to pre-crisis levels.

The upturn is taking many different forms in the countries of the region. In some, especially in South America, recovery has benefited from the buoyancy of the Asian economies, whose demand for natural resources has driven large increases in exports, in terms of both volume and price. Countries whose economies are closely tied to the United States economy are benefiting from the recovery there, albeit more slowly and with a certain lag. Conversely, some countries are still suffering from major disequilibria, which are hampering their economic

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reactivation. Lastly, Chile and Haiti were both victims of devastating earthquakes early in the year and are therefore facing additional challenges associated with reconstruction, on top of their efforts to sustain an economic upturn.

Despite the relatively favourable outlook for regional growth in 2010, great uncertainty still surrounds the global economy's recovery, which affects the region's economic prospects over the longer term. The weakness of the recovery in some regions and the doubts about its sustainability in others, as well as shocks that have occurred in international financial markets, are warning signs which authorities need to monitor continuously because of the region's close integration with the global economy.

In addition, a return to growth does not directly or automatically mean higher employment rates —still less decent working conditions. Although some labour indicators have performed reasonably favourably since the end of last year, the countries still face daunting challenges in improving the labour market integration of millions in Latin America and the Caribbean who are not seeing the fruits of renewed growth. This is why it is important to learn the lessons arising from the policies implemented during the crisis to offset its impact on labour markets.

With this third joint bulletin, ECLAC and ILO continue to pursue their objective of affording the region the information and analyses needed to face these challenges, as regards both trends in the region's labour markets and the corresponding policy options.

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## Introduction

During the first part of 2010, the Latin American and Caribbean region has been well on its way to recovery from the first crisis to take place since the early 1980s, which impacted all of the region's countries. Although the dynamics of the recovery differ markedly from one country to another, the prospects for growth for the region as a whole have improved significantly. The economic and financial crisis that erupted in 2008 and set the course of the global economy in 2009 did indeed have a significant impact on the economy of Latin America and the Caribbean: the regional product contracted by approximately 1.9% and the per-capita product fell by some 3% in 2009. This was the worst performance since the debt crisis of the early 1980s. Inevitably, the contraction was reflected in the region's labour markets in the form of falling employment levels, a rising unemployment rate and deteriorating average employment quality.

Nevertheless, the impact on the labour market was not as strong as initially forecast; the unemployment rate rose by 0.8 percentage points instead of more than 1 percentage point as feared in the middle of last year.<sup>1</sup> Contributing factors were the global economic recovery beginning in mid-2009, countercyclical policies adopted in several of the region's countries and wage purchasing power stability thanks to falling inflation, which checked the fall in domestic demand. In addition, the open unemployment rate rose less than had been feared, as the labour supply was contained by the drop in youth participation in the labour market.

Even so, the crisis interrupted the steady improvement in labour indicators that began in 2003 in the context of relatively high economic growth, and it worsened the employment situation for millions of people who fell into open unemployment, faced deteriorating working conditions at the jobs they did have, or were obliged to accept new jobs in worse conditions than their

previous employment. With some differences between countries, the region's labour markets reflected the impact of the crisis from the fourth quarter of 2008 on, showing signs of stabilizing in mid-2009 and of improvement towards year-end.

The first part of this bulletin has three sections. The first examines the evolution of the principal labour indicators for the entire year. In this context, a region-wide review was a priority, although some differences between countries are mentioned. The second section explains the different ways in which the labour markets adjusted to the impact of the economic crisis. The third section looks beyond yearly averages to show that the region's labour markets went through markedly different phases in the course of the year and refers to the impact of the crisis during the first half-year and stabilization and incipient recovery in the second half.

The second part of the bulletin looks at policies that governments implemented to deal with the crisis and that broadened opportunities for women and promoted gender equity. These policies include measures seeking to protect the income of the most vulnerable workers—which indirectly benefit women because of their high concentration in this group—and job retention and promotion programmes targeted at including women.

Some employment programmes and public investment policies geared to expanding the social and caregiving structure have sought to address the effects that family responsibilities have on women's position in the labour market. Over the medium term, a fiscal environment that is more favourable to social investment does more than foster job creation for women. Developing infrastructure and care services will also make it possible to redistribute the time that women spend on caregiving and thus facilitate their incorporation into the labour market.

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<sup>1</sup> See, for example, ECLAC/ILO, *Crisis and the labour market, The employment situation in Latin America and the Caribbean*, Bulletin No. 1, June 2009.

## A. The labour markets in the context of crisis and incipient recovery

### 1. The principal labour indicators

The year 2009 marked the end of a period of gradual improvement in employment, unemployment and underemployment indicators. At the regional level, the employment rate for the year as a whole was 0.5 percentage points lower than in 2008. This decline was fairly generalized, sparing only four countries (see annex table A-3).<sup>2</sup> Hence, for the region as a whole the marked correlation between the rate of economic growth and the employment rate variation observed in prior years continued to hold.

Weak economic growth was evinced above all in private wage employment, as labour demand contracted in a context of falling production levels. In simple average terms for 10 countries on which information is available, private wage employment fell by 0.7% and the weighted average decreased by 0.5%.

This contraction was offset quantitatively, but not qualitatively, by two factors: rising public employment and an increase in own-account and unpaid family work. For the 10 countries, public employment increased by 3.0% in simple average terms and 3.8% in weighted average terms. In some countries, the increase in public employment reflects long-term strategies that attribute to the State a larger role in development. In others it shows, above all, the greater stability of this kind of employment in times of crisis and, in some cases, brings to light the role of emergency public employment programmes. As a result, wage employment overall was practically stable, with a slight expansion of 0.2% in simple average terms and 0.3% in weighted average terms.

The increase in own-account and unpaid family work (4.0% in simple average terms and 1.8% in weighted average terms) should be seen as a reaction to weak labour demand from companies and the need for households to generate labour income. This increase halted the relative shrinkage of the informal sector observed in prior years. Detailed processing of information from five of the region's countries (Colombia, Ecuador, Mexico, Panama and Peru) indicates that employment in the informal enterprise sector has risen from 37.9% to 38.7% of urban employment (ECLAC/ILO, 2010).

This information also shows that, unlike previous crises, there was no informalization within the formal sector. For these five countries as a whole, the contribution of formal enterprises

to urban employment fell from 57.7% to 56.8%. Within this sector, however, the proportion of wage earners with no formal employment relationship remained practically stable, with a decrease as a percentage of total urban employment that mirrored that of formal employment within the formal sector. It can thus be concluded that for most of the countries reviewed, companies have been more cautious than in the past when it comes to informalizing employment as a strategy to deal with the crisis. Enforcement of labour laws could have contributed to this, as could, possibly, a larger dose of corporate social responsibility. Further deterioration of job quality during the crisis was thus avoided.

Output contraction was centred in the secondary sector of the economy, above all in the manufacturing industry and in construction. While construction sector contraction reflected cooling domestic demand, in many countries the manufacturing industry also was hit by a decrease in external demand. By contrast, the tertiary sector showed a certain stability thanks in part to countercyclical public policies. Farm sector behaviour was mixed and in some cases was impacted by bad weather and falling external demand.

This product trend by sectors was reflected in employment dynamics. In simple average terms for 15 countries, manufacturing industry and construction employment as a percentage of total employment declined by 0.6 percentage points and 0.3 percentage points, respectively. The main components of the tertiary sector—commerce and community, social and personal services—grew at a moderate pace (0.3 percentage points and 0.2 percentage points, respectively) due to the two processes mentioned above: the increase in public employment and the expansion of the informal sector.

Farm sector behaviour was mixed. In Chile, Costa Rica and Trinidad and Tobago it declined as a percentage of total employment, in keeping with a long-term trend, while in other countries such as Colombia, the Dominican Republic, Ecuador, Honduras and Jamaica the proportion increased due, possibly, to the campesino economy's capacity to retain and absorb people who do not find employment in more productive activities.

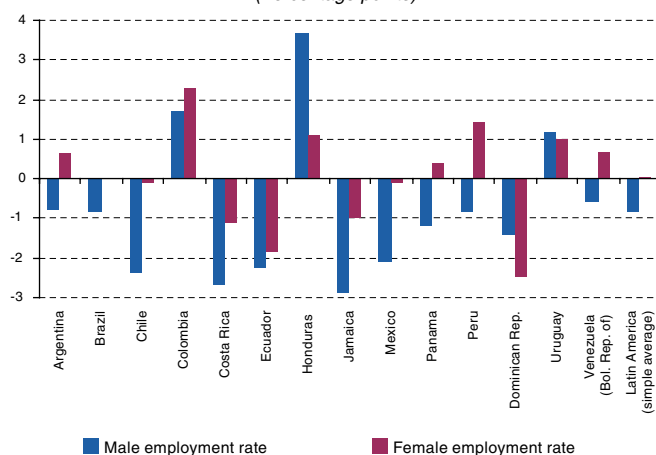
As for the sectoral impact of the crisis on the labour market for the year as a whole, male employment was, in general, hit harder than female employment (see annex table A-4).<sup>3</sup> In 11 of 14 countries for which information is available, the employment

<sup>2</sup> Both ECLAC and ILO usually calculate regional data on the basis of official labour information from the countries. Occasionally there are slight discrepancies between the regional data published by the two institutions, due to differences in the countries considered, the coverage of the information used and the weighting mechanisms applied. These discrepancies refer to data levels, but the variations observed in a given period usually point to the same trend. The tables in the annex to this bulletin show regional data calculated by ILO.

<sup>3</sup> Unlike annex tables A-1, A-2 and A-3, which show information at the urban level, annex table A-4 and the graphs based on it show data at the national level when available. The analysis of gender-differentiated labour market behaviour also holds for urban areas.

rate change was more favourable or less unfavourable for women than for men. The only exceptions were Honduras, with a significant increase in male employment centred in the farm sector (where male employment rose by 17%), the Dominican Republic (due, possibly, to the contraction of tourism and free trade zones, both of which have a high proportion of female employment) and Uruguay (where the difference was small). In simple average terms for the 14 countries with information, the employment rate fell by 0.8 percentage points for men and remained practically stable for women. The female employment rate rose in 7 of the 14 countries, held stable in 1 and declined in 6; the male employment rate fell in 11 countries.

Figure 1  
LATIN AMERICA AND THE CARIBBEAN (SELECTED COUNTRIES):  
VARIATION IN THE EMPLOYMENT RATE BY SEX, 2009  
(Percentage points)



Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of household surveys conducted in the respective countries.

Note: See annex table A-4 for further detail.

Besides this differentiated sectoral impact of the crisis, the long-term trend on the supply side also contributed to the increase in female employment. The incorporation of women into the labour market did not stop growing in 2009—the participation rate increased in 10 of the 14 countries and is reflected in a 0.4-percentage-point rise in this rate in simple average terms.<sup>4</sup> In the context of weak labour demand, most of the increased labour supply had to turn to low-productivity activities. Another segment of job-seekers found no employment and added to the unemployment rate.

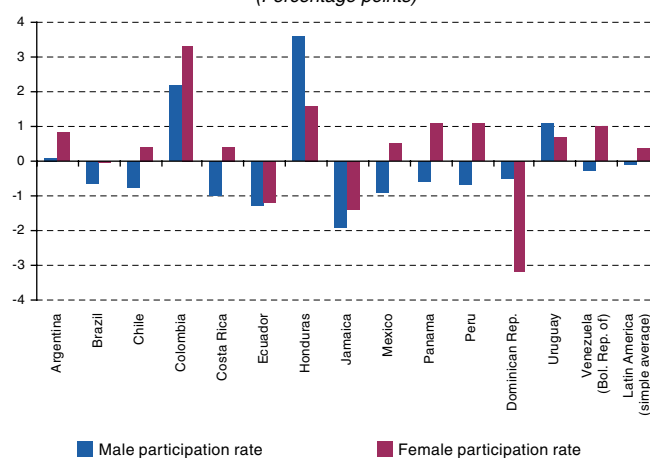
The male participation rate dropped by 0.1 percentage points in simple average terms, declining in 10 of the 14 countries.

This decrease is closely linked to a marked decline in the youth participation rate. In six of the nine countries with information available (Argentina, the Bolivarian Republic of

<sup>4</sup> The Dominican Republic was again an exception, with the female participation rate falling by 3.2 percentage points. Excluding the Dominican Republic yields an increase of 0.6 percentage points in simple average terms.

Venezuela, Brazil, Chile, Mexico and Peru), the participation rate for young men and women fell while the adult rate showed little change.<sup>5</sup>

Figure 2  
LATIN AMERICA AND THE CARIBBEAN (SELECTED COUNTRIES):  
VARIATION IN THE PARTICIPATION RATE BY SEX, 2009  
(Percentage points)



Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of household surveys conducted in the respective countries.

Note: See annex table A-4 for further details.

This opposing behaviour was reflected in the overall participation rate for the region, which, in weighted average terms, remained stable, thus attenuating the impact of the falling employment level on the unemployment rate. As annex table A-2 shows, the behaviour of the overall participation rate varied widely among the countries: some, such as Brazil, Ecuador and Jamaica, showed clear procyclical behaviour and others, such as Colombia and Honduras, posted a marked increase in participation.

For the year as a whole, the regional unemployment rate rose by 0.8 percentage points, from 7.3% to 8.1%, thereby putting an end to five consecutive years of decreases.<sup>6</sup> The number of urban unemployed in the region swelled by nearly 2.2 million, to total 18.1 million people. As annex table A-1 shows, the increase in the unemployment rate was fairly generalized, both in Latin America and in the Caribbean.

The differentiated performance of male and female participation and employment rates resulted, in general, in a greater rise in unemployment for men than for women, although the difference in the impact of the crisis on this indicator was less marked than for the employment rate. In simple average terms for the 14 countries, the male unemployment rate increased by

<sup>5</sup> In Colombia and Honduras, the participation rate increased for both youths and adults, while in the Dominican Republic it fell for both age groups.

<sup>6</sup> The regional data come from a new calculation covering more countries and hence differ slightly from those published in previous bulletins (see annex table A-1).

1.0 percentage point and the female unemployment rate rose by 0.8 percentage points.<sup>7</sup>

Despite the differentiated impact of the 2009 crisis, which hit men harder than women, there remain, in absolute terms, large gaps in the participation, employment and unemployment indicators, which reflect the disadvantages women face in seeking a place in the labour market. Specifically, the national unemployment rate among women for 12 countries rose to 10.8% in simple average terms while the rate for men averaged 7.0% (see annex table A-4).

Lastly, unlike previous crises often characterized by high inflation, after the marked price level increase in 2008 inflation eased considerably in the region's countries, due chiefly to the drop in international fuel and food prices. This in turn contributed to the increase in real wages despite the fact that nominal wages rose less than in 2008 (ECLAC, 2009). This situation helped stabilize the purchasing power of households and thus averted a further contraction in domestic demand with the additional help of policies implemented in many countries to defend the purchasing power of minimum wages (ILO, 2009).

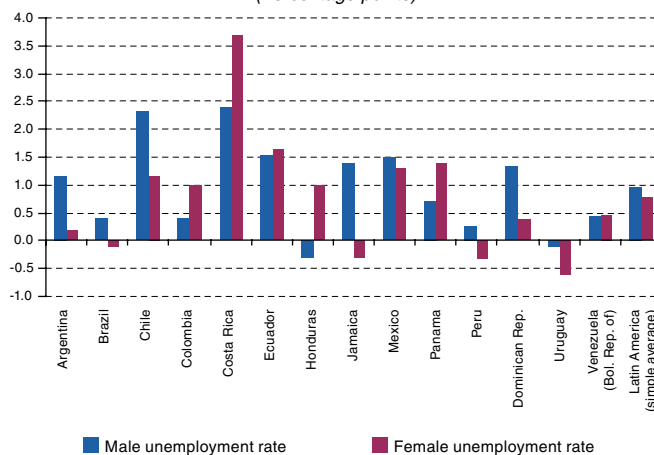
## 2. Mechanisms of labour market adjustment to the crisis

The region's labour markets did not all adjust in the same manner after the economic crisis broke out. Specifically, while at the regional level there is a tight correlation between economic growth and changes in the employment rate, this correlation is not as clear in the comparison between countries (see figure 4, which shows considerable dispersion).<sup>8</sup>

One possible explanation for the weakness of this correlation could be the difference in wage flexibility. The hypothesis would be that in countries with greater wage flexibility the crisis would have exerted downward pressure on wages, thus attenuating its impact on employment. Yet, as figure 5 shows, there has been no significant correlation between changes in the employment rate and wage variation.<sup>9</sup>

The lack of a significant link between changes in wages and employment may be due in part to the aforementioned pattern of inflation, which led to higher average real wages despite the

Figure 3  
LATIN AMERICA AND THE CARIBBEAN (SELECTED COUNTRIES):  
VARIATION IN THE UNEMPLOYMENT RATE BY SEX, 2009  
(Percentage points)

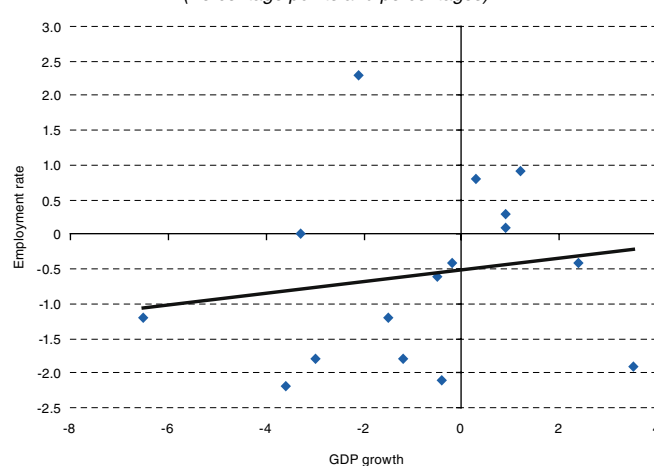


Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of household surveys conducted in the respective countries.

Note: See annex table A-4 for further details.

adverse macroeconomic and labour context. Domestic demand thus stabilized and, unlike in previous crises, helped end this one more quickly.

Figure 4  
LATIN AMERICA AND THE CARIBBEAN: VARIATION IN THE  
EMPLOYMENT RATE AND GDP GROWTH, 2009  
(Percentage points and percentages)



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

<sup>7</sup> The median figures show a slightly larger difference: 1.3 percentage points for men and 0.8 percentage points for women.

<sup>8</sup> This correlation is greater and more significant in countries with higher per capita income and is smaller and less significant in the poorer countries (Weller, 2010).

<sup>9</sup> This is confirmed by a small exercise with minimum ordinary squares for nine countries, showing that GDP variation had a positive impact on changes in the employment rate (significant at 5.3%) while wage variation would have had a negative, albeit not significant, impact.



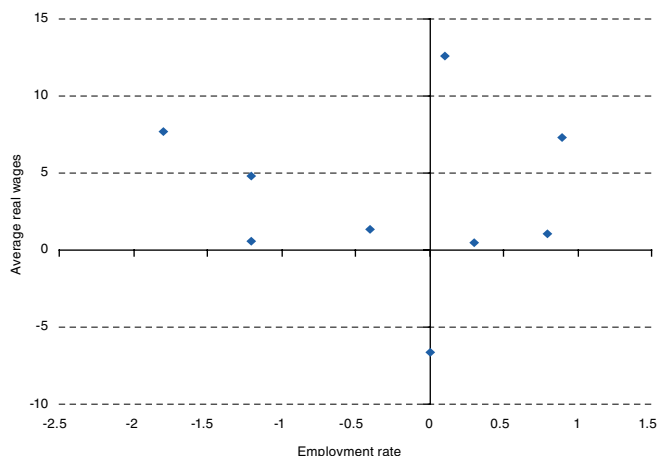
As a result, the main disjunction regarding the adjustment variable was not “wages or employment” but rather “employment or labour productivity”.<sup>10</sup> This disjunction is also reflected in the evolution of self employment and unpaid family work as a percentage of total employment. As noted earlier, these types of employment partially offset weak labour demand by companies and, in countries where these categories grew the most, the employment rate tended to rise at the expense of average productivity.

As figure 6 shows, countries where the employment rate rose saw average labour productivity fall sharply; these include the Bolivarian Republic of Venezuela, Colombia, Cuba, Honduras and Peru. In another group of countries, including the Bahamas, the Dominican Republic, Ecuador, Panama, and Trinidad and Tobago, the adjustment variable was employment, whose rate fell heavily. Lastly, in a third group of countries, among which are the region’s largest, adjustments were distributed between both variables.

To what degree is the labour market adjustment expressed in the unemployment rate? As could be expected, and as figure 7 shows, albeit qualified by the behaviour of the participation rate, the employment rate is negatively correlated with the unemployment rate. Therefore, in countries with greater employment rate contraction, the adjustment through employment translated into an adjustment via higher unemployment. By contrast, the sharp expansion of vulnerable categories in low-productivity activities entailed a smaller increase in open unemployment and may be supposed to have helped push up underemployment.

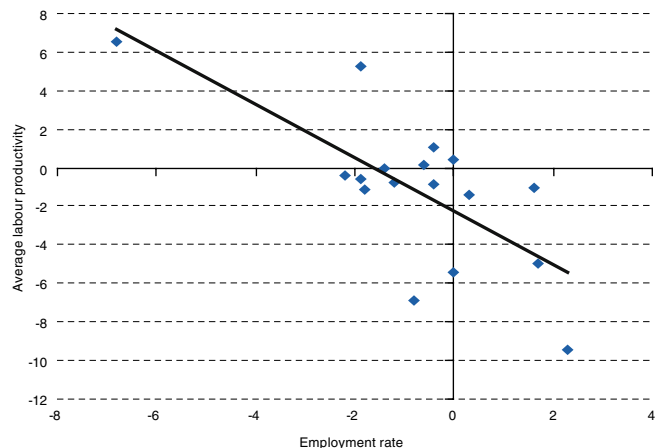
Lastly, as noted earlier, the adjustment through open unemployment was attenuated, to a greater or lesser extent, by people who had been economically active exiting the labour market. As figure 8 shows, in 2009 there was a high correlation between the employment rate and the participation rate. In some countries, both rates fell sharply, and if the participation rate had not fallen unemployment would have shot up. In any event, in all of the countries above the diagonal line, the participation rate fell less (or rose more) than the employment rate, so unemployment increased. As a result, the lower participation was not enough to stave off an increase in the unemployment rate, whose magnitude is reflected in the distance of the points from the diagonal line.

Figure 5  
LATIN AMERICA (SELECTED COUNTRIES): VARIATION IN AVERAGE REAL WAGES AND EMPLOYMENT RATE, 2009  
(Percentages and percentage points)



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

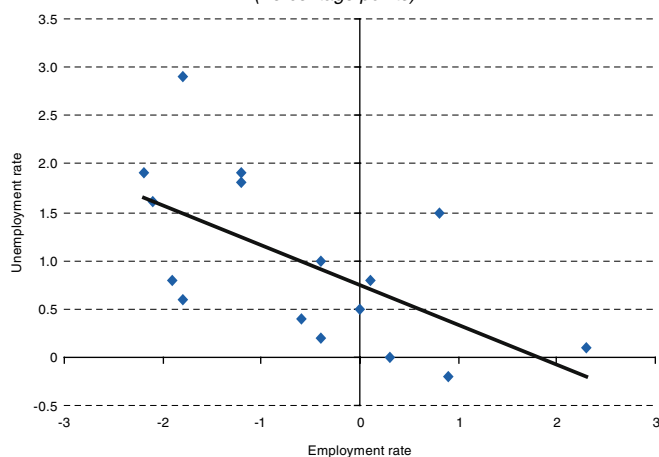
Figure 6  
LATIN AMERICA AND THE CARIBBEAN: VARIATION IN AVERAGE LABOUR PRODUCTIVITY AND EMPLOYMENT RATE, 2009  
(Percentages and percentage points)



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

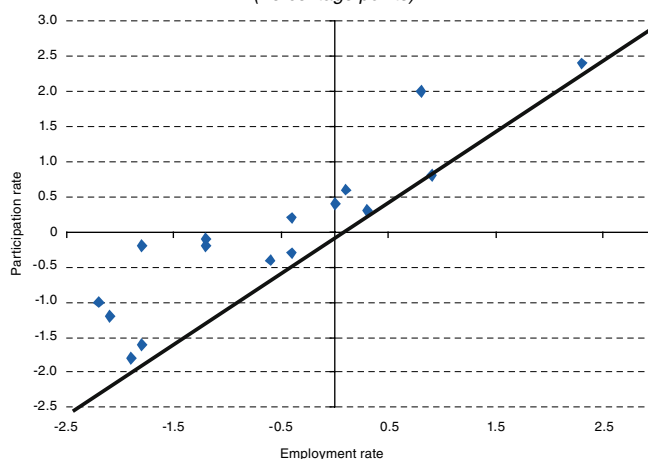
<sup>10</sup> In another context, the labour markets in the United States —where employment fell sharply— and several European Union countries —where average productivity contracted— also exhibited this disjunction (see *The Economist*, 2010, pages 75-76).

**Figure 7**  
**LATIN AMERICA AND THE CARIBBEAN: VARIATION IN THE UNEMPLOYMENT AND EMPLOYMENT RATES, 2009**  
(Percentage points)



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

**Figure 8**  
**LATIN AMERICA AND THE CARIBBEAN: VARIATION IN THE PARTICIPATION AND EMPLOYMENT RATES, 2009**  
(Percentage points)



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

### 3. Evolution of the crisis and initial recovery

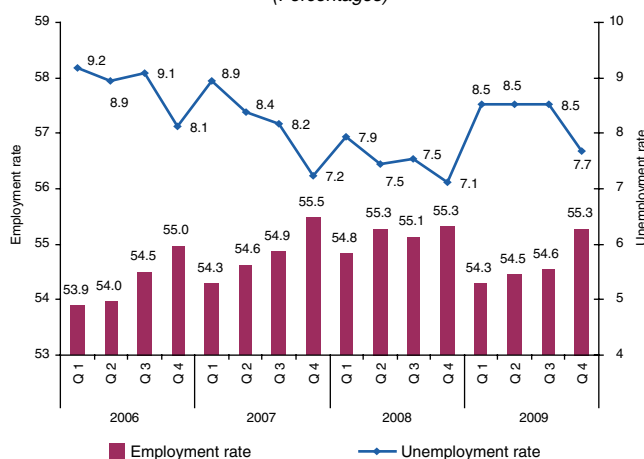
The crisis had strong repercussions on labour indicators for the year as a whole. Nevertheless, the region did feel the first impact of the crisis in 2008, and the evolution of these indicators was uneven throughout 2009. Although there were differences between countries, the greatest impact at the regional level occurred during the first semester. During the second half of the year, particularly the last quarter, the indicators began to stabilize and recover.

Figure 9 shows the evolution of the employment and unemployment rates at the regional level, by quarter. As the figure shows, the crisis began to affect the region's labour markets during the second half of 2008, and year-on-year figures show the employment rate rising more slowly in the third quarter (0.3 percentage points compared with 0.7 percentage points in the second quarter) and falling outright (by 0.2 percentage points) in the last quarter. The deterioration continued over the ensuing quarters, and the year-on-year fall peaked (at 0.8 percentage points) in the second quarter of 2009. The unemployment rate behaved similarly, with a peak year-on-year increase of 1.1 percentage points in the second quarter of 2009.

The labour market began to stabilize in the third quarter of 2009, and by the fourth quarter the employment rate had returned to the level posted in the same quarter of the previous year. This reflected both the downturn during the reference period (fourth-quarter 2008) and the strength of the improvement posted during this quarter over the previous quarter. The unemployment rate increased by 0.6 percentage points in the fourth quarter of 2009 compared with the year-earlier period as the labour

supply became more dynamic towards year-end, driven by the perception of improving job opportunities in the context of the incipient recovery of economic growth.

**Figure 9**  
**LATIN AMERICA (9 COUNTRIES) EMPLOYMENT AND UNEMPLOYMENT RATES, FIRST QUARTER 2006 TO FOURTH QUARTER 2009**  
(Percentages)



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

The year-on-year comparison of the countries that have quarterly labour data available shows that in the fourth quarter of 2009 the employment rate in Mexico was at the same level



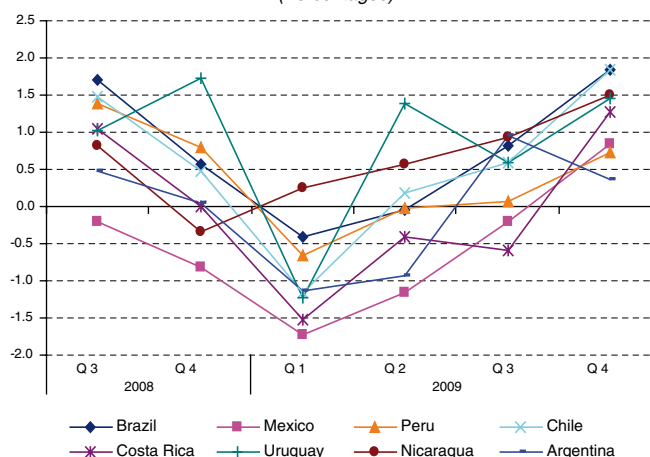
as posted in 2008 and above that level in Colombia and Peru. Similarly, the unemployment rate in Brazil, Peru and Uruguay returned to approximately the same level as that posted in the fourth quarter of 2008.

Another indicator of an incipient labour market recovery is the participation rate, which, after contracting at the regional level at the onset of the crisis (with year-on-year drops of between 0.1 and 0.3 percentage points between the third quarter of 2008 and the second quarter of 2009 in the group of nine selected countries whose performance is summarized in figure 8), held steady during the third quarter of 2009 in the year-on-year comparison and rose by 0.3 percentage points in the fourth quarter.

Employment with a certain degree of formality—either because it involves wages workers who contribute to social security systems or because it refers to employment reported by SMEs and large firms—is that type that seems to react most to improving macroeconomic conditions. As figure 10 shows, in the first quarter of 2009 employment fell with respect to the prior quarter in almost all of the countries in the sample. The sole exception is Nicaragua, where this type of employment recovered moderately in the first quarter of 2009 after contracting in the fourth quarter of 2008. In the second quarter, employment continued to fall in most of the countries, albeit at a slower rate. In the third quarter the contraction persisted in just two countries (Costa Rica and Mexico), and in the fourth quarter all

the countries in the sample showed rises in employment over the previous quarter.

Figure 10  
LATIN AMERICA (SELECTED COUNTRIES): QUARTERLY VARIATION IN EMPLOYMENT, SEASONALLY-ADJUSTED SERIES, THIRD QUARTER 2008 TO FOURTH QUARTER 2009<sup>a</sup>  
(Percentages)



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

<sup>a</sup> In Argentina, Chile, Costa Rica, Mexico, Nicaragua and Uruguay, the data refer to workers contributing to social security systems. In Brazil they refer to waged workers covered by social and labour legislation, and in Peru they refer to employment at a sample of companies with 10 or more employees.

## 4. Conclusions

This examination of how the region's labour markets were impacted by the economic crisis that began in 2008 yields several conclusions. First, unlike the crises of the 1990s and early 2000s, this one affected all the region's countries, in both Latin America and the Caribbean, with a sharp contraction of regional output. Second, the impact of the crisis was differentiated and those subregions whose economies are more closely linked to that of the United States (such as Mexico and the countries of Central America and the Caribbean) were hit harder and earlier. Third, as was to be expected, the crisis in the economies of the region impacted labour markets, mainly in the form of a drop in labour demand that led to a decline in private wage employment. As a result, the region's employment rate fell, the unemployment rate rose and informal employment expanded. Fourth, the labour markets in the countries under review showed different adjustment patterns. In some, the adjustment consisted mainly of a drop in the employment rate, and in others a decrease in average labour productivity due to a rise in low-productivity employment. In certain countries the participation rate fell, too, as a result of falling youth participation in the labour market, which mitigated the increase in the open unemployment rate. Fifth, the crisis hit men harder than women because the sectors that contracted

the most employ a predominantly male workforce. At the same time, the long-term uptrend in female labour force participation held. Nevertheless, significant gaps remain between men and women in terms of levels of participation, employment and unemployment. Lastly, the region's labour indicators did not, as a whole, deteriorate as badly as had been feared when the crisis broke. Among the factors that contributed to this outcome are the relatively rapid upturn in the global economy that, initially, benefited natural-resource-exporting countries the most; the countercyclical policies adopted by many of the region's countries and facilitated by enhanced macroeconomic policy space generated during the preceding years when economic growth was relatively high; and falling inflation, which in many countries had the effect of strengthening real wages, thus stabilizing domestic demand and warding off a larger setback in production.

In many of the region's countries, governments and labour market stakeholders conducted dialogues and made announcements and commitments aimed at promoting economic recovery, protecting jobs and promoting decent work, which lent strength to domestic efforts to deal with the onslaught of the economic crisis in Latin America and the Caribbean.

The International Labour Organization's Global Jobs Pact (Geneva, June 2009) has been a key point of reference for such initiatives.

Albeit with differences among countries and subject to macroeconomic improvements, since the second half of 2009 the region has registered, first, signs of stabilization and, subsequently, indications of an upturn in labour indicators. The labour market shows significant signs of improvement in several countries, especially Brazil, where early 2010 employment and unemployment levels compare favourably with those of early 2009 and recorded employment is expanding dynamically.

At the start of 2010, unemployment rates in Chile, Colombia and Peru were similar to the rates posted 12 months earlier and the rate in Uruguay had fallen.<sup>11</sup> In Uruguay's case, however, a falling participation rate, rather than a rising employment rate, determined the result of the year-on-year comparison. Unemployment rates in the Bolivarian Republic of Venezuela and Mexico were still far higher than those of a year earlier.

In any event, in the context of a labour market offering better employment opportunities, the expansion of the labour supply that began in late 2009 may be expected to continue. This rising participation rate may well limit the drop in the open unemployment rate, which is likely to average just under 8% for the region overall in 2010 —a modest improvement with respect to 2009.

In view of the still-high open unemployment rate, and the large shortfalls in productive work and decent employment, the countries of Latin America and the Caribbean must continue their efforts to improve short-term employment policies in the context of an economic situation that, while showing signs of an upturn, is still far from attaining strong, steady growth. Above all, the region's economic prospects are hostage to uncertainties as to the strength, recovery and sustainability of global economic growth. The countries should also continue to improve their medium- and long-term labour policies so as to create and consolidate virtuous cycles between economic and social development.<sup>12</sup>

## B. Policies for addressing the crisis and promoting gender equality

Gender inequality is still a major problem in labour markets around the world, and the crisis has jeopardized the progress made in previous decades towards gender equality in the workplace.

Women's subordination in various areas of economic life is rooted mainly in the labour market. Women face disadvantages in accessing jobs and in the labour market itself. There are clear differences between the sexes in rates of economic activity, employment and unemployment; prevalence of employment in the informal economy; and job security. In addition, phenomena such as occupational segregation persist, which explains the concentration of women in the lowest echelons of the employment hierarchy. As a result, there is a widespread income gender gap throughout the region.

Paid work plays a central role in people's lives. It is the primary means of earning a living and is therefore essential in order to access the goods and services that help people to satisfy their needs and desires. It is also the gateway to social protection and to recognition of the value of the work that each person performs. Eliminating gender inequality in the labour market is central to the economic empowerment of women.

One of the main causes of gender inequality in the labour market is the persistence of a sexual division of labour that gives women greater responsibility for unpaid reproductive work and determines the amount of time that men and women

spend working in the productive and reproductive spheres. This inequality is compounded by stereotypes, prejudices and myths about the ability of men and women to work and to balance work and family life.

The crisis has affected both men and women, but not in the same way because, as noted above, participation in the labour market is characterized by patterns of inequality. The crisis has occurred in a context that was already marked by unequal and inequitable structures and, in this context, policy responses to the crisis will therefore affect the opportunities available to women and men differently.

Even though most of the measures implemented by governments to address the crisis were not explicitly intended to promote gender equality, some of those aimed at sustaining employment have targeted women. Moreover, other general policies in the macroeconomic and sectoral spheres have also been favourable to women and have significant potential for reducing gender inequalities. For example, measures designed to protect the incomes of the most vulnerable workers indirectly benefit women because they make up a large proportion of such workers. Policies that have increased public investment in order to expand social and care infrastructure have also had a positive impact because such policies tend to generate

<sup>11</sup> The earthquake of 27 February 2010 in Chile destroyed part of the production structure in some regions of the country; this will have a strong initial impact on labour variables. The reconstruction efforts may offset this, however, especially if some of the work uses labour-intensive methods.

<sup>12</sup> See, in this regard, the document on progress in the region towards achievement of target 1B of the Millennium Development Goals concerning productive employment and decent work, which is being prepared by the United Nations funds, programmes and agencies in the region under the coordination of ECLAC and ILO and includes a section on policies for making progress in this area (ECLAC/OIT, 2010).

employment for women in the medium term and contribute to gender equity by increasing the supply of services, leading to a better distribution of domestic responsibilities.

Policies aimed at opening up occupational opportunities for women have also been important. Such policies have helped to do away with cultural notions and prejudices that view women's work as a secondary source of income, despite the important role that women play in supporting their families. This category

## 1. Measures aimed at promoting the employment of women

Female workers are more often affected by mismatch between supply and demand. Women have fewer informal networks for accessing employment and labour market information systems. Studies have shown that they also make less use of public employment services and receive less support for expanding their job prospects and options.

In Chile, the National Training and Employment Service (SENCE) is seeking to strengthen the employment information and labour intermediation system through the Municipal Labour Information Offices (OMILs). These offices function through an agreement between municipal governments, which have administrative authority over them, and SENCE, which provides oversight and technical assistance. The 290 OMILs provide access to a variety of public social programmes, including unemployment programmes for both dependent and independent workers, publicly funded training courses, and job recruitment and placement services, as well as linking beneficiaries to the Unemployment Solidarity Fund.

The OMIL capacity-building programme was launched in July 2009 in 148 municipalities and works within the framework of crisis response programmes. This programme provides for: (i) transfer of resources to municipalities to enable them to recruit sufficient staff to serve job-seekers; (ii) transfer of resources to help the offices upgrade their physical and technological infrastructure; (iii) transfer of methodologies for assessing the skills of unemployed workers with a view to coordinating the delivery of public programmes; and (iv) incentives aimed at encouraging the employment of young people aged 18 to 25, women heads of household, long-term unemployed workers (workers who have been jobless for more than four months), beneficiaries of the Unemployment Solidarity Fund, unemployed workers over 40 years of age and beneficiaries of the Chile Solidario system.

Under this programme, the OMILs have designed a strategy for liaising with potential employers to make them aware of SENCE employment programmes, determine their staffing needs, and identify candidates with the appropriate qualifications for job openings and referring them for interviews.

The objective is to provide job-seekers with relevant, high-quality employment information, counselling and placement services, including, where needed, the development of a

of policies includes measures that encourage the employment of women or that set quotas to ensure that women benefit from employment support programmes. Some of these programmes have addressed the issue of family responsibilities and their impact on the situation of women in the labour market and have acknowledged the need to strengthen maternity protection and take steps to ensure that the crisis does not exacerbate discrimination against women.

personalized occupational training and development scheme and subsequent referral to job training programmes, SENCE employment services and other services available through the public social protection system.

The incentives provided through the programme are differentiated according to the social and labour characteristics of the job-seekers (see table 1).

Table 1  
CHILE: STRUCTURE OF INCENTIVES UNDER THE OMIL CAPACITY-BUILDING PROGRAMME, EXPANDED VERSION  
(Chilean pesos)

Beneficiaries	Incentives	Payment schedule
Young people (18-25 years of age)	30 000	
Beneficiaries of the Unemployment Solidarity Fund	30 000	The first instalment (40% of the incentive) is paid at the time the worker is hired. The second instalment (60%) is paid after the worker has held the job for two months.
Beneficiaries of direct employment programmes	60 000	
Workers unemployed for more than four months	60 000	
Unemployed workers over 40 years of age	60 000	
Women heads of household	70 000	

Source: National Employment and Training Service (SENCE).

The fact that the incentive for women heads of household is larger reflects an effort to assist this group and compensate for those vulnerabilities arising from gender inequality and demographic characteristics of households. In a context of crisis, the link between supply of and demand for employment is being strengthened in order to help members of vulnerable groups who have lost their jobs, and who have the greatest difficulty finding employment in the first place, to access jobs in the formal labour market. These services provide a direct incentive to those who serve as intermediaries between employers and job-seekers—which translate into improved working conditions.

In Argentina, a set of enrolment and retention incentives was established in order to promote completion of general education and occupational training for persons covered under the Training and Employment Insurance scheme. Because workers over 45 years of age, and particularly women in that

age group, experience greater difficulty finding employment, special measures were adopted to encourage the hiring of such workers. These measures include a 50% increase in the monthly benefit and supplement, starting in the fourth month after hiring, for women covered under the Training and Employment Insurance scheme who are hired by employers in the private sector through the dependent employment promotion component of the employment programme. After the seventh month of employment, there is a 100% increase in the monthly cash benefit and the income supplement that is paid during the first month that the employment contract is in effect.

A similar effort to mainstream gender in labour intermediation services in Mexico led to the establishment of a programme to strengthen the National Employment Service (SNE) as part of a set of anti-crisis measures adopted under the National Pact to Protect the Family Economy and Employment. The measures adopted include the launching of a pilot programme to train SNE counsellors to assist women, gender mainstreaming training programmes and the preparation of gender-sensitive data. The aim of these measures is to bring about a change in counsellors' attitudes and perceptions in order to ensure better services and job placement for female job-seekers.

In Chile, a micro and small enterprise (MSE) subsidy for women heads of household is one of several presidential initiatives aimed at addressing the crisis, explicitly and exclusively targeted at women. This is the anti-crisis initiative in which the National Service for Women (SERNAM) —the ministerial body responsible for the Women Heads of Household Programme— has been most directly involved. Although such subsidies existed before, their budget was doubled with the onset of the crisis, in order to create 20,000 new grants every year for unskilled women, including both self-employed women heads of household and women who are dependent workers but want to become self-employed. The initiative combines training and subsidies for food, transport and various business tools —elements that are captured in a business plan, which is required under the programme— with the aim of supporting the establishment or development of a business. The programme provides greater access to resources, with the safeguards needed to ensure support for women who lose their jobs as a result of the crisis or who need to generate extra income.

In El Salvador, the Temporary Income Support Programme (PATI) operated by the Technical Secretariat of the Office of the President receives funding from the Social Investment Fund for Local Development (FISDL). The Salvadoran Vocational Training Institute (INSAFORP) and the municipal governments are also partners. The programme receives additional funding from the World Bank and other international sources. Its total budget for two years is US\$ 37.7 million.

PATI is part of the Urban Communities Solidarity (CSU) programme, which provides temporary income support to young women and men and to women heads of households who have been affected by the crisis in the poorest urban municipalities. Beneficiaries have been identified through poverty and violence mapping by the United Nations Development Programme (UNDP) and the Latin American Faculty of Social Sciences (FLACSO). In the near future, the programme will expand its focus from women heads of household to adult women in general. In addition to improving employability, it aims to increase social investment and opportunities for productive employment.

PATI promotes the involvement of beneficiaries in community projects and in occupational training and development activities offered by INSAFORP, as well as in infrastructure works and social services at the community level. Priority is given to impoverished men aged 16-25 who have left school and to women over the age of 16. They receive financial support amounting to US\$ 100 per month for a period of six months. Participants in the programme spend four days working and one day receiving training (60 hours total). At the end of the six-month period, beneficiaries are referred to local employment offices, run by the Ministry of Labour and Social Protection.

The programme is currently being piloted in two municipalities and is scheduled to be expanded to 13 more during 2010. It will run for two years and its activities will be extended gradually. PATI has been very well received. In the two municipalities in which it has been implemented it has benefited 800 people and it is expected eventually to reach a total of 40,000. New initiatives might promote short-term solutions (for example, improvement of existing infrastructure), but with the potential to have longer term effects (health care and education infrastructure, collective production initiatives).

## 2. Measures aimed at strengthening rights and encouraging a more equitable distribution of family responsibilities

Women bear most of the burden of domestic chores and childcare responsibilities. This work is unpaid and its social and economic value is unrecognized. It also constitutes one of the main reasons for gender inequality in the labour market. Women tend to adjust their working life to suit the care needs of their families. In times of crisis, domestic work tends to increase because the drop in

income means that goods that had previously been bought in the market now have to be produced at home. Various studies have shown that when household income declines, as occurs in an economic crisis, the gender differences in time use grow, particularly with respect to unpaid work. Accordingly, the relation between women's paid and unpaid work is a key



dimension that must be taken into account in the formulation of employment policies, especially in times of crisis. Policies that do not incorporate this dimension will only increase the burden of work for women, who must combine their caregiving responsibilities with the need to generate income.

In Peru, the Youth Labour Training Programme (PROJoven), was incorporated into the Economic Stimulus Plan (Plan de Estimulo Económico, PEE) aimed at promoting employment and production in response to the crisis. As a result, this initiative, which seeks to improve the employability and opportunities of young people aged 16 to 24 living in poverty or extreme poverty, received additional resources. The programme provides three months of technical training and three months of occupational training, combined with information, qualification and intermediation services aimed at meeting employer demand. It offers differential treatment for young women with children in order to tackle the problems they face in accessing such programmes, prioritizing young women with children under 5, who are most likely to be in a situation of social exclusion. In addition, mothers receive a special daily subsidy for childcare so that they can take part in training activities. In PROJoven's fifteenth round of applications, 5,341 of the beneficiaries selected were women —62% of the total— of whom 23% (1,222) were mothers.

Promoting sustainable employment opportunities for women requires the provision of adequate care service infrastructure in order to help reduce the time they devote to caregiving tasks. In Peru, in the framework of measures to promote public investment in infrastructure through the PEE, steps were taken to speed up the implementation of public investment and infrastructure maintenance projects. In this context, public entities were authorized to carry out such projects as implementing agencies ("Nucleos Ejecutores"). With a view to promoting gender equality and women's labour force participation, the construction of childcare centres (Wawa Wasi) was included in this modality. Medical clinics and schools were also constructed as part of this initiative. Wawa Wasi are community centres that provide care services for children from poor and extremely poor families whose mothers work. They contribute to women's employment both by creating jobs for the women who work in the centres and by making it possible for the mothers who use the services to enter the labour market. Over 42% of the mothers who use the centres are heads of household (18,766 women), and there is still considerable unmet demand. The availability of resources from the Economic Stimulus Plan, coupled with the powers given to the implementing agencies, has enabled the Wawa Wasi Programme to reduce the gap between supply and demand, while giving priority to communities with large numbers of poor families.

Maternity protection has been a major concern for the United Nations in the context of the protection of women workers' rights. The aim is to protect the health of the mother and her child during pregnancy and in the first weeks of life, and to protect the working mother from discrimination. Maternity protection

has been incorporated into the legislation of all countries in the region, but it covers only women in formal employment. A period of crisis is often characterized by an increase in informality, as a result of which many workers are excluded from the protection afforded by the law. Hence the importance of some of the measures introduced in response to the crisis, such as the subsidy for youth employment in Chile, which incorporated maternity protection as one of the programme's benefits. The subsidy is one of the anti-crisis measures included in national Law on Employment Protection and Occupational Training, which also included temporary measures for the promotion and retention of employment. One of those measures is a subsidy for workers aged 18 to 24 belonging to the poorest 40% of the population. If a worker becomes pregnant, the term of the benefit is extended by a period equal to the maternity leave period established by law for all employees (86 days of prenatal leave and 180 days of postnatal leave).

The elimination of jobs and the rise in unemployment and informality have increased the vulnerability of workers. The increased presence of women in temporary jobs, coupled with their relatively low levels of organization and representation, may lead to violations of their rights, particularly in the context of the crisis. To address this situation, the Under-Secretariat for Labour Inclusion within the Secretariat of Labour and Social Security of Mexico launched a hotline to provide advice on how to deal with specific disputes that were expected to increase as a result of the crisis.

The aim of the authorities was to address the need to resolve problems of workplace violence against women, since studies have shown that violence against women (such as bullying, harassment, discrimination or dismissal because of pregnancy) increases in times of economic crisis. This hotline is operated by the Office of the Federal Public Labour Defender (PROFEDET), which has prior experience with a hotline providing advice on the resolution of labour disputes. PROFEDET is a decentralized agency of the Secretariat of Labour and Social Security which provides advisory, mediation and legal representation services for workers and labour unions. These services are provided by 48 offices located throughout the country (the central office in Mexico City and 47 offices outside the Federal District) and by telephone.

Before the new hotline started to operate in February 2009, operators received two months of training to enable them to provide specialized advice in critical areas and to refer callers to the appropriate bodies for dealing with violent situations. Specialized training was provided by experts from the National Women's Institute (INMUJERES). In addition to training on providing legal advice on labour-related matters, they received training in how to respond to acute crisis situations and refer callers to appropriate agencies that offer services for women and groups in situations of labour vulnerability. According to the Director-General for Labour Equality of the Secretariat for Labour and Social Security, these services incorporate a gender mainstreaming approach.

Of the total number of calls attended from January to August 2009, 49.1% were women workers—substantially more than the established target (38.8%). This result is due in part to the extraordinary number of calls taken during the health emergency that followed the outbreak of influenza A (H1N1) in late April, when calls increased. Indeed, during a period of one month, the hotline received some 30,000 calls from individuals seeking information and advice on the measures to be taken in the workplace in the face of the health emergency. Pregnant and nursing workers expressed the greatest concern.

Even after the health emergency had subsided, the proportion of services provided to women workers remained high throughout 2009 (43%). Since the proportion of women in the labour force is less than that percentage, it can be concluded that working women have turned to the hotline for advice, consultation and representation more frequently than men, either because they face more work-related problems than men or because they are less well represented in labour unions.

### 3. Measures aimed at protecting the incomes of highly vulnerable population groups

The establishment of a minimum wage—in addition to being vital to ensuring a minimum income level for vulnerable workers, whose bargaining power is very weak—has a significant impact on domestic demand in an economy.

As a response to the global economic crisis, the Government of Brazil decided to maintain a policy on the real value of the minimum wage adopted in 2006 and implemented two months ahead of schedule an increase in the monthly minimum wage, from 415 reais to 465 reais (a real increase of 6%), originally planned for April 2009. This decision resulted in a significant boost to the economy, injecting 21 billion reais, equivalent to 0.7% of GDP.

The Brazilian minimum wage was adopted in 1940. It defines the level of remuneration for formal wage employment in both the private and the public sectors. The minimum wage in Brazil is an important benchmark for the evolution of income, since it determines the income of both formal workers earning the minimum wage and also informal workers whose wages are equal to the minimum (the lighthouse effect). In 2008, according to the National Household Survey (PNAD), 13.8% of women earned the minimum wage, compared with only 5.9% of men. For domestic workers, almost 95% of whom are women, the minimum wage was the reference value for 47.6% of registered workers (i.e., formal workers with a registered employment contract) and 4.6% of unregistered workers.

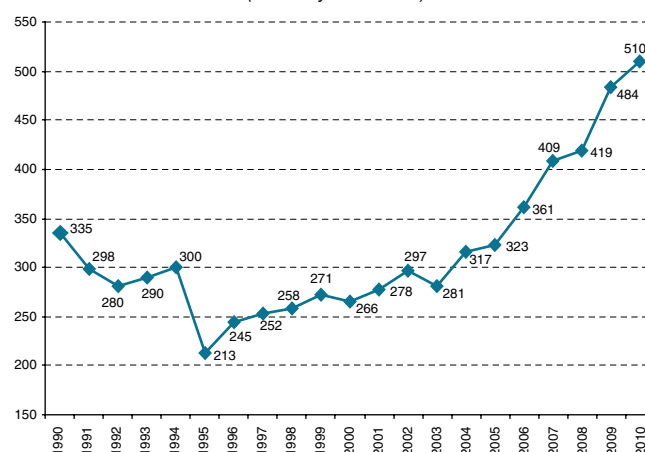
In Ecuador, the Government decided to implement a unified basic wage policy and pegged the minimum wage for domestic workers to the national minimum wage, which was fixed at US\$ 240 per month for 2010. This represents an

increase of 20% over the minimum wage for this group that was in effect up to 2009. As women make up about 94% of domestic workers, this measure has improved their income-earning opportunities.

One of the major challenges and obstacles confronting public policymakers seeking to develop strategies with a gender perspective is the lack of sex-disaggregated data and appropriate indicators. With a view to providing information on the impact of the crisis on women in the labour force as compared to men, contributing to the debate on the most appropriate policies for addressing the crisis with a gender perspective, promoting gender equality and supporting the formulation of public policies, the Special Secretariat on Policies for Women within the Office of the President of Brazil has created a working group to monitor the crisis.<sup>13</sup>

The working group has made a significant contribution to the debate on the impacts of the crisis in the Brazilian labour market, and the Special Secretariat on Policies for Women has heightened awareness of the importance of strengthening and sustaining public policies that address structural inequalities in the country's labour market in order to avoid losing ground with regard to the promotion of equal treatment and opportunities for female workers.

Figure 11  
BRAZIL: REAL MINIMUM WAGE, 1990-2010<sup>a</sup>  
(February 2010 reais)



Source: Inter-Union Department of Statistics and Socioeconomic Research (DIEESE), 2010.  
<sup>a</sup> Measured in February 2010 prices for the municipality of São Paulo.

<sup>13</sup> The Special Secretariat invited the International Labour Organization (ILO), the Brazilian Institute of Geography and Statistics (IBGE), the Brazilian Institute of Applied Economic Research (IPEA) and various specialists to participate in the working group.



## 4. Conclusions

The mass influx of women into the labour force and the gaps that exist with regard to work-life balance and sharing of responsibility in the domestic sphere call for a new approach to employment policies. Because the dynamics of the labour market are closely linked to the macroeconomic environment, public policy decisions in a broad sense are an important tool for promoting gender equity.

Aggregate figures for the region indicate that since the onset of the crisis the gaps between men and women in labour market participation, unemployment and employment have narrowed. This is mainly a reflection of the sectoral impact of the crisis: the sectors that have suffered the most are those with high concentrations of male labour. However, while these male-dominated sectors have suffered the most dramatic declines, they are also the sectors that are expected to recover most quickly in the post-crisis scenario. Therefore, male employment, although it has fallen more sharply, is expected to rise again rapidly.

The economic and financial crisis has brought to light long-term structural problems in the region's labour markets that

are hindering further progress in the creation of decent work and equal opportunities. At the same time, the crisis has highlighted the role of public policies and timely action by the State in mitigating its effects on the economy and on labour markets.

The crisis has thus provided a new opportunity to develop strategies for addressing the immediate effects, while also tackling the structural heterogeneity of employment and utilizing the tools and institutions of the labour market to improve productivity and change dynamics that reproduce socio-economic, gender and other inequities.

The need to respond to the crisis has brought recognition of the importance of macroeconomic policies aimed at promoting employment. For example, creating a tax environment that is more conducive to social investment can not only result in the creation of jobs for women (in sectors with high concentrations of female labour, such as health and education), but can also encourage the establishment of care infrastructure and services that will facilitate the participation of women in the labour market.

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## Annex

Table A-1  
**LATIN AMERICA AND THE CARIBBEAN: URBAN UNEMPLOYMENT, 2000-2009**  
*(Average annual rates)*

Country	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Latin America</b>										
Argentina <sup>a</sup>	15.1	17.4	19.7	17.3	13.6	11.6	10.2	8.5	7.9	8.7
Bolivia (Plurinational State of) <sup>b</sup>	7.5	8.5	8.7	...	6.2	8.2	8.0	7.7	6.7	7.9
Brazil <sup>c</sup>	7.1	6.2	11.7	12.3	11.5	9.8	10.0	9.3	7.9	8.1
Chile <sup>d</sup>	9.7	9.9	9.8	9.5	10.0	9.2	7.8	7.1	7.8	9.7
Colombia <sup>e</sup>	17.3	18.2	17.6	16.6	15.3	13.9	12.9	11.4	11.5	13.0
Costa Rica <sup>f</sup>	5.2	5.8	6.8	6.7	6.7	6.9	6.0	4.8	4.8	7.6
Cuba <sup>d</sup>	5.4	4.1	3.3	2.3	1.9	1.9	1.9	1.8	1.6	1.7
Dominican Republic <sup>g</sup>	13.9	15.6	16.1	16.7	18.4	17.9	16.2	15.6	14.1	14.9
Ecuador <sup>h</sup>	9.0	10.9	9.2	11.5	9.7	8.5	8.1	7.3	6.9	8.5
El Salvador <sup>i</sup>	6.7	7.0	6.2	6.2	6.5	7.3	5.7	5.8	5.5	...
Guatemala <sup>f</sup>	2.9	...	5.1	5.2	4.4	...	...	...	...	...
Honduras <sup>f</sup>	...	5.5	5.9	7.4	8.0	6.1	4.6	3.9	4.2	4.9 <sup>j</sup>
Mexico <sup>k</sup>	3.4	3.6	3.9	4.6	5.3	4.7	4.6	4.8	4.9	6.6
Nicaragua <sup>l</sup>	7.8	11.3	12.2	10.2	8.6	7.0	7.0	6.9	8.0	...
Panama <sup>m</sup>	15.3	17.0	16.5	15.9	14.1	12.1	10.4	7.8	6.5	7.9
Paraguay <sup>f</sup>	10.0	10.8	14.7	11.2	10.0	7.6	8.9	7.2	7.4	...
Peru <sup>n</sup>	7.8	9.2	9.4	9.4	9.4	9.6	8.5	8.5	8.4	8.4
Uruguay <sup>f</sup>	13.6	15.3	17.0	16.9	13.1	12.2	11.4	9.6	7.9	7.7
Venezuela (Bolivarian Republic of) <sup>g</sup>	13.9	13.3	15.9	18.0	15.3	12.3	10.0	8.4	7.3	7.8
<b>The Caribbean</b>										
Bahamas <sup>g</sup>	...	6.9	9.1	10.8	10.2	10.2	7.7	7.9	8.7	12.4
Barbados <sup>g</sup>	9.3	9.9	10.3	11.0	9.6	9.1	8.7	7.4	8.1	10.0
Belize <sup>g</sup>	11.1	9.1	10.0	12.9	11.6	11.0	9.4	8.5	8.2	...
Jamaica <sup>g</sup>	15.5	15.0	14.3	10.9	11.4	11.2	10.3	9.8	10.7	11.3 <sup>o</sup>
Trinidad and Tobago <sup>g</sup>	12.1	10.9	10.4	10.5	8.3	8.0	6.2	5.5	4.6	5.3 <sup>p</sup>
<b>Latin America and the Caribbean<sup>q</sup></b>	<b>10.3</b>	<b>10.2</b>	<b>11.2</b>	<b>11.2</b>	<b>10.3</b>	<b>9.1</b>	<b>8.6</b>	<b>7.9</b>	<b>7.3</b>	<b>8.1<sup>r</sup></b>

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC) and the International Labour Organization (ILO), on the basis of official information from countries' household surveys.

<sup>a</sup> Gradual incorporation of up to 31 urban areas. New measurement from 2003; data not comparable with previous years.

<sup>b</sup> Urban area. Data from 2004 based on the survey carried out between November 2003 and October 2004. New measurement from 2009; data not comparable with previous years.

<sup>c</sup> Six metropolitan areas. New measurement from 2002; data not comparable with previous years.

<sup>d</sup> National total.

<sup>e</sup> Thirteen metropolitan areas. Includes hidden unemployment.

<sup>f</sup> National urban figures.

<sup>g</sup> National total. Includes hidden unemployment.

<sup>h</sup> National urban figures, November 2000, August 2001 and December 2003. From 2004, average for four quarters. Includes hidden unemployment.

<sup>i</sup> National urban figures. New measurement from 2007; not comparable with previous years.

<sup>j</sup> Figure for May.

<sup>k</sup> Thirty two urban areas.

<sup>l</sup> National urban figures. New measurement from 2003; data not comparable with previous years.

<sup>m</sup> National urban figures. Includes hidden unemployment.

<sup>n</sup> Metropolitan Lima. New measurement from 2002; data not comparable with previous years.

<sup>o</sup> Average for January, April and July.

<sup>p</sup> Average for March, June and September

<sup>q</sup> Weighted average. Data adjusted by new series from Argentina, Brazil, Chile and Mexico, and by the exclusion of hidden unemployment in Colombia, Ecuador, Panama and the Dominican Republic. Revised figures.

<sup>r</sup> Preliminary.

Table A-2  
**LATIN AMERICA AND THE CARIBBEAN: URBAN PARTICIPATION RATES, 2000-2009**  
*(Average annual rates)*

Country	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Latin America</b>										
Argentina <sup>a</sup>	56.4	56.1	55.6	60.3	60.2	59.9	60.3	59.5	58.8	59.3
Bolivia (Plurinational State of) <sup>b</sup>	56.1	60.6	58.0	...	58.6	55.7	58.7	57.1	...	56.9
Brazil <sup>c</sup>	58.0	56.4	56.7	57.1	57.2	56.6	56.9	56.9	57.0	56.7
Chile <sup>d</sup>	54.4	53.9	53.7	54.4	55.0	55.6	54.8	54.9	56.0	55.9
Colombia <sup>e</sup>	63.5	64.4	64.8	65.0	63.6	63.3	62.0	61.8	62.6	64.6
Costa Rica <sup>f</sup>	54.8	56.8	56.4	56.8	56.3	58.2	58.2	58.5	58.6	58.1
Cuba <sup>d</sup>	69.9	70.7	70.9	70.9	71.0	72.1	72.1	73.7	74.7	77.1
Dominican Republic <sup>g</sup>	55.3	54.3	55.1	54.3	56.3	55.9	56.0	56.1	55.6	53.8
Ecuador <sup>h</sup>	57.3	63.1	58.3	58.9	59.1	59.5	59.1	61.3	60.1	58.9
El Salvador <sup>i</sup>	54.5	54.8	53.1	55.4	53.9	54.3	53.9	63.6	64.1	...
Guatemala <sup>f</sup>	58.2	...	61.7	61.6	58.4	...	...	...	...	...
Honduras <sup>f</sup>	...	53.4	52.4	53.5	52.7	50.3	52.1	51.7	52.7	53.1 <sup>j</sup>
Mexico <sup>k</sup>	58.7	58.1	57.8	58.3	58.9	59.5	60.7	60.7	60.4	60.2
Nicaragua <sup>l</sup>	52.6	49.8	49.4	53.0	52.6	53.7	52.8	50.5	53.8	...
Panama <sup>m</sup>	60.9	61.4	63.4	63.5	64.2	63.7	62.8	62.6	64.4	64.4
Paraguay <sup>f</sup>	60.6	60.6	60.5	59.2	62.4	60.4	57.9	59.6	61.5	...
Peru <sup>n</sup>	63.4	67.1	68.5	67.4	68.0	67.1	67.5	68.9	68.1	68.4
Uruguay <sup>f</sup>	59.6	60.6	59.1	58.1	58.5	58.5	60.9	62.7	62.6	63.4
Venezuela (Bolivarian Republic of) <sup>g</sup>	64.6	66.5	68.7	69.1	68.5	66.2	65.5	64.9	64.9	65.3
<b>The Caribbean</b>										
Bahamas <sup>g</sup>	...	76.2	76.4	76.5	75.7	...	...	...	...	...
Barbados <sup>g</sup>	69.3	69.5	68.5	69.2	69.4	69.6	67.9	67.8	67.6	67.0
Belize <sup>g</sup>	...	...	57.3	60.0	60.3	59.4	57.6	61.2	59.2	...
Jamaica <sup>g</sup>	63.2	62.9	65.7	64.4	64.5	64.2	64.7	64.9	65.4	63.8 <sup>o</sup>
Trinidad and Tobago <sup>g</sup>	61.2	60.7	60.9	61.6	63.0	63.7	63.9	63.5	63.5	62.9 <sup>p</sup>
<b>Latin America and the Caribbean<sup>q</sup></b>	<b>58.4</b>	<b>58.0</b>	<b>58.8</b>	<b>59.1</b>	<b>59.2</b>	<b>58.8</b>	<b>59.1</b>	<b>59.2</b>	<b>59.3</b>	<b>59.3<sup>r</sup></b>

Source: Economic Commission for Latin America and the Caribbean (ECLAC) and the International Labour Organization (ILO), on the basis of official information from countries' household surveys.

<sup>a</sup> Gradual incorporation up to 31 urban areas. New measurement from 2003; data not comparable with previous years.

<sup>b</sup> Urban area. Data from 2004 based on the survey carried out between November 2003 and October 2004. New measurement from 2009; data not comparable with previous years.

<sup>c</sup> Six metropolitan areas. New measurement from 2002; data not comparable with previous years.

<sup>d</sup> National total.

<sup>e</sup> Thirteen metropolitan areas. Includes hidden unemployment.

<sup>f</sup> National urban figures.

<sup>g</sup> National total. Includes hidden unemployment.

<sup>h</sup> National urban figures, November 2000, August 2001 and December 2003. From 2004, average for four quarters. Includes hidden unemployment.

<sup>i</sup> National urban figures. New measurement from 2007; data not comparable with previous years.

<sup>j</sup> Figure for May.

<sup>k</sup> Thirty two urban areas.

<sup>l</sup> National urban figures. New measurement from 2003; data not comparable with previous years.

<sup>m</sup> National urban figures. Includes hidden unemployment.

<sup>n</sup> Metropolitan Lima. New measurement from 2002; data not comparable with previous years.

<sup>o</sup> Average for January, April and July.

<sup>p</sup> Average for March, June and September.

<sup>q</sup> Weighted average. Data adjusted by new series from Argentina, Brazil, Chile and Mexico, and by the exclusion of hidden unemployment in Colombia, the Dominican Republic, Ecuador and Panama. Revised figures.

<sup>r</sup> Preliminary.

Table A-3  
**LATIN AMERICA AND THE CARIBBEAN: URBAN EMPLOYMENT RATES, 2000-2009**  
*(Average annual rates)*

Country	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>Latin America</b>										
Argentina <sup>a</sup>	47.9	45.6	44.6	49.9	52.1	53.0	54.1	54.5	54.2	54.2
Bolivia (Plurinational State of) <sup>b</sup>	51.9	55.4	53.0	...	55.0	51.2	54.0	52.7	...	52.4
Brazil <sup>c</sup>	53.9	53.0	48.9	50.1	50.6	51.0	51.2	51.6	52.5	52.1
Chile <sup>d</sup>	49.1	48.6	48.4	49.3	49.5	50.4	50.5	51.0	51.7	50.5
Colombia <sup>e</sup>	52.6	52.7	53.4	54.2	53.8	54.5	54.0	54.8	55.3	56.2
Costa Rica <sup>f</sup>	51.9	53.5	52.6	53.0	52.5	54.2	54.7	55.7	55.7	53.6
Cuba <sup>d</sup>	66.1	67.8	68.6	69.2	69.7	70.7	70.7	72.4	73.6	75.8
Dominican Republic <sup>d</sup>	47.5	45.8	46.2	45.2	46.0	45.9	46.9	47.4	47.7	45.8
Ecuador <sup>g</sup>	48.8	49.8	49.4	48.6	53.4	54.4	54.3	56.8	56.0	53.9
El Salvador <sup>h</sup>	48.9	51.0	49.8	52.0	50.4	50.3	50.8	59.9	60.6	...
Guatemala <sup>f</sup>	56.6	...	58.5	58.4	55.8	...	...	...	...	...
Honduras <sup>f</sup>	...	50.5	49.3	49.5	48.5	47.2	49.7	49.7	50.5	50.5 <sup>i</sup>
Mexico <sup>j</sup>	56.8	56.0	55.5	55.6	55.8	56.7	57.9	57.8	57.5	56.2
Nicaragua <sup>k</sup>	...	44.9	43.3	47.6	48.0	49.9	49.1	47.1	49.5	...
Panama <sup>f</sup>	51.6	51.2	53.2	53.4	55.1	56.0	56.3	57.7	60.2	59.3
Paraguay <sup>f</sup>	52.2	50.8	48.4	52.5	56.1	55.8	52.7	55.3	57.0	...
Peru <sup>l</sup>	59.7	60.9	62.0	61.2	61.6	60.7	61.8	63.0	62.4	62.7
Uruguay <sup>f</sup>	51.6	51.4	49.1	48.3	50.9	51.4	53.9	56.7	57.7	58.6
Venezuela (Bolivarian Republic of) <sup>d</sup>	55.6	57.1	57.9	56.7	58.0	58.0	58.9	59.4	60.2	60.2
<b>The Caribbean</b>										
Bahamas <sup>d</sup>	...	70.9	70.5	69.7	68.0	...	...	...	...	...
Barbados <sup>d</sup>	62.9	62.7	61.4	61.6	62.7	63.2	61.9	62.8	62.1	60.3
Belize <sup>d</sup>	...	...	51.5	52.3	53.3	52.8	52.2	56.0	54.3	...
Jamaica <sup>d</sup>	53.8	53.5	56.4	57.1	57.0	57.0	58.0	58.6	58.5	56.6 <sup>m</sup>
Trinidad and Tobago <sup>d</sup>	53.8	54.1	54.6	55.2	57.8	58.6	59.9	59.9	60.6	59.6 <sup>n</sup>
<b>Latin America and the Caribbean</b> <sup>o</sup>	<b>52.5</b>	<b>51.8</b>	<b>51.7</b>	<b>52.3</b>	<b>52.9</b>	<b>53.4</b>	<b>53.9</b>	<b>54.4</b>	<b>54.9</b>	<b>54.4<sup>p</sup></b>

Source: Economic Commission for Latin America and the Caribbean (ECLAC) and the International Labour Organization (ILO), on the basis of official information from countries' household surveys.

<sup>a</sup> Gradual incorporation up to 31 urban areas. New measurement from 2003; data not comparable with previous years.

<sup>b</sup> Urban area. Data from 2004 based on the survey carried out between November 2003 and October 2004. New measurement from 2009; data not comparable with previous years.

<sup>c</sup> Six metropolitan areas. New measurement from 2002; data not comparable with previous years.

<sup>d</sup> National total.

<sup>e</sup> Thirteen metropolitan areas.

<sup>f</sup> National urban figures.

<sup>g</sup> National urban figures, November 2000, August 2001 and December 2003. From 2004, average for four quarters.

<sup>h</sup> National urban figures. New measurement from 2007; data not comparable with previous years.

<sup>i</sup> Figure for May.

<sup>j</sup> Thirty two urban areas.

<sup>k</sup> National urban figures. New measurement from 2003; data not comparable with previous years.

<sup>l</sup> Metropolitan Lima. New measurement from 2002; data not comparable with previous years.

<sup>m</sup> Average for January, April and July.

<sup>n</sup> Average for March, June and September.

<sup>o</sup> Weighted average. Data adjusted by new series from Argentina, Brazil, Chile and Mexico.

<sup>p</sup> Preliminary.

Table A-4  
**LATIN AMERICA AND THE CARIBBEAN (14 COUNTRIES): LABOUR FORCE PARTICIPATION RATE, EMPLOYMENT RATE AND OPEN UNEMPLOYMENT RATE BY SEX, NATIONAL TOTAL, 2008 AND 2009<sup>a</sup>**  
*(Percentages)*

Country	Unemployment rate						Labour force participation rate						Employment rate					
	Total		Men		Women		Total		Men		Women		Total		Men		Women	
	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009
<b>Total countries (simple average)</b>	<b>7.7</b>	<b>8.6</b>	<b>6.0</b>	<b>7.0</b>	<b>10.0</b>	<b>10.8</b>	<b>59.8</b>	<b>59.9</b>	<b>73.3</b>	<b>73.2</b>	<b>47.2</b>	<b>47.6</b>	<b>55.1</b>	<b>54.8</b>	<b>68.9</b>	<b>68.1</b>	<b>42.3</b>	<b>42.4</b>
Argentina	7.9	8.7	6.6	7.8	9.7	9.9	58.8	59.3	72.0	72.1	47.2	48.0	54.2	54.2	67.3	66.5	42.6	43.3
Brazil	7.9	8.1	6.1	6.5	10.0	9.9	57.0	56.7	66.6	66.0	48.7	48.6	52.5	52.1	62.5	61.7	43.8	43.8
Chile	7.8	9.7	6.8	9.1	9.5	10.7	56.0	55.9	71.8	71.0	40.9	41.3	51.7	50.5	66.9	64.5	37.0	36.9
Colombia	11.3	12.0	8.9	9.3	14.8	15.8	58.5	61.3	71.1	73.3	46.5	49.8	51.9	53.9	64.8	66.5	39.6	41.9
Costa Rica	4.9	7.8	4.2	6.6	6.2	9.9	56.7	56.5	72.5	71.5	41.7	42.1	53.9	52.1	69.5	66.8	39.1	38.0
Dominican Republic	14.1	14.9	8.5	9.8	22.8	23.2	55.6	53.8	67.9	67.4	43.5	40.3	47.7	45.8	62.2	60.8	33.5	31.0
Ecuador	6.9	8.5	5.6	7.1	8.7	10.4	60.1	58.9	71.3	70.0	49.6	48.4	56.0	53.9	67.3	65.1	45.3	43.4
Honduras	3.0	3.1	2.9	2.6	3.1	4.1	50.7	53.2	68.7	72.3	34.3	35.9	49.2	51.5	66.7	70.4	33.3	34.4
Jamaica <sup>b</sup>	10.7	11.3	7.3	8.7	14.8	14.5	65.4	63.8	73.9	72.0	57.3	55.9	58.4	56.6	68.5	65.6	48.8	47.8
Mexico	4.0	5.5	3.9	5.4	4.2	5.5	58.7	58.6	78.0	77.1	41.5	42.0	56.3	55.4	75.0	72.9	39.8	39.7
Panama	5.6	6.6	4.4	5.1	7.5	8.9	63.9	64.1	81.5	80.9	47.2	48.3	60.3	59.9	78.0	76.8	43.6	44.0
Peru	8.4	8.4	6.5	6.7	10.7	10.4	68.1	68.4	77.9	77.2	59.1	60.2	62.4	62.7	72.8	72.0	52.6	54.0
Uruguay	7.9	7.5	5.6	5.5	10.5	9.9	62.1	63.1	72.7	73.8	53.2	53.9	57.2	58.3	68.6	69.8	47.6	48.6
Venezuela (Bolivarian Republic of)	7.3	7.8	7.0	7.4	7.8	8.3	64.9	65.3	79.9	79.6	50.1	51.1	60.2	60.2	74.3	73.7	46.2	46.9

**Source:** Economic Commission for Latin America and the Caribbean (ECLAC) and the International Labour Organization (ILO), on the basis of official information from countries' household surveys.

<sup>a</sup> In the case of Argentina and Ecuador, refers to urban areas; in Brazil, six metropolitan areas; in Peru, Metropolitan Lima. The data for the Bolivarian Republic of Venezuela, Colombia, the Dominican Republic, Ecuador, Jamaica and Panama include hidden unemployment.

<sup>b</sup> Average for January, April and July of each year.



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