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# Employment Situation in Latin America and the Caribbean

## Recent improvements and persistent gaps in rural employment


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The *Employment Situation in Latin America and the Caribbean* is a twice-yearly report prepared jointly by the Economic Development Division of the Economic Commission for Latin America and the Caribbean (ECLAC) and the Office for the Southern Cone of Latin America of the International Labour Organization (ILO), headed by Daniel Titelman and Fabio Bertranou, respectively. Work on the document was coordinated by Gerhard Reinecke, Senior Expert on Employment Policies of ILO, and Jürgen Weller, Chief of the Employment Studies Unit of the Economic Development Division of ECLAC.

The first section of this report was prepared by Jürgen Weller, and the second by Gerhard Reinecke and Carina Lupica. Juan Chacaltana, Sonia Gontero, Pablo Casalí, David Glejberman, Julio Gamero and Sergio Velasco provided valuable inputs and comments on earlier drafts of the document. The Labour Analysis and Information System in Latin America and the Caribbean collaborated in the preparation of statistical data, under the direction of Bolívar Pino. Sebastian Krull, intern of the Economic Development Division of ECLAC, provided additional input.

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# Foreword

In 2015, the economic slowdown of the last several years continued in Latin America and the Caribbean, and regional gross domestic product (GDP) contracted slightly. In this context, the unemployment rate increased for the first time since 2009, from 6.0% in 2014 to 6.5% in 2015. This was a result of weak wage employment creation, reflecting sluggish economic activity, and the larger number of job-seekers entering the labour market than in previous years.

This new edition of *Employment situation in Latin America and the Caribbean* discusses how weak job creation led to the third consecutive annual decline in the employment rate, which fell by 0.4 percentage points in 2015,[1] indicating a reduction in the number of labour income earners per household. The ensuing drop in household income has played a large part in the increase estimated in the poverty rate for 2015.[2] As a result, many low-income households will have been forced to more strenuous efforts to find employment. Nevertheless, the urban participation rate fell again, although much less than it did in 2014.

However, the deterioration in employment and unemployment indicators did not occur across the board in the region. The unemployment rate rose in only 7 of 19 countries in Latin America and the Caribbean in 2015, while it fell in nine and remained broadly stable in the other three. Indicators such as the underemployment rate and real wages show labour indicators remaining generally stable in most countries in the region during the year. The downturn in the region as a whole has been concentrated in a few countries, the most notable being Brazil, given its impact on regional indicators.

The continuous improvement in labour indicators that benefited the region for much of the past 15 years has stalled amid harsher global macroeconomic conditions combined with country-specific macroeconomic and political issues. These circumstances underline the importance of taking measures not only to mitigate the effects of the crisis in the short term and promote recovery, but also to address the longer-term gaps and lags, such as poor production diversification, productivity gaps, the high degree of informality, and inequality.

The region's high levels of poverty and inequality are related to shortages of decent work in rural areas. Poverty rates are higher in rural than in urban areas, largely because productivity is very low and rural employment typically offers low wages, fewer options for paid work for women, low levels of formal education and weaker labour institutions, evidenced by the limited coverage of social protection systems, substantial non-compliance with minimum wage standards and a high degree of informality, among other things. During the most recent period, rural poverty fell by a similar percentage to urban poverty, which means that the substantial poverty gap affecting rural areas did not narrow.

The second section of this report examines employment trends in rural areas of the countries of the region between 2005 and 2014, seeing to establish whether the improvements seen in the labour markets overall in that period also occurred in rural areas, and whether the gaps compared with urban areas decreased. The data presented in that section were generated from special processing of data from national household surveys.

These data show that rural areas also benefited from the improvements seen in the regional aggregate in the period 2005-2014 with regard to indicators of job quantity and quality. However, the gaps between urban and rural areas remained unchanged, as both experienced similar improvements. Wage employment increased as a share of overall employment and social protection coverage

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1 The cumulative fall in the employment rate is already greater than that seen during the international crisis of 2009, which was steep but brief (ILO, 2015b).

2 In this connection, see ECLAC (2016).

expanded, but these improvements occurred in both rural and urban areas. The main exception is the increase in rural women's participation in the labour market, which reduced the gaps both between rural and urban women, and between rural women and men. However, some of this change may be due to improvements in methodologies for measuring rural women's work.

Greater reduction of the decent work deficit in rural areas will require modernization and further diversification of production, and improvements in agricultural productivity. Labour institutions must also be strengthened in rural areas to help to formalize rural employment, improve the coverage and quality of social protection services, ensure compliance with minimum salary rules and other labour standards, and reduce barriers to the employment of rural women and youth. These steps combined would generate more productive and decent work opportunities.

For the region as a whole, labour market trends are expected to be generally negative in 2016, in the light of macroeconomic and growth conditions that, on average, will deteriorate further in relation to their 2015 performance, albeit with marked intraregional differences. Projections show regional output contracting again in 2016, this time by 0.6%.[3] The resulting downturn in job creation and, possibly, a fourth consecutive fall in the employment rate will likely push up the unemployment rate again, which could increase by more than half a percentage point in 2016.

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[3] ECLAC, "Economic Activity of Latin America and the Caribbean Will Contract -0.6% in 2016", Press release, 8 April 2016 [online] http://www.cepal.org/en/pressreleases/economic-activity-latin-america-and-caribbean-will-contract-06-2016.

# I. Labour market performance in Latin America and the Caribbean in 2015

## Introduction

In 2015, the most striking development in the world of work in Latin America and the Caribbean was the rise in the urban unemployment rate from 6.0% in 2014 to 6.5%, the first increase since 2009 and only the second since 2002. As discussed in this report, this was not surprising given the weak economic growth in the region (output declined by 0.5%), but it did reveal a shift in employment trends in respect of preceding years with regard to the dynamism of the workforce. Labour market developments were heterogeneous and only a few countries suffered significant downturns, while the vast majority saw only slight declines and the employment indicators in some countries even improved slightly.

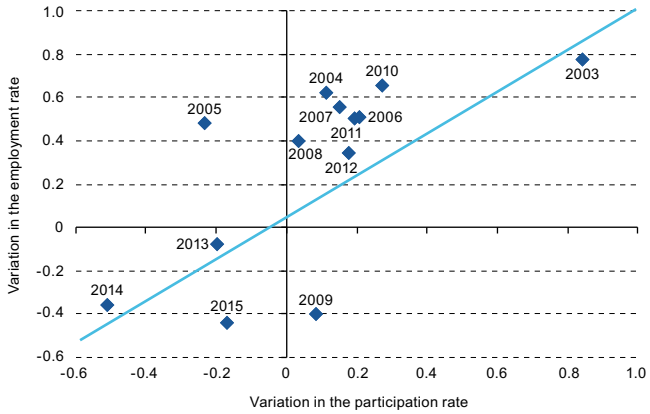
## A. Labour market participation ceased to offset the impact of weak job creation on the unemployment rate

An analysis of labour market performance in Latin America and the Caribbean in 2015, in comparison with preceding years, shows that after a prolonged period of relatively high economic growth and a rapid recovery from the impact of the global economic and financial crisis of 2008 and 2009, regional economic growth has been slowing steadily since 2011 and in 2015 the regional economy contracted by 0.5%.

This slowdown cut short the period of rising employment rates, which had begun in 2003 and continued, with the exception of 2009, against a backdrop of relatively high growth rates. After slowing gradually between 2010 and 2012, the regional employment rate actually decreased in 2013 and 2014 as a result of weakening labour demand and the subsequent drop in the number of new, salaried jobs created. However, in those years this fall was not reflected in a higher open unemployment rate because, as has been shown previously (ECLAC/ILO, 2015b), the workforce's unusually pronounced procyclical behaviour meant that fewer new people entered the labour market.[1] This procyclical behaviour led to a drop in the participation rate, beginning in 2013.

Figure I.1 shows the year-on-year variation in regional urban participation and employment rates between 2003 and 2015.

Figure I.1
**LATIN AMERICA AND THE CARIBBEAN: WEIGHTED AVERAGE OF THE VARIATION IN URBAN PARTICIPATION AND EMPLOYMENT RATES, 2003-2015**
*(Percentage points)*




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

The points above the diagonal line indicate a drop in the unemployment rate; those below the line indicate an increase.[2]

The employment rate fared better than the participation rate in nearly every year of the period under consideration, posting higher increases in most years, except in 2013 and 2014

[1] Procyclical behaviour by the workforce means that more people join the labour market in periods of high economic growth and fewer people join when growth is sluggish or when the economy is in crisis. While not all countries of the region saw such procyclical behaviour, the region as a whole is characterized by slightly procyclical developments. The unusually pronounced procyclical behaviour of the workforce in 2013 and 2014 could be explained by many households' greater resilience, thanks to greater labour market insertion of their members and social policies that had a stabilizing effect (see ECLAC/ILO, 2015b, pp. 7-10).

[2] The change in the unemployment rate is not the difference between the participation and employment rates, since it is calculated using another denominator (workforce) (see ILO, 2015b, p. 30, footnote 15). For example, a point on the diagonal line does not necessarily mean that the unemployment rate has remained constant. However, the difference in the variations in the participation and employment rates is an indicator of changes in the unemployment rate.

when the regional employment rate decreased by less than the participation rate. Consequently, the unemployment rate declined for most of that period, with the exception of 2003 (when it held steady), 2009 (when the employment rate fell sharply and the participation rate rose slightly) and 2015.

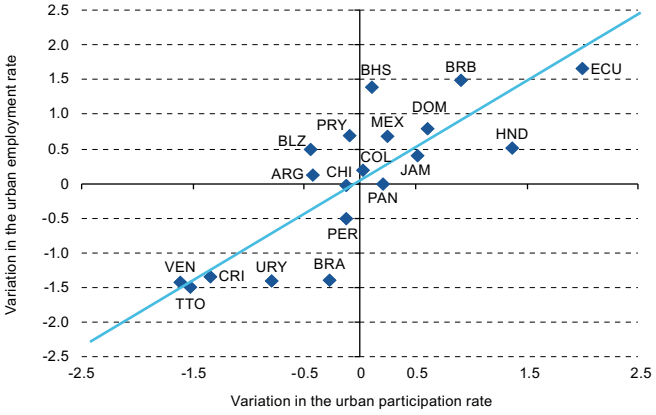
As shown in figure I.1, the urban participation rate fell again in 2015, but by slightly less than in 2013 and considerably less than in 2014. At the same time, the drop in the employment rate was much sharper than in 2013 and about the same as in 2014 (roughly 0.4 percentage points).

Thus, unlike in previous years, the fall in the employment rate drove up the open urban unemployment rate from 6.0% in 2014 to 6.5% in 2015. As shown in figure I.1, the regional workforce continued to behave procyclically, though not to the same extent as in 2014, which continued to offset the long-term growth in the participation rate owing to the increasing number of women joining the workforce.[3]

It is worth noting, however, that countries' labour performance was highly heterogeneous (see figure I.2), reflecting differences in overall economic performance, since, despite a decline in regional output, the economies of only 3 of a total of 33 Latin American and Caribbean countries (Brazil, the Bolivarian Republic of Venezuela and Dominica) contracted in 2015 (ECLAC, 2015). There were large differences in the behaviour of the main employment variables.

While the regional unemployment rate rose, more variety was seen at the country level, as the unemployment rate increased in seven countries, decreased in nine and remained relatively stable in three in 2015 (see annex table A1.1). Among larger countries (that hold more sway in the weighted average of employment variables), only Brazil and Peru recorded a rise in the unemployment rate, in both cases as employment contracted by more than participation, while —for different reasons— unemployment fell or remained unchanged in countries including Argentina, the Bolivarian Republic of Venezuela, Chile, Colombia and Mexico. Taking into account Brazil's preponderance in the weighted average and the performance of most of the other larger countries, it is not surprising that, excluding Brazil, the regional urban unemployment rate fell from 6.6% in 2014 to 6.3% in 2015.

Figure I.2
**LATIN AMERICA AND THE CARIBBEAN (18 COUNTRIES): YEAR-ON-YEAR VARIATION IN URBAN PARTICIPATION AND EMPLOYMENT RATES, 2014-2015**[a]
*(Percentage points)*




**Source**: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.
[a] Annual data, except for Argentina (first three quarters), the Bahamas (May), Barbados (first two quarters) and Trinidad and Tobago (March, June and September).

However, the higher employment rate was the main factor behind the declining unemployment rate only in the Bahamas, Barbados (preliminary data for the first two quarters), Belize, the Dominican Republic, Mexico and Paraguay, while in Argentina, the Bolivarian Republic of Venezuela and Chile this decrease was due mainly to the lower participation rate. It should be noted that the unemployment rate fell in four of the five Caribbean countries for which data are available.

## B. The employment situation was heterogeneous, but with a prevailing trend towards decline

While the weighted average of the region's open unemployment rate fell year-on-year only without Brazil, the simple average of the year-on-year variation revealed a continuous deterioration throughout 2015. The unemployment rate fell in the first quarter compared with the same period in 2014, remained practically the same in the second quarter, then went on to post a moderate year-on-year increase in the third quarter and a more marked rise in the fourth (see figure I.3).

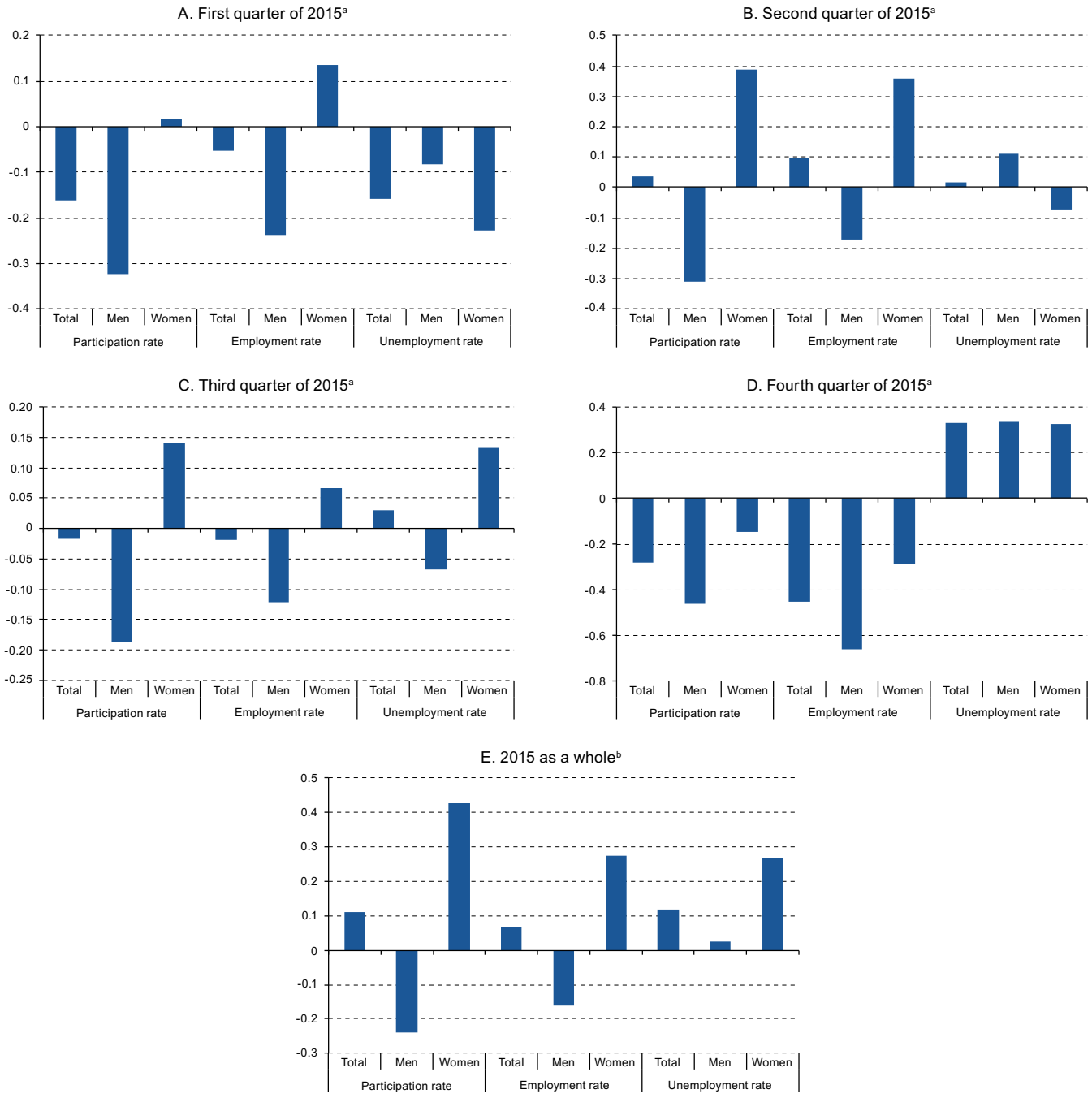
Comparing the unemployment rates of men and women also revealed significant differences between the first and second halves of the year. The employment rate for women recorded year-on-year declines and clearly outperformed the rate for men in the first two quarters, but began to rise from the third quarter.

By contrast with the marked rise in the weighted average unemployment rate, the simple average unemployment rate for the year as a whole rose only slightly, and by more for women than men. Both the participation rate and the employment rate for women increased modestly, resuming their long-term upward trend, after a brief contraction in 2013 and 2014, while

[3] However, as will be shown below, the trend of increasing numbers of women joining the workforce was not bucked.

the opposite was the case for men, with both indicators falling. Consequently, although the changes in the aggregate participation and employment rates in 2015 continued to go against the long-term trend, the gaps between men and women for both rates continued to narrow, even if they remain wide. Furthermore, as will be seen below, in the prevailing environment in 2015 many of the jobs available to new labour market entrants were not of good quality.

Figure I.3
**LATIN AMERICA AND THE CARIBBEAN: SIMPLE AVERAGE OF THE YEAR-ON-YEAR VARIATION IN PARTICIPATION, EMPLOYMENT AND UNEMPLOYMENT RATES, BY SEX, 2015**
*(Percentage points)*




**Source**: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.
[a] Data from countries with quarterly information: Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Ecuador, Jamaica, Mexico, Paraguay, Peru and Uruguay.
[b] Data for the year as a whole, including from some countries that do not have quarterly information or whose information for the quarters of 2015 is not available, so they are not included in the quarterly calculations (Barbados, the Dominican Republic and Panama).

Box I.1
**ASPECTS OF MEASURING AND ANALYSING LABOUR MARKETS IN LATIN AMERICA AND THE CARIBBEAN**

For a long time, analysis of the labour market situation in Latin America (more so than in the Caribbean) tended to focus on a few metropolitan areas or on urban areas as a whole. This was due, on the one hand, to the limited availability of data from household surveys and, on the other, to the specific characteristics of rural labour markets. Since these markets are defined to a greater or lesser extent by developments in agricultural employment and its volatility over the production cycles, the open unemployment rate is not a very meaningful indicator of the employment situation in rural areas.

However, the structural changes that the region's labour markets have undergone in recent decades mean that the methods of analysing the labour market should be reviewed. First, as a result of urbanization processes, a high proportion of the population of Latin America and the Caribbean now lives in urban areas. Second, in many countries of the region, a major transformation took place in rural labour markets, with a growing share of jobs in non-agricultural activities. Lastly, urban and rural labour markets have become integrated, with a significant proportion of agricultural workers living in urban areas and rural residents travelling to urban areas to work.

As the primary source of information on labour market developments, many countries have been gradually expanding the geographical scope of household surveys, initially from the main or the largest metropolitan areas to a greater number or all urban areas, before finally covering the whole of the country. In this new situation, the main employment variables can be analysed at the national level (facilitating international comparisons), while it is still possible to carry out more targeted analyses of urban areas, where certain labour market features are reflected more clearly.

Countries also adjust their measurement methodology relatively regularly, including in order to bring it into line with the recommendations of the International Conference of Labour Statisticians. Other changes include how often data are collected. For example, in recent years, some countries have supplemented or replaced annual surveys with continuous or quarterly surveys, in order to build capacity for analysing the employment situation more frequently.

Regional analysis tends to use weighted averages, so the recent decision to introduce the continuous national household survey (*Pesquisa Nacional por Amostra de Domicilios Continua* - PNAD-C) in Brazil will have a major impact. This survey replaces the annual national household survey (PNAD), carried out for the last time in 2014, and the monthly employment survey (PME), which was carried out in six metropolitan areas until February 2016 and was the source of data used hitherto to analyse the Brazilian labour market situation. Starting with the next *Employment Situation in Latin America and the Caribbean* report, ECLAC and ILO will use data collected under PNAD-C. There are significant differences in coverage between PME and PNAD-C, which, together with changes to how data are gathered and measured, will affect not only the series for Brazil, but also the regional series. Improvements made in recent years in several other countries (particularly expanding the scope of surveys) will also help to standardize urban coverage as far as possible. Consequently, the series of urban unemployment, participation and employment rates will change, starting from the next report. Those improvements will also ensure broader information on developments in national labour markets.

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

## C. Job quality worsened, but with national differences

The region's weak economic growth was reflected not only in the fall in the employment rate, but also in anaemic wage employment creation and the corresponding deterioration in the composition of employment. Wage employment creation slowed from 3.1% in 2012 to 1.6% in 2013 and to 0.8% in 2014, and is expected to increase by just 0.6% in 2015 for the region as a whole, reflecting declining rates of growth in regional gross domestic product (GDP) and their impact on labour demand.

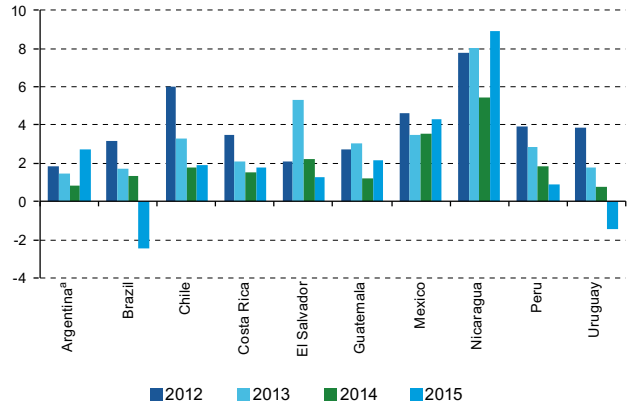
In contrast with the procyclical behaviour of wage employment, own-account work covers some segments that behave in a procyclical manner (exploiting opportunities to generate income in expansionary phases) and others that follow a countercyclical pattern (increasing when other sources of labour income decline, particularly wage employment). Countercyclical segments generally involve a deterioration in job quality. In recent years, countercyclical segments have dominated the aggregate variation in own-account work because, after expanding by just 1.4% in 2012, the number of own-account workers rose by 2.0% in 2013, by 2.2% in 2014 and, according to estimates, by 2.7% in 2015.

Consequently, the higher rate of entry into the labour market in 2015 compared with 2014, illustrated by a smaller drop in the participation rate (-0.2 percentage points in 2015 versus -0.5 percentage points in 2014),[4] led not only to an increase in the unemployment rate, but also to a shift in the composition of employment, which impaired job quality.

[4] The drop in the participation rate means that, instead of an absolute decline in the workforce (sum of employed and unemployed persons), the workforce grew by less than the increase in the working-age population. It is estimated that the workforce in urban areas in the region increased by 1.5% in 2015.

Another indicator of job quality is the level of registered employment (see figure I.4).[5] For the first time since 2009, some countries of the region (Brazil and Uruguay) saw an absolute decline in registered employment and, thus, a marked deterioration in job quality. Conversely, in certain countries from the north of the region (Costa Rica, Guatemala, Mexico and Nicaragua), registered employment grew at a higher rate than the previous year, albeit sluggishly in some cases.

Figure I.4
**LATIN AMERICA (SELECTED COUNTRIES): GROWTH IN REGISTERED EMPLOYMENT, 2012-2015**
*(Percentages)*

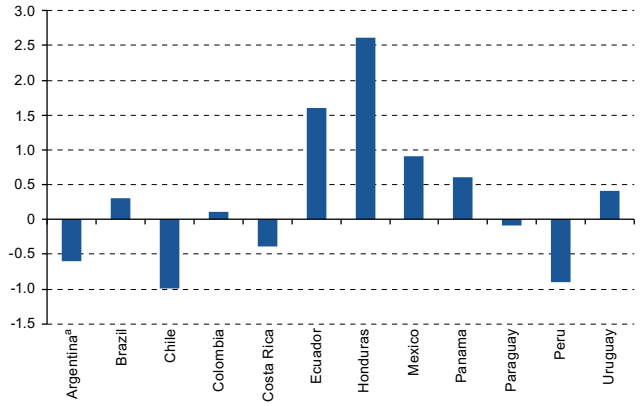



**Source**: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.
**Note**: The data refer to wage earners or posts that pay into social security systems, except for Brazil, where they refer to formal posts reported by firms, and Peru, where they refer to employment in small, medium-sized and large firms in the formal sector.
[a] First two quarters.

As stated above, the unemployment rate in the majority of countries did not suffer a marked deterioration. The same was true for underemployment in terms of working hours (see figure I.5). The proportion of employed persons who work fewer than the national minimum number of working hours (with considerable variations among the different countries) and who want to work more increased in six of the countries for which information is available, remained almost unchanged in two countries (with variations of up to 0.1 percentage points) and decreased in four others.

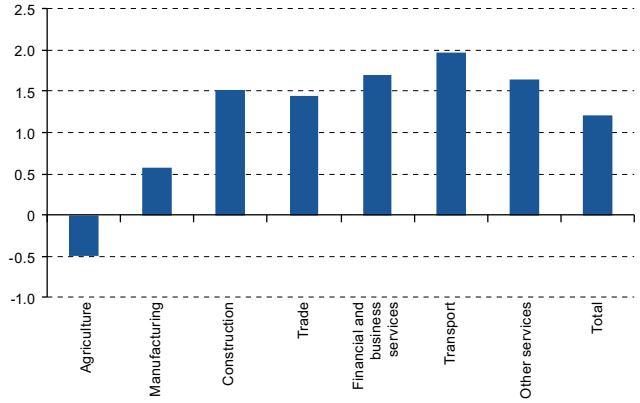
The employment developments by sector were somewhat surprising (see figure I.6). For example, in a context of low growth (and, for the region as a whole, even negative growth), a relatively large increase in employment in agriculture and commerce would be expected, based on the region's past experience. In particular, family farming tends to be —especially in countries with a relatively high proportion of overall employment in the agriculture sector— the employer of last resort, while commerce and some services have low entry barriers and therefore tend to expand rapidly in an economic context like that which exists today. However, the weighted average of agricultural employment in countries for which data are available fell by 0.5% (see figure I.6), due to a reduction in the rate in Brazil, the Bolivarian Republic of Venezuela, the Dominican Republic and Jamaica, while it remained stable in Mexico.[6]

Figure I.5
**LATIN AMERICA (SELECTED COUNTRIES): YEAR-ON-YEAR VARIATION IN THE HOURLY UNDEREMPLOYMENT RATE, 2015**
*(Percentage points)*




**Source**: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.
[a] The data refer to the average for the first three quarters.

Figure I.6
**LATIN AMERICA AND THE CARIBBEAN (13 COUNTRIES):[a] YEAR-ON-YEAR VARIATION IN EMPLOYMENT, BY ECONOMIC SECTOR, WEIGHTED AVERAGE, 2015**
*(Percentages)*




**Source**: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.
[a] The countries covered are Argentina (first two quarters), Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Jamaica, Mexico, Panama, Paraguay and Peru.

[5] An increase in registered employment may mean that new jobs are being created or that existing jobs have been formalized. In some countries, formalization programmes led to registered employment growth that was much higher than would be expected in view of the economic growth rates that were achieved.

[6] This fall in agricultural employment is not the result of a decline in production in this sector. While the regional growth rate is not available yet, the performance of agriculture in Brazil (where, with growth of 1.8%, it was one of the few sectors that performed positively) and in Mexico (with sectoral growth above 3%) suggests that, at the regional level, the sector has increased production. The slight contraction in agricultural employment followed the long-term trend of reducing the sector's share of aggregate employment, which continued uninterrupted by the macroeconomic performance in 2015.

As expected, employment in commerce (including restaurants and hotels) increased its share in overall employment in many countries, including Brazil, Chile, Colombia, the Dominican Republic, Ecuador and Jamaica. However, this share fell in other countries (such as Argentina, the Bolivarian Republic of Venezuela, Costa Rica and Paraguay), in some cases possibly because slower job creation in formal commerce was not offset by an expansion in informal commerce. Consequently, commerce increased only slightly its share in overall regional employment.

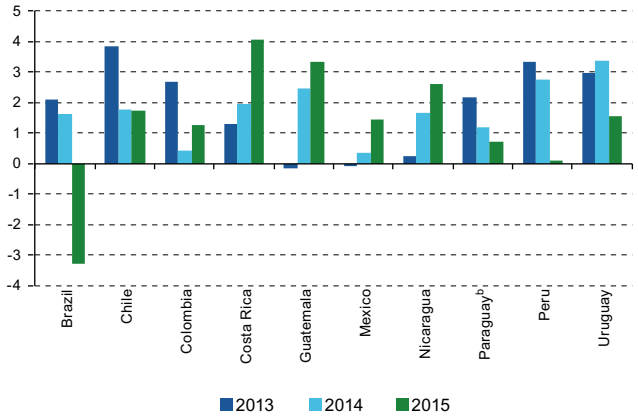
There was a modest rise in manufacturing employment. The drop in absolute numbers in Brazil, Chile and Peru was offset by an increase in Argentina (first two quarters) and Mexico. Employment in construction rose slightly in countries such as Colombia, Mexico, Paraguay and Peru, and fell in Brazil and Panama, reflecting the sector's performance in each country.

Transport saw the greatest increase in employment of all the economic sectors, growing by more than total employment in Argentina, Brazil and Mexico, among others.

Lastly, at the regional level, employment in the services sector also grew by more than overall employment. In the case of community, social and personal services the expansion in informal activities may have contributed to that growth, while the increase in financial, real estate and business services was, in part, caused by the 3% rise in employment in this sector in Mexico.

As with other variables, the growth in real wages reflected the sluggishness in the labour market, not a widespread crisis (see figure I.7). In the main, the combination of limited demand for labour and rising inflation, driven by a marked depreciation in currencies, meant that increases in real wages were slight and, overall, smaller than in previous years in South American countries. For example, the sharp drop in real wages and the even sharper drop in the real incomes of own-account workers in Brazil led to a 3.7% contraction in the labour income of all workers and thus a decisive decline in households' consumption capacity.

Figure I.7
**LATIN AMERICA (SELECTED COUNTRIES): VARIATION IN REAL AVERAGE WAGE FOR REGISTERED EMPLOYMENT, 2013-2015[a]**
*(Percentages)*




**Source**: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.
[a] Data provided by social security institutions (Costa Rica, Guatemala, Mexico and Nicaragua), business surveys (Chile, Colombia, Paraguay and Uruguay) and household surveys (Brazil and Peru).
[b] In 2015, year-on-year variation at June.

By contrast, in Central American countries and Mexico, overall, real wages benefited from falling inflation, caused mainly by the fall in fuel prices. Consequently, in the countries of this subregion for which data are available, real wages grew by more than in previous years, which, together with the relatively favourable development in registered employment, indicates that these countries have performed more positively than the South American countries.

In most countries, wage policies sought to stabilize consumption capacity, particularly of low-income workers, and the median real minimum wage for 19 countries increased by 2.7%, only slightly less than the previous year.

## D. Conclusions and outlook

In 2015, job creation at the regional level declined, as the regional economy contracted and labour demand weakened accordingly. This led to slower wage employment creation and the urban employment rate fell again. Moreover, the number of people entering the labour market increased as the workforce began to behave less procyclically. This increase led to both an expansion in sectors with lower quality jobs (especially own-account work) and to a higher unemployment rate. This situation made it difficult to make further progress towards formalizing employment, so, in addition to anaemic growth in the number of new formal jobs, registered employment in most countries increased only modestly.

At the regional level, the further drop in the employment rate, which suggests that the number of wage earners per household has decreased, the increasing concentration of employment in lower-income sectors and, in a few countries, the decline in real wages combined to drive up poverty rates in 2015.[7]

However, the situations in individual countries were heterogeneous and labour market developments were generally more favourable in Central America, Mexico, the Dominican Republic and the Caribbean than in the South American countries, whose performance was undermined by, among other things, the impact of the external context on their economic activity and inflation rates. Nevertheless, employment indicators revealed gradual changes rather than a serious deterioration in the labour market in most South American countries. Therefore, measured

[7] It is estimated that an extra 7 million people fell into poverty in the region in 2015, representing an increase in the regional poverty rate from 28.2% to 29.2% (ECLAC, 2016).

in simple averages, the indicators generally reflected a certain level of stability and, on the whole, real wages rose, albeit to a lesser extent in countries with higher inflation.

A new decline in regional output is expected in 2016. This suggests that weak job creation will persist, the employment rate will continue to fall and job quality will further deteriorate as new jobs will be concentrated in low-productivity sectors. A further rise in the unemployment rate, probably of more than half a percentage point, is also expected.[8]

However, the marked heterogeneity of countries' performance is expected to continue in 2016, with countries from northern Latin America and possibly the Caribbean performing better. These countries benefit from the moderate but stable growth of the United States, given their close integration with that economy. Conversely, in many South American countries, growth prospects remain inauspicious, which will continue to affect labour markets.

[8] The magnitude of the urban employment rate can be calculated once a new regional series has been developed (see box I.1).

# II. Rural-urban employment gaps in 2005 and 2014

## Introduction

Apart from analysing the performance of the region's labour markets as a whole, ECLAC and ILO focus particularly on the disparities in labour market integration and job quality between different groups. In this connection, they continually monitor the relative situations of women and men; and they have conducted research comparing the difficulties of labour market entry between young people and adults (ECLAC/ILO, 2012; Gontero and Weller, 2015; Reinecke and Grimshaw, 2015; Trucco and Ullmann, 2015), and studies on decent work deficits in smaller enterprises compared with medium-sized and large firms (ECLAC/ILO, 2015a; ILO, 2015a).

The comparative analysis of the specific features of rural and urban labour markets is another issue that warrants special attention. In recent years, poverty and extreme poverty rates have fallen more slowly in rural than in urban areas; and in 2013, 42.8% of the rural population in Latin America and the Caribbean was still living in poverty (ECLAC, 2014). A significant lack of decent jobs, compounded by weak labour market institutions, partly explain the persistence of poverty in the region's rural areas (ILO/FAO, 2013).

This section analyses data from 16 of the region's countries, with a breakdown by geographical area, for 2005 and 2014 (or the closest years for which information is available).[9] How rural and urban areas are defined for official and statistical purposes varies between countries; and household surveys classify geographical area by place of residence rather than place of work.

Despite having seen their share of total employment decline (from roughly 22.5% in 2005 to 19.8% in 2014), rural labour markets remain relatively large in Latin American countries (see table II.1). In absolute terms, the labour force in rural areas has grown by 1.6 million over the last decade to an estimated 53 million people, compared with 227 million in urban zones.

Table II.1
**LATIN AMERICA (16 COUNTRIES): RURAL SHARES OF THE ECONOMICALLY ACTIVE POPULATION AND EMPLOYMENT, 2005 AND 2014 OR CLOSEST YEAR AVAILABLE**
*(Percentages)*

| Country | Rural share of total economically active population | | Rural share of total employment | |
|---|---|---|---|---|
| | 2005 | 2014 | 2005 | 2014 |
| Bolivia (Plurinational State of) | 41.1 | 38.3 | 42.8 | 39.1 |
| Brazil | 18.6 | 15.1 | 19.9 | 15.7 |
| Chile | 11.1 | 11.4 | 11.4 | 11.5 |
| **Colombia** | **25.2** | **20.7** | **26.6** | **21.6** |
| **Costa Rica** | **38.2** | **24.6** | **38.4** | **24.5** |
| Dominican Republic | 25.8 | 31.7 | 26.4 | 32.3 |
| **Ecuador** | **33.7** | **32.3** | **34.5** | **32.8** |
| **El Salvador** | **36.3** | **33.7** | **36.3** | **33.5** |
| Guatemala | 50.5 | 45.5 | 51.3 | 46.2 |
| Honduras | 50.1 | 46.2 | 51.2 | 47.4 |
| Mexico | 19.9 | 20.2 | 20.2 | 20.6 |
| **Nicaragua** | **39.8** | **41.1** | **40.7** | **42.1** |
| Panama | 33.5 | 29.8 | 35.2 | 30.2 |
| Paraguay | 42.2 | 39.0 | 43.3 | 39.8 |
| Peru | 30.5 | 24.2 | 32.0 | 24.8 |
| Uruguay | 12.6 | 15.2 | 13.1 | 15.5 |
| Total Latin America | 21.4 | 19.1 | 22.5 | 19.8 |

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

**Note**: Bold is used to indicate countries for which the years of the series are not comparable owing to methodological changes. Brazil: National Household Survey (PNAD). Chile: the data for 2005 come from the 2006 National Socioeconomic Survey (CASEN), and those for 2014 come from CASEN 2013. Colombia: data from the second quarter of each year. The 2005 data are not comparable with those of 2014 owing to methodological changes. The urban data correspond to the municipal capitals. Includes hidden unemployment. Costa Rica: the data for 2014 come from the Continuous Employment Survey and are not comparable with those for 2005. Dominican Republic: National Labour Force Survey (ENFT). Annual average. Ecuador: data from the fourth quarter of each year. Methodological changes introduced in 2008 mean that the data for 2005 are not comparable with those of 2014. The working-age population includes all persons aged 15 years or over. Includes hidden unemployment. El Salvador: for 2014, the minimum age of the working-age population changed from 10 to 16 years, so the data are not comparable with those of 2005. Guatemala: data from the National Employment and Income Survey (ENEI) conducted in April and May. The working-age population is aged 15 years and over. Honduras: the data for 2005 correspond to the September survey and those for 2014 to the May survey. Mexico: data from the second quarter. The working-age population is aged 15 years and over. Nicaragua: the data for 2014 correspond to 2012. The data for 2005 are not comparable with those of 2012. Panama: Labour Market Survey conducted in August. Includes hidden unemployment. Paraguay: permanent Survey of Households (EPH). Peru: National Household Survey (ENAHO). Plurinational State of Bolivia: household survey conducted in November and December each year. The working-age population includes all persons aged 10 years or over. Data for 2014 are preliminary. Uruguay: the data for 2005 correspond to 2006. Montevideo and localities of over 5,000 inhabitants are categorized as urban areas. Localities with fewer than 5,000 inhabitants and rural settlements are included in the rural category. The total for Latin America includes the 16 countries listed in the table plus imputations for Argentina and the Bolivarian Republic of Venezuela.

[9] The countries are: Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

# A. Participation, employment and unemployment: urban-rural disparities

Between 2005 and 2014, labour market participation rates —in other words, the percentage of the working-age population that is either working or looking for work— rose in most countries, both in rural areas (7 of 11 countries with comparable information available) and in urban zones (9 of 11 countries). The exceptions are Brazil and Guatemala, where urban and rural labour market participation rates fell in the period under analysis; and Paraguay and Peru where the rural participation rate has declined slightly over the last decade (see table II.2).

Table II.2
**LATIN AMERICA (16 COUNTRIES): PARTICIPATION, EMPLOYMENT AND UNEMPLOYMENT RATES, BY GEOGRAPHICAL AREA, 2005 AND 2014 OR CLOSEST YEAR AVAILABLE**
*(Percentages)*

| Country | Participation rate | | | | Employment rate | | | | Unemployment rate | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Urban | | Rural | | Urban | | Rural | | Urban | | Rural | |
| | 2005 | 2014 | 2005 | 2014 | 2005 | 2014 | 2005 | 2014 | 2005 | 2014 | 2005 | 2014 |
| Bolivia (Plurinational State of) | 55.7 | 59.4 | 76.9 | 80.2 | 51.2 | 57.3 | 75.7 | 79.9 | 8.1 | 3.5 | 1.6 | 0.4 |
| Brazil | 61.4 | 60.7 | 70.6 | 62.8 | 54.7 | 56.0 | 68.6 | 60.9 | 10.8 | 7.6 | 2.9 | 3.0 |
| Chile | 54.9 | 55.7 | 46.5 | 48.7 | 50.4 | 51.4 | 43.8 | 46.1 | 8.1 | 7.9 | 7.8 | 7.8 |
| **Colombia** | **60.2** | **65.9** | **56.7** | **57.9** | **52.0** | **59.3** | **52.7** | **54.9** | **13.6** | **10.0** | **7.1** | **5.1** |
| **Costa Rica** | **58.2** | **63.9** | **54.7** | **58.6** | **54.2** | **57.8** | **51.3** | **52.8** | **6.9** | **9.6** | **6.2** | **9.8** |
| Dominican Republic | 50.4 | 53.4 | 45.3 | 50.2 | 46.8 | 49.5 | 43.5 | 47.9 | 7.3 | 7.2 | 4.0 | 4.6 |
| **Ecuador** | **67.2** | **63.0** | **72.9** | **67.7** | **62.0** | **60.2** | **69.8** | **66.2** | **7.7** | **4.5** | **4.3** | **2.2** |
| **El Salvador** | **54.3** | **64.6** | **49.4** | **59.4** | **50.3** | **60.3** | **45.9** | **55.0** | **7.3** | **6.7** | **7.1** | **7.5** |
| Guatemala | 65.5 | 63.3 | 60.8 | 59.8 | 62.6 | 60.6 | 59.9 | 59.0 | 4.4 | 4.2 | 1.6 | 1.4 |
| Honduras | 54.9 | 55.7 | 50.5 | 56.4 | 51.1 | 51.5 | 49.3 | 54.9 | 6.9 | 7.5 | 2.6 | 2.7 |
| Mexico | 60.0 | 61.0 | 54.9 | 55.7 | 57.6 | 57.7 | 53.9 | 54.2 | 3.9 | 5.4 | 1.8 | 2.7 |
| **Nicaragua** | **53.7** | **67.2** | **53.9** | **67.3** | **49.9** | **62.2** | **52.1** | **65.0** | **7.0** | **7.3** | **3.3** | **3.4** |
| Panama | 63.7 | 64.3 | 63.1 | 63.3 | 56.0 | 60.9 | 59.9 | 61.1 | 12.1 | 5.4 | 5.1 | 3.4 |
| Paraguay | 60.4 | 61.8 | 63.7 | 61.2 | 55.8 | 57.3 | 61.6 | 58.8 | 7.6 | 7.4 | 3.3 | 4.0 |
| Peru | 67.3 | 70.0 | 81.6 | 80.3 | 62.3 | 66.8 | 81.1 | 79.5 | 7.4 | 4.5 | 0.7 | 0.9 |
| Uruguay | 60.8 | 64.9 | 60.0 | 63.7 | 53.9 | 60.4 | 55.6 | 60.7 | 11.3 | 6.9 | 7.3 | 4.7 |

**Source**: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.
**Note**: The data are from national household surveys carried out in the respective countries. Bold is used to indicate countries for which the years of the series are not comparable owing to methodological changes. For Chile, the 2005 data correspond to 2006 and the 2014 data to 2013. For Nicaragua, the 2014 data correspond to 2012. For Uruguay, the 2005 data are from 2006. The minimum age of the working-age population varies from country to country. The figures for Colombia, Ecuador and Panama include hidden unemployment.

In terms of rural-urban differences, labour market participation rates were higher in urban than in rural areas in 11 out of 16 countries in 2014, the exceptions being Brazil, Ecuador, Honduras, Nicaragua, Peru and the Plurinational State of Bolivia. This is mainly because rural women have lower participation rates in all countries except for Ecuador, Peru and the Plurinational State of Bolivia, whereas men's labour market participation is higher in rural zones than in urban areas in most countries (see table II.3).[10]

Another change in the labour market over the last decade has been the growth of job opportunities, in both urban and rural areas, but at a higher rate in the former. Between 2005 and 2014, the employment rate (the percentage of persons of working age who are working) in rural areas increased in 7 out of 11 countries with comparable information available, and it fell in only 4: Brazil (down by 7.7 percentage points), Paraguay (2.8 points), Peru (1.6 points) and Guatemala (0.9 of a percentage point). In urban areas, the rate rose in 10 out of 11 countries.

In contrast to the trend in participation rates, the employment rates reported for 2014 were higher in rural areas than in urban zones in 9 out of 16 countries (Brazil, Ecuador, Honduras, Nicaragua, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay); whereas in 7 countries urban rates were higher. In rural areas of Peru and the Plurinational State of Bolivia, 8 in every 10 persons of working age were employed, owing mainly to high employment rates among women (see table II.3), young people and older persons (see table II.4).

In keeping with these trends, unemployment rates (the percentage of working-age people who are not working but looking for work) in rural areas remained lower than those in urban areas in 14 of the 16 countries under consideration. In Peru and the Plurinational State of Bolivia, there is virtually no unemployment in rural areas; consequently the urban unemployment rate in the Plurinational State of Bolivia is nine times higher than the rural rate, and in Peru it is five times higher. In Brazil, Colombia, Ecuador, Honduras and Paraguay urban unemployment rates are roughly twice the rural rates.

[10] Among the region's rural labour markets, Peru and the Plurinational State of Bolivia are exceptions, owing to their high labour market participation rates for both men and women. This partly reflects the predominance of peasant farming in both countries, the early exit of young people from the education system, and the accurate measurement of own-account and unpaid family work.

Table II.3
**LATIN AMERICA (15 COUNTRIES): MAIN LABOUR MARKET INDICATORS BY GEOGRAPHICAL AREA AND SEX, 2014 OR LATEST YEAR AVAILABLE**
*(Percentages)*

| | Participation rate | | Employment rate | | Unemployment rate | |
|---|---|---|---|---|---|---|
| | Urban | Rural | Urban | Rural | Urban | Rural |
| **Men** | | | | | | |
| Bolivia (Plurinational State of) | 68.5 | 89.1 | 66.8 | 88.7 | 2.5 | 0.4 |
| Brazil | 70.3 | 75.0 | 66.1 | 73.4 | 6.0 | 2.2 |
| Chile | 63.7 | 66.4 | 62.6 | 62.5 | 7.0 | 5.9 |
| Colombia | 74.5 | 74.0 | 68.4 | 71.8 | 8.3 | 3.1 |
| Costa Rica | 76.0 | 75.6 | 69.6 | 69.9 | 8.3 | 7.6 |
| Dominican Republic | 64.4 | 68.0 | 60.9 | 66.0 | 5.4 | 2.9 |
| Ecuador | 77.7 | 83.9 | 74.7 | 82.6 | 3.8 | 1.6 |
| El Salvador | 77.8 | 85.6 | 71.2 | 78.2 | 8.5 | 8.7 |
| Guatemala | 80.1 | 90.1 | 77.1 | 89.1 | 3.8 | 1.1 |
| Honduras | 68.5 | 79.2 | 63.7 | 77.5 | 6.9 | 2.1 |
| Mexico | 72.2 | 81.7 | 72.8 | 79.6 | 5.6 | 2.6 |
| Panama | 77.7 | 83.0 | 74.0 | 80.8 | 4.7 | 2.6 |
| Paraguay | 72.4 | 76.5 | 68.1 | 74.1 | 5.9 | 3.2 |
| Peru | 79.2 | 88.2 | 75.9 | 87.3 | 4.2 | 1.0 |
| Uruguay | 73.9 | 76.6 | 69.8 | 74.2 | 5.5 | 3.0 |
| **Women** | | | | | | |
| Bolivia (Plurinational State of) | 50.9 | 71.4 | 48.4 | 71.2 | 4.9 | 0.3 |
| Brazil | 52.0 | 49.5 | 47.0 | 47.4 | 9.5 | 4.3 |
| Chile | 45.6 | 31.0 | 41.5 | 27.7 | 8.9 | 10.7 |
| Colombia | 58.0 | 39.5 | 51.0 | 35.7 | 12.0 | 9.4 |
| Costa Rica | 52.2 | 39.4 | 46.3 | 33.8 | 11.3 | 14.4 |
| Dominican Republic | 43.0 | 30.7 | 38.8 | 28.0 | 9.8 | 8.8 |
| Ecuador | 49.7 | 51.5 | 46.9 | 49.9 | 5.6 | 3.3 |
| El Salvador | 54.1 | 35.9 | 51.6 | 34.1 | 4.6 | 5.1 |
| Guatemala | 48.8 | 32.9 | 46.5 | 32.2 | 4.8 | 2.0 |
| Honduras | 45.2 | 34.6 | 41.5 | 33.2 | 8.3 | 4.1 |
| Mexico | 46.5 | 31.3 | 44.1 | 30.4 | 5.2 | 3.0 |
| Panama | 52.6 | 42.9 | 49.3 | 40.7 | 6.4 | 5.0 |
| Paraguay | 52.5 | 44.5 | 47.7 | 42.0 | 9.2 | 5.6 |
| Peru | 61.1 | 71.3 | 58.1 | 70.8 | 5.0 | 0.7 |
| Uruguay | 56.9 | 50.6 | 52.0 | 46.9 | 8.5 | 7.4 |

**Source**: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.
**Note**: The data are from national household surveys carried out in the respective countries. For Chile, the 2014 data correspond to 2013. The minimum age of the working-age population varies from country to country. The figures for Colombia, Ecuador and Panama include hidden unemployment.

Table II.4
**LATIN AMERICA (15 COUNTRIES): LABOUR MARKET PARTICIPATION BY GEOGRAPHICAL AREA AND AGE GROUP, 2014 OR LATEST YEAR AVAILABLE**
*(Percentages)*

| Country | Urban areas | | | | Rural areas | | | |
|---|---|---|---|---|---|---|---|---|
| | Less than 25 years | 25-39 years | 40-59 years | 60 years and over | Less than 25 years | 25-39 years | 40-59 years | 60 years and over |
| Bolivia (Plurinational State of) | 33.0 | 80.3 | 83.3 | 45.2 | 68.7 | 88.3 | 91.5 | 77.6 |
| Brazil | 41.9 | 84.0 | 75.1 | 26.1 | 41.0 | 80.3 | 79.9 | 48.8 |
| Chile | 28.6 | 80.8 | 75.8 | 29.3 | 30.6 | 70.6 | 65.5 | 24.9 |
| Colombia | 43.0 | 88.1 | 81.8 | 34.7 | 36.0 | 76.2 | 76.0 | 50.4 |
| Costa Rica | 49.8 | 84.2 | 76.6 | 26.7 | 44.2 | 74.3 | 69.2 | 28.8 |
| Dominican Republic | 27.5 | 79.0 | 74.5 | 31.6 | 28.7 | 72.7 | 67.8 | 38.6 |
| Ecuador | 38.2 | 78.9 | 78.1 | 41.1 | 50.3 | 78.3 | 79.8 | 57.0 |
| El Salvador | 46.2 | 81.6 | 77.8 | 38.2 | 53.4 | 70.1 | 66.2 | 40.0 |
| Guatemala | 49.6 | 79.1 | 72.0 | 41.0 | 55.7 | 65.3 | 64.1 | 49.8 |
| Honduras | 35.6 | 77.3 | 75.9 | 38.3 | 43.8 | 70.4 | 69.6 | 52.9 |
| Mexico | 44.9 | 76.7 | 72.1 | 31.8 | 47.9 | 63.3 | 64.2 | 40.1 |
| Panama | 43.3 | 83.9 | 79.3 | 29.5 | 49.2 | 75.1 | 75.4 | 47.4 |
| Paraguay | 41.6 | 84.2 | 79.8 | 37.7 | 42.7 | 79.5 | 79.3 | 52.4 |
| Peru | 50.5 | 83.1 | 84.2 | 47.8 | 63.5 | 88.0 | 91.5 | 78.6 |
| Uruguay | 48.7 | 89.3 | 85.2 | 25.3 | 47.8 | 83.7 | 82.6 | 30.4 |

**Source**: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.
**Note**: The data are from national household surveys carried out in the respective countries. For Chile, the 2014 data correspond to 2013. The minimum age of the working-age population varies from country to country.

Unemployment rates tend to be lower in rural areas than in urban areas because the surplus rural labour supply tends to fuel migratory flows to the cities and is absorbed in low-paid jobs with less social protection coverage, rather than showing through as open unemployment (ILO, 2014). Moreover, the chance of obtaining a paid job varies according to the agricultural cycle, which means greater labour inactivity in periods when labour demand is weak.

Nonetheless, unemployment disparities by geographical area have narrowed, since urban jobless rates have declined in 9 out of 11 countries with comparable information available, while rural rates have decreased in only 4.

## B. The employment disadvantages of rural women

Female labour market participation rates are lower than those of men in all of the countries analysed, in both urban and rural areas. Women's participation rates are lower in rural areas than in urban ones, which partly reflects the fact that the statistics fail to capture the work of many rural women who participate in family farms as unpaid family workers (ECLAC/FAO/UN-Women/UNDP/ILO, 2013).

As a rule, the gender gap in labour market participation is much greater in rural areas than in urban zones. The exceptions are Peru, where the gap is 1.1 percentage points wider in urban zones, and the Plurinational State of Bolivia where the gaps are virtually the same in the two areas. This is explained by the fact that female labour market participation rates in rural areas of Peru and the Plurinational State of Bolivia are above 70%.

Despite their persistent disadvantage, rural women have made significant progress in the labour market over the last decade. Between 2005 and 2014, rural women increased their labour market participation in 8 out of 10 countries that have comparable information available, the exceptions being Brazil and Peru. The countries in which female labour market participation rose most are Honduras (by 8.4 percentage points), the Dominican Republic (6.8 percentage points) and Uruguay (6.6 percentage points).

As a result, the gender gaps in labour market participation in rural areas generally narrowed between 2005 and 2014, except in three countries (out of a total of nine with comparable information available). The exceptions are Brazil and Peru, where the gaps remain virtually unchanged, and the Plurinational State of Bolivia where the gap widened by 3.4 percentage points.

In the last decade, not only has female labour market participation increased, but so too has the female employment rate in most countries, both in urban areas (in 9 of 10 countries) and in rural zones (in 8 of 10 countries). Despite this progress, in 2014 female employment rates were still lower than male employment rates in urban and rural areas in all countries, without exception.

As was the case for labour market participation, women's employment rates were lower in rural areas than in urban zones in 11 of 15 countries analysed, the exceptions being Brazil, Ecuador, Peru and the Plurinational State of Bolivia.

As a result, the gender gaps in employment rates are much wider in rural areas than in urban zones in all countries, except for Peru and the Plurinational State of Bolivia. This is partly due to the greater difficulties that women face in obtaining a job, compared with men; but it also reflects the invisibility of rural women workers, since, as noted above, unpaid female family workers, or those who produce for their own consumption, are not recognized as employed in the surveys.

In rural areas gender roles are more rigid, with men having the main responsibility for production while women are confined to the domain of reproduction and related tasks. Consequently, many rural women are considered secondary workers whose function is, essentially, to complement household income —a role that is also reflected in women's greater participation in seasonal agricultural jobs in many countries, while permanent agricultural jobs are predominantly held by men (ECLAC/FAO/UN-Women/UNDP/ILO, 2013; FAO/ECLAC/ILO, 2010).

Consequently, many of the rural women who work obtain only precarious and badly paid jobs, making them part of the "working poor" —in other words female workers whose wages are insufficient to satisfy their minimum needs, despite working long hours. This situation not only exacerbates the precarious nature of the current labour conditions of those women, but also complicates their access to social security in the future (FAO/CEPAL/OIT, 2010).

The female unemployment rate in urban areas fell in eight countries between 2005 and 2014, whereas in rural areas it fell in six (out of 10 in both cases). Nonetheless, in 2014, the unemployment rate for women remained higher than for men in most countries, both in urban zones (13 out of 15 countries) and in rural areas (12 out of 15).

Rural women had lower unemployment rates than their urban counterparts in 12 of the 15 countries analysed, with Chile, Costa Rica and El Salvador being the exceptions. Nonetheless, gender gaps in unemployment, to the detriment of women, are wider in rural areas than in urban zones in Chile, Colombia, Costa Rica, the Dominican Republic, Panama and Uruguay. This can be explained by the fact that male unemployment rates are also higher in urban zones than in rural areas in all countries (except in El Salvador where the rural rate is slightly higher). In El Salvador, unemployment among rural men is 3.6 percentage points above the rate for rural women, whereas in Mexico, Peru and the Plurinational State of Bolivia the rates are virtually the same.

## C. Greater labour market participation among younger and older persons in rural areas

The highest labour market participation rates in urban and rural areas were recorded by individuals aged between 25 and 59 years, particularly those in the 25-39 age bracket. Nonetheless, by contrast with the situation in urban areas, in rural zones the age-group differences in labour market participation were smaller owing to the high participation rates among younger people and those aged 60 years or over.

The labour market participation of young people (under 25 years of age) was higher in rural areas than in urban zones in 11 out of 15 countries, the exceptions being Brazil, Colombia, Costa Rica and Uruguay. One in every two young people in rural areas of Ecuador, El Salvador and Guatemala participated in the labour market, compared with over 6 out of 10 in Peru and the Plurinational State of Bolivia.

Higher rates of participation by young people in rural areas can be explained by the shorter time they spend in the education system and, hence, their earlier entry into the labour market. In contrast, urban youth face heavier pressure and stronger incentives to stay longer in the education system and obtain higher school qualifications before entering an increasingly demanding labour market.

Similarly, in rural areas, labour market participation rates among persons aged 60 and over were very high. Whereas in urban areas only about one third of older adults participated in the labour market, nearly half do so in rural areas in Brazil, Colombia, Ecuador, Guatemala, Honduras, Panama and Paraguay. Meanwhile, in Peru and the Plurinational State of Bolivia, nearly 8 in 10 older adults in rural areas participated in the labour market, as did almost half of older adults in urban areas. This may reflect the greater difficulties faced by older adults in rural areas in accessing social security benefits, among other reasons because of their lower social protection coverage and fragmented labour market histories (ECLAC/FAO/UN-Women/UNDP/ILO, 2013).

Higher participation rates are also reflected in higher rates of employment in the middle age brackets in rural and urban areas, particularly among persons aged between 40 and 59 years. Age-group differences are also much smaller in rural areas than in urban ones, owing to the higher employment rates among individuals at the extremes of the age pyramid.

The youth employment rate is higher in rural areas than in urban zones in most countries (13 out of 15 countries); and in the Plurinational State of Bolivia it is more than twice as high (68.3% compared with 30.4%). This possibly reflects pressures for early exit from formal education or the non-existence of school infrastructure in the rural areas of the country.

Table II.5
**LATIN AMERICA (15 COUNTRIES): EMPLOYMENT RATE BY GEOGRAPHICAL AREA AND AGE GROUP, 2014 OR LATEST YEAR AVAILABLE**
*(Percentages)*

| Country | Urban areas | | | | Rural areas | | | |
|---|---|---|---|---|---|---|---|---|
| | Less than 25 years | 25-39 years | 40-59 years | 60 years and over | Less than 25 years | 25-39 years | 40-59 years | 60 years and over |
| Bolivia (Plurinational State of) | 30.4 | 77.7 | 82.1 | 44.5 | 68.3 | 87.7 | 91.4 | 77.5 |
| Brazil | 34.2 | 78.3 | 72.3 | 25.5 | 37.8 | 77.7 | 79.1 | 48.7 |
| Chile | 22.7 | 74.6 | 72.1 | 28.2 | 24.2 | 65.6 | 62.7 | 24.2 |
| Colombia | 34.3 | 80.3 | 76.4 | 32.8 | 32.4 | 72.1 | 73.7 | 49.7 |
| Costa Rica | 36.9 | 77.3 | 73.4 | 25.2 | 34.3 | 67.6 | 65.7 | 27.7 |
| Dominican Republic | 23.6 | 72.6 | 71.5 | 31.1 | 26.0 | 68.6 | 66.4 | 38.5 |
| Ecuador | 33.5 | 75.5 | 76.5 | 40.4 | 47.7 | 76.4 | 79.1 | 56.7 |
| El Salvador | 38.3 | 76.9 | 75.3 | 36.8 | 46.8 | 66.4 | 62.8 | 36.4 |
| Guatemala | 45.6 | 75.2 | 71.2 | 40.8 | 54.2 | 64.7 | 63.7 | 49.7 |
| Honduras | 31.1 | 71.6 | 72.6 | 37.4 | 41.9 | 68.2 | 69.0 | 52.9 |
| Mexico | 39.9 | 72.6 | 69.7 | 31.1 | 45.7 | 61.3 | 63.0 | 39.9 |
| Panama | 36.7 | 79.4 | 77.3 | 29.1 | 45.4 | 72.0 | 74.2 | 47.2 |
| Paraguay | 34.9 | 78.9 | 77.6 | 36.5 | 39.4 | 76.9 | 77.7 | 51.3 |
| Peru | 43.9 | 80.4 | 82.7 | 47.1 | 61.8 | 87.5 | 91.2 | 78.5 |
| Uruguay | 38.8 | 84.1 | 82.3 | 24.7 | 41.1 | 80.1 | 80.9 | 29.9 |

**Source**: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.
**Note**: The data are from national household surveys carried out in the respective countries. For Chile, the 2014 data correspond to 2013. The minimum age of the working-age population varies from country to country.

As noted above, other influential factors include the longer time urban youth spend in the education system and their lower labour market participation rate; the higher educational qualifications and employment experience demanded of urban workers; and the higher job quality expectations of young people in urban zones.

As shown in table II.6, employment rates among individuals with fewer years of schooling were higher in rural areas than in urban zones, except in El Salvador and Guatemala. Moreover, in the rural areas of Ecuador and Peru, employment rates were higher among workers with fewer years of schooling (seven years or less) than among those who spent longer in the education system.

Although employment rates among older persons decline because they are more likely to withdraw from the labour market altogether, persons aged 60 years or over in rural areas display very high rates. One in every two older persons is employed in rural zones in 7 of the 15 countries analysed, and 8 in every 10 in Peru and in the Plurinational State of Bolivia.

The fact that unemployment is much less prevalent in rural areas than in urban zones is also reflected in the gender and age breakdown. Youth unemployment rates tend to be two or three times higher than the rates for adults (ECLAC/ILO, 2012). In particular, the widest generational gaps occur in urban areas, owing to the higher rates of youth unemployment (persons aged under 25 years) in urban areas compared with rural zones in all countries —except for Chile, where youth unemployment rates are the same in the two geographical areas. In Brazil, Colombia and Peru, unemployment rates among young people are more than 10 percentage points higher than the respective adult rates.

Table II.6
**LATIN AMERICA (15 COUNTRIES): EMPLOYMENT RATE BY GEOGRAPHICAL AREA AND YEARS OF SCHOOLING, 2014 OR LATEST YEAR AVAILABLE**
*(Percentages)*

| Country | Urban areas | | | Rural areas | | |
|---|---|---|---|---|---|---|
| | 7 years or fewer | 8-12 years | 13 years or more | 7 years or fewer | 8-12 years | 13 years or more |
| Bolivia (Plurinational State of) | 50.6 | 58.4 | 65.4 | 79.4 | 80.9 | 82.3 |
| Brazil | 38.3 | 64.7 | 78.2 | 57.9 | 66.1 | 80.8 |
| Chile | 26.3 | 53.4 | 66.8 | 32.4 | 53.7 | 57.7 |
| Colombia | 48.3 | 59.5 | 76.6 | 54.2 | 54.0 | 75.6 |
| Costa Rica | 51.1 | 56.0 | 71.5 | 52.2 | 48.8 | 69.7 |
| Dominican Republic | 37.1 | 51.5 | 67.9 | 44.1 | 51.5 | 60.9 |
| Ecuador | 60.1 | 56.2 | 66.2 | 70.0 | 57.9 | 67.8 |
| El Salvador | 56.3 | 60.7 | 68.0 | 53.6 | 57.3 | 60.5 |
| Guatemala | 58.6 | 59.2 | 72.3 | 58.6 | 59.7 | 78.4 |
| Honduras | 47.8 | 52.7 | 63.1 | 54.4 | 55.3 | 78.0 |
| Mexico | 50.2 | 57.7 | 68.4 | 52.5 | 55.2 | 66.4 |
| Panama | 47.9 | 58.4 | 73.4 | 62.3 | 57.1 | 70.1 |
| Paraguay | 42.8 | 58.7 | 76.7 | 56.7 | 60.1 | 76.2 |
| Peru | 61.9 | 63.0 | 76.9 | 82.8 | 74.7 | 77.1 |
| Uruguay | 45.5 | 64.5 | 69.2 | 56.6 | 66.0 | 63.0 |

**Source**: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.
**Note**: The data are from national household surveys carried out in the respective countries. For Chile, the 2014 data correspond to 2013. The minimum age of the working-age population varies from country to country.

Table II.7
**LATIN AMERICA (15 COUNTRIES): UNEMPLOYMENT RATES BY GEOGRAPHICAL AREA, 2014 OR LATEST YEAR AVAILABLE**
*(Percentages)*

| Country | Urban areas | | | | Rural areas | | | |
|---|---|---|---|---|---|---|---|---|
| | Less than 25 years | 25-39 years | 40-59 years | 60 years or over | Less than 25 years | 25-39 years | 40-59 years | 60 years or over |
| Bolivia (Plurinational State of) | 7.9 | 3.3 | 1.4 | 1.7 | 0.6 | 0.6 | 0.1 | 0.1 |
| Brazil | 18.5 | 6.8 | 3.8 | 2.1 | 7.9 | 3.3 | 1.0 | 0.2 |
| Chile | 20.8 | 7.6 | 4.9 | 3.7 | 20.8 | 7.2 | 4.3 | 3.1 |
| Colombia | 20.3 | 8.9 | 6.6 | 5.7 | 9.8 | 5.4 | 3.1 | 1.3 |
| Costa Rica | 26.0 | 8.2 | 4.1 | 5.6 | 22.5 | 9.0 | 5.1 | 4.0 |
| Dominican Republic | 14.1 | 8.2 | 3.9 | 1.7 | 9.7 | 5.7 | 2.1 | 0.4 |
| Ecuador | 12.5 | 4.3 | 2.1 | 1.6 | 5.2 | 2.5 | 0.9 | 0.5 |
| El Salvador | 17.1 | 5.8 | 3.2 | 3.7 | 12.3 | 5.3 | 5.2 | 9.1 |
| Guatemala | 8.0 | 4.9 | 1.2 | 0.4 | 2.8 | 0.9 | 0.6 | 0.2 |
| Honduras | 12.9 | 7.4 | 4.3 | 2.4 | 4.3 | 3.2 | 0.9 | 0.0 |
| Mexico | 11.2 | 5.4 | 3.4 | 2.0 | 4.5 | 3.2 | 1.8 | 0.5 |
| Panama | 15.3 | 5.4 | 2.4 | 1.2 | 7.6 | 4.1 | 1.6 | 0.4 |
| Paraguay | 16.1 | 6.3 | 2.8 | 3.3 | 7.7 | 3.4 | 2.0 | 2.0 |
| Peru | 13.1 | 3.3 | 1.8 | 1.4 | 2.7 | 0.6 | 0.2 | 0.1 |
| Uruguay | 20.4 | 5.8 | 3.4 | 2.6 | 14.0 | 4.3 | 2.1 | 1.8 |

**Source**: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.
**Note**: The data are from national household surveys carried out in the respective countries. For Chile, the 2014 data correspond to 2013. The minimum age of the working-age population varies from country to country. The figures for Colombia, Ecuador and Panama include hidden unemployment.

Among young people, women have higher unemployment rates than men in all countries, in both rural and urban areas, except in El Salvador and in rural areas of Peru. The hardest hit are young women in urban areas, who are more likely to be unemployed than rural women in all countries except Chile. The largest gaps occur in the Plurinational State of Bolivia, where unemployment among young urban women is 12 times higher than among young women in rural areas; and in Peru, where the difference is six times, and also in Ecuador, Guatemala and Honduras, where unemployment rates among young urban women are more than double those of their rural peers.

This can be explained by factors including rural women's lower participation rates and their heavier domestic and care workloads, together with the aforementioned weakness of open unemployment as a labour market indicator in eminently agricultural areas and the higher wage expectations of urban women, consistent with their higher education level.

Among older persons (aged 60 or over) in rural areas, there is virtually no recorded unemployment, except in 5 of the 15 countries analysed: El Salvador (9.1%), Costa Rica (4.0%), Chile (3.1%), Paraguay (2.0%) and Uruguay (1.8%).

Unemployment rates among individuals with more years of schooling (including many young people) are lower in rural areas (in 9 out of 15 countries) than in urban zones. This could be explained by higher job-quality expectations among higher-skilled individuals in urban areas. Nonetheless, in rural zones, unemployment rises with the level of schooling (in 11 out of 15 countries). In contrast, in urban areas, in 10 of 15 countries, unemployment among the most educated is lower than among the intermediate group that has 8 to 12 years of schooling (table II.9).

Table II.8
**LATIN AMERICA (15 COUNTRIES): YOUTH UNEMPLOYMENT RATE BY GEOGRAPHICAL AREA AND SEX, 2014**
*(Percentages)*

| Country | Urban areas | | Rural areas | |
|---|---|---|---|---|
| | Men | Women | Men | Women |
| Bolivia (Plurinational State of) | 5.4 | 12.1 | 0.5 | 1.1 |
| Brazil | 15.4 | 22.0 | 6.0 | 14.5 |
| Chile | 18.4 | 24.1 | 17.4 | 26.8 |
| Colombia | 17.8 | 24.1 | 6.5 | 19.2 |
| Costa Rica | 22.7 | 31.5 | 18.2 | 31.4 |
| Dominican Republic | 10.2 | 21.1 | 7.0 | 19.7 |
| Ecuador | 9.8 | 17.0 | 3.4 | 8.7 |
| El Salvador | 18.9 | 14.5 | 12.5 | 11.7 |
| Guatemala | 5.7 | 11.7 | 2.3 | 4.1 |
| Honduras | 11.9 | 16.5 | 4.1 | 8.0 |
| Mexico | 11.1 | 11.5 | 4.2 | 5.5 |
| Panama | 14.4 | 16.6 | 6.4 | 10.5 |
| Paraguay | 13.9 | 19.4 | 5.1 | 14.3 |
| Peru | 11.9 | 13.1 | 3.0 | 2.5 |
| Uruguay | 17.4 | 24.3 | 10.4 | 21.3 |

**Source**: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.
**Note**: The data are from national household surveys carried out in the respective countries. The minimum age of the working-age population varies from country to country. For Chile, the 2005 data correspond to 2006 and the 2014 data to 2013. For Uruguay, the 2005 data are from 2006. The figures for Colombia, Ecuador and Panama include hidden unemployment.

Table II.9
**LATIN AMERICA (15 COUNTRIES): YOUTH UNEMPLOYMENT RATE BY GEOGRAPHICAL AREA AND YEARS OF SCHOOLING, 2014**
*(Percentages)*

| Country | Urban areas | | | Rural areas | | |
|---|---|---|---|---|---|---|
| | 7 years or fewer | 8-12 years | 13 years or more | 7 years or fewer | 8-12 years | 13 years or more |
| Bolivia (Plurinational State of) | 6.1 | 8.1 | 10.8 | 1.3 | 0.3 | 5.8 |
| Brazil | 22.7 | 18.6 | 11.1 | 5.7 | 10.7 | 10.6 |
| Chile | 23.1 | 20.5 | 21.5 | 12.6 | 20.6 | 24.7 |
| Colombia | 19.6 | 21.6 | 19.0 | 5.7 | 14.1 | 20.1 |
| Costa Rica | 27.4 | 26.8 | 21.7 | 19.8 | 24.1 | 24.9 |
| Dominican Republic | 9.2 | 15.3 | 15.2 | 6.9 | 10.6 | 15.2 |
| Ecuador | 9.0 | 11.1 | 15.0 | 2.4 | 3.9 | 10.8 |
| El Salvador | 12.6 | 18.5 | 16.5 | 10.2 | 13.4 | 19.7 |
| Guatemala | 4.6 | 10.5 | 5.1 | 0.9 | 6.0 | 37.2 |
| Honduras | 9.6 | 15.4 | 18.2 | 4.3 | 7.0 | 0.0 |
| Mexico | 8.9 | 11.3 | 12.5 | 2.8 | 4.7 | 12.1 |
| Panama | 13.8 | 17.1 | 11.5 | 4.0 | 9.9 | 9.2 |
| Paraguay | 20.5 | 16.3 | 15.2 | 7.8 | 7.5 | 12.8 |
| Peru | 6.3 | 13.5 | 11.6 | 0.7 | 3.2 | 7.9 |
| Uruguay | 24.7 | 19.7 | 19.5 | 10.8 | 15.4 | 15.0 |

**Source**: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.
**Note**: The data are from national household surveys carried out in the respective countries. The minimum age of the working-age population varies from country to country. For Chile, the 2005 data correspond to 2006 and the 2014 data to 2013. For Uruguay, the 2005 data are from 2006. The figures for Colombia, Ecuador and Panama include hidden unemployment.

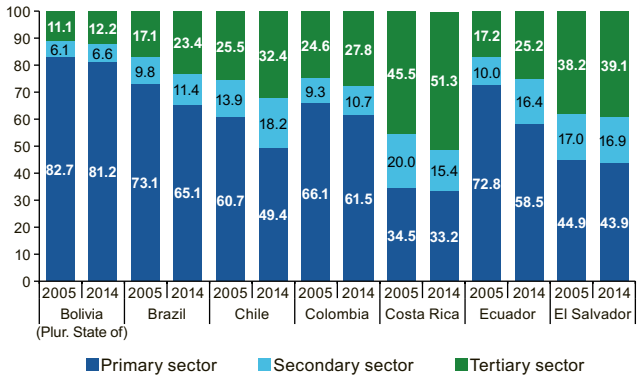
## D. The tertiary sector is growing in rural zones

It is well-known that employment in Latin America and the Caribbean is increasingly concentrated in the tertiary sector. Already in 2005, this sector accounted for more than 60% of jobs in urban areas in all countries with information available; and it grew even faster in the vast majority of countries between 2005 and 2014.

In contrast, the primary sector was still the predominant sector in rural areas in 12 of 15 countries with information available in 2014; and it accounted for over 50% of employment in eight of them (see figures II.1 and II.2). In the Plurinational State of Bolivia, the primary sector generates as much as 81.2% of total employment, in Peru it accounts for 74.2%, in Brazil 65.1% and in Colombia 61.5%. This predominance of the primary sector —composed mainly of agriculture and to a lesser degree fishing and mining— is despite the fact that tertiary sector employment has grown faster in rural areas than in urban zones in the last decade: it expanded by over 10 percentage points in the Dominican Republic and Uruguay, and by roughly 8 percentage points in Paraguay.

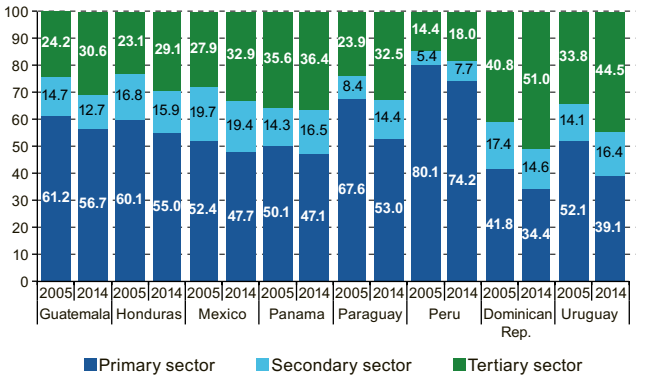
Consequently, while the tertiary sector accounts for 70% or more of urban employment, it also provides half of all rural jobs in Costa Rica and the Dominican Republic.

Figure II.1
**LATIN AMERICA (7 COUNTRIES): RURAL EMPLOYED POPULATION BY BROAD SECTORS OF ACTIVITY, 2005-2014**
*(Percentages)*




**Source**: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.
**Note**: The data are from national household surveys carried out in the respective countries. The data for Colombia, Costa Rica, Ecuador and El Salvador are not comparable between 2005 and 2014. For Chile, the 2005 data correspond to 2006. The minimum age of the working-age population varies from country to country.

Figure II.2
**LATIN AMERICA (8 COUNTRIES): RURAL EMPLOYED POPULATION BY BROAD SECTORS OF ACTIVITY, 2005-2014**
*(Percentages)*




**Source**: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.
**Note**: The data are from national household surveys carried out in the respective countries. The data for Colombia, Costa Rica, Ecuador and El Salvador are not comparable between 2005 and 2014. For Uruguay, the 2005 data correspond to 2006. The minimum age of the working-age population varies from country to country.

## E. Lower-quality jobs in rural areas

As shown in the previous subsections of this report, the main problem of the region's rural labour markets is not open unemployment, which in most countries is lower in rural areas than in urban zones. The key issue is the type and quality of employment, so it is interesting to explore the data that are available in this connection.

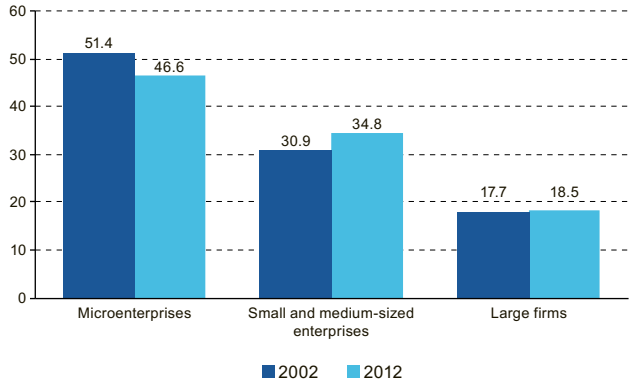
As shown in figures II.3 and II.4, the share of wage earners is lower in rural areas than in urban zones in all of the countries, with the greatest differences (above 30 percentage points) occurring in Brazil, Panama, Peru and the Plurinational State of Bolivia. Nonetheless, in three countries over 50% of employed people in the rural area are wage earners: Chile (69.8%), Costa Rica (64.0%) and Uruguay (59.5%).

In most of the countries, there is a smaller proportion of employers in rural areas than in urban zones. Nonetheless, the proportions and differences are very small, and in two countries the gap is even in favour of the proportion of employers in rural areas, the largest being in Uruguay (1.4 percentage points).

Own-account and auxiliary family workers, traditionally associated with low-quality, low-productivity jobs that are more precarious and more likely to be in the informal sector, represent a significantly larger share of total employment in rural areas in all the countries analysed, without exception. In 10 of the 15 countries, these two employment categories account for over 50% of rural jobs; and the ratio is 8 in every 10 jobs in the Plurinational State of Bolivia and 7 in every 10 jobs in Peru.

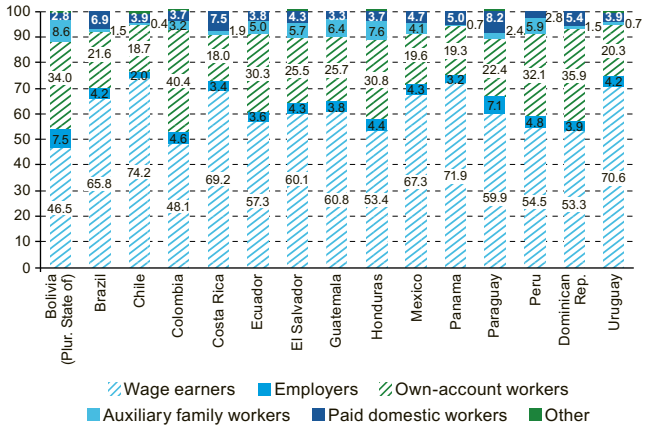
A breakdown of these jobs shows that more than half of rural employment is own-account in Colombia and the Dominican Republic; whereas almost half (44.2%) of employment in the Plurinational State of Bolivia and over one quarter in Peru (27.1%) consists of auxiliary family work.

Figure II.3
**LATIN AMERICA (10 COUNTRIES): AGRICULTURAL WAGE-EARNING EMPLOYMENT BY FIRM SIZE, SIMPLE AVERAGE, 2002 AND 2012**
*(Percentages)*




**Source**: J. Weller, "Transformaciones y rezagos: el empleo agropecuario en América Latina", Macroeconomía del Desarrollo series, Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2016, forthcoming.

Figure II.4
**LATIN AMERICA (15 COUNTRIES): URBAN EMPLOYED POPULATION BY CATEGORY, 2014**
*(Percentages)*



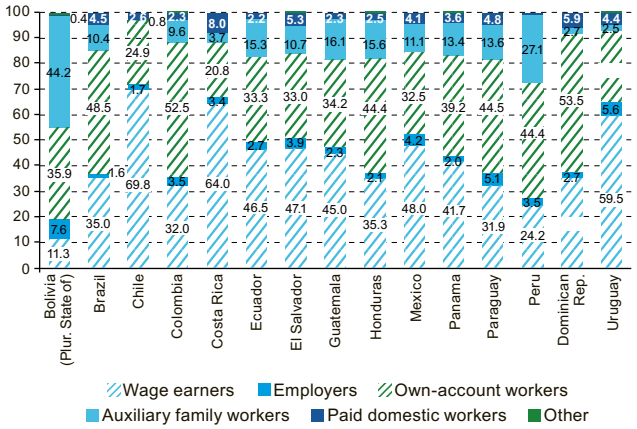

**Source**: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.
**Note**: The data are from national household surveys carried out in the respective countries. For Chile, the 2014 data correspond to 2013. The minimum age of the working-age population varies from country to country.

In the period analysed, the composition of agricultural employment shifted towards higher-productivity activities, with a slight increase in the proportion of agricultural wage earners and, among them, those working in small, medium-sized and large firms, compared with the proportion in microenterprises (figure II.3).

Even so, the data show that despite the increase in non-agricultural employment and the agro-export transformation that occurred in the last few decades in many of the region's countries, small-scale family production continues to play a major role in rural employment. It is also highly likely that the surveys underestimate the number of unpaid family workers, particularly women, owing to the difficulty of capturing that economic activity in the surveys and distinguishing it from household chores, which are not classified as employment within the production boundary of the System of National Accounts (ILO, 2014).

Paid domestic work is less represented in rural areas, except in 4 of the 15 countries analysed, where the employment share differences relative to urban zones are smaller. Of these four countries, El Salvador displays the largest gap (1 percentage point), with paid domestic work in that country accounting for 5.3% of total employment in rural areas and 4.3% in urban zones (see figures II.4 and II.5).

Figure II.5
**LATIN AMERICA (15 COUNTRIES): URBAN EMPLOYED POPULATION BY CATEGORY, 2014**
*(Percentages)*




**Source**: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.
**Note**: The data are from national household surveys carried out in the respective countries. For Chile, the 2014 data correspond to 2013. The minimum age of the working-age population varies from country to country.

Another relevant indicator of job quality is the rate of underemployment, defined as the percentage of the employed who work less than a certain number of hours per week (as specified in each country, but 40 hours in most cases), want to work longer and are available to do so.

As shown in table II.10, underemployment was more pervasive in rural areas than in urban ones in most countries in 2014. Only in Colombia, the Plurinational State of Bolivia and Uruguay was the urban underemployment rate higher than the rural rate; and in Brazil and Peru it was the same in both areas. The high level of underemployment in rural zones may partly reflect the seasonal nature of agricultural work, which means that there is insufficient work in certain phases of the agricultural cycle even for employed people.

Between 2005 and 2014, rural underemployment decreased in five of the eight countries with comparable information available and increased in three (Brazil, Honduras and Paraguay). Generally speaking, the rate changed in the same direction in rural and urban areas. Only Brazil and Paraguay displayed opposing trends because underemployment decreased in urban areas in those countries.

Table II.10
**LATIN AMERICA (13 COUNTRIES): TIME-RELATED UNDEREMPLOYMENT BY GEOGRAPHICAL AREA, 2005 AND 2014**

| Country | Limit | Urban areas | | Rural areas | |
|---|---|---|---|---|---|
| | | 2005 | 2014 | 2005 | 2014 |
| Bolivia (Plurinational State of) | 40 | 9.6 | 3.9 | 6.4 | 2.4 |
| Brazil | 40 | 5.0 | 3.5 | 2.7 | 3.5 |
| **Colombia** | **48** | **11.8** | **10.3** | **12.1** | **7.6** |
| **Costa Rica** | **40** | **16.2** | **11.9** | **22.4** | **15.7** |
| Dominican Republic | 40 and 44 | 14.9 | 14.9 | 19.9 | 19.4 |
| **Ecuador** | **40** | **8.1** | **10.2** | **30.9** | **12.9** |
| **El Salvador** | **40** | **6.1** | **6.4** | **10.1** | **10.3** |
| Honduras | 36 | 7.5 | 10.4 | 10.8 | 14.7 |
| **Nicaragua** | **40** | **11.0** | **22.1** | **11.7** | **26.2** |
| Panama | 40 | 4.7 | 1.8 | 5.8 | 2.6 |
| Paraguay | 30 | 7.5 | 5.9 | 6.7 | 7.4 |
| Peru | 35 | 10.8 | 3.9 | 10.0 | 3.9 |
| Uruguay | 40 | 14.6 | 8.0 | 8.4 | 6.2 |

**Source**: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.
**Note**: The data are from national household surveys carried out in the respective countries. Bold is used to indicate countries for which the years of the series are not comparable owing to methodological changes. For Nicaragua, the 2014 data correspond to 2012. For Uruguay, the 2005 data are from 2006. The minimum age of the working-age population varies from country to country.

Another important indicator of job quality is the coverage of social protection systems among the employed population. On this point, recent studies have identified significant progress in the region over the last decade (Bertranou, Casalí and Schwarzer, 2014; ECLAC, 2013; ILO, 2015b). With data broken down by geographical area, it is possible to analyse the extent to which rural areas have been involved in this progress. As shown in table II.11, the proportion of employed workers who pay into a pension system increased in both rural and urban areas in all countries with comparable data available, except Panama (where the proportion shrank from 30.2% to 29.4% in rural areas).

The progress made cannot be said to have clearly favoured rural ahead of urban areas, or vice versa; in fact, the result depends heavily on the indicator used to quantify the progress. If the percentage-point increase in coverage is used, the variation between 2005 and 2014 was more favourable to urban areas in 9 of 10 countries with comparable information available, so the gap between rural and urban areas measured in this way widened. In contrast, if the relative variation is considered, rural areas fared better in 6 of 10 countries. In three countries (Dominican Republic, Peru and the Plurinational State of Bolivia), pension system affiliation more than doubled in rural areas between 2005 and 2014. Nonetheless, despite progress in rural areas, very large coverage gaps persist between rural and urban zones.

Table II.11
**LATIN AMERICA (13 COUNTRIES): PROPORTION OF EMPLOYED PERSONS AFFILIATED TO A PENSION SYSTEM BY GEOGRAPHICAL AREA, 2005 AND 2015**
*(Percentages and percentage points)*

| Country | Pension system contributors *(percentages)* | | | | Urban-rural difference *(percentage points)* | | Difference 2005-2014 *(percentage points)* | | Variation 2005-2014 *(percetages)* | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Urban | | Rural | | 2005 | 2014 | Urban | Rural | Urban | Rural |
| | 2005 | 2014 | 2005 | 2014 | | | | | | |
| Bolivia (Plurinational State of) | 20.1 | 29.7 | 1.7 | 6.2 | 18.4 | 23.5 | 9.6 | 4.5 | 47.6 | 266.3 |
| Brazil | 59.8 | 71.2 | 29.4 | 44.1 | 30.4 | 27.1 | 11.4 | 14.7 | 19.1 | 49.9 |
| Chile | 68.1 | 72.8 | 55.7 | 58.0 | 12.4 | 14.8 | 4.7 | 2.3 | 6.9 | 4.1 |
| **Colombia** | **36.0** | **35.0** | **8.0** | **11.5** | **28.0** | **23.5** | **-1.0** | **3.5** | **-2.9** | **44.1** |
| Dominican Republic | 23.6 | 39.4 | 10.1 | 22.7 | 13.5 | 16.7 | 15.8 | 12.6 | 66.8 | 124.3 |
| **Ecuador** | **30.5** | **48.2** | **20.6** | **40.5** | **9.9** | **7.7** | **17.7** | **19.9** | **58.0** | **96.7** |
| **El Salvador** | **33.5** | **38.9** | **12.5** | **13.7** | **21.0** | **25.2** | **5.4** | **1.2** | **16.2** | **9.7** |
| Guatemala | 27.0 | 28.9 | 7.9 | 8.2 | 19.1 | 20.7 | 1.9 | 0.3 | 7.0 | 3.8 |
| Honduras | 27.9 | 30.7 | 5.6 | 7.9 | 22.3 | 22.8 | 2.8 | 2.3 | 9.9 | 40.6 |
| Panama | 63.8 | 66.7 | 30.2 | 29.4 | 33.6 | 37.3 | 2.9 | -0.8 | 4.5 | -2.7 |
| Paraguay | 19.6 | 28.4 | 5.5 | 10.9 | 14.1 | 17.5 | 8.8 | 5.4 | 44.9 | 98.3 |
| Peru | 26.7 | 42.9 | 4.9 | 10.8 | 21.8 | 32.1 | 16.2 | 5.9 | 60.5 | 121.0 |
| Uruguay | 68.0 | 77.0 | 67.6 | 67.9 | 0.4 | 9.1 | 9.0 | 0.3 | 13.2 | 0.5 |

**Source**: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.
**Note**: The data are from national household surveys carried out in the respective countries. Bold is used to indicate countries for which the years of the series are not comparable owing to methodological changes. For Chile, the 2014 data correspond to 2013. For Uruguay, the 2005 data are from 2006. The minimum age of the working-age population varies from country to country.

For 2014, information broken down by employment category is also available (see table II.12). As would be expected, in all countries the highest pension system coverage is observed among wage earners, with rates varying between 18.2% (Guatemala) and 82.3% (Uruguay) in rural areas and between 46.3% (Paraguay) and 90.0% (Uruguay) in urban zones. Rural employers also have relatively high coverage rates in rural areas of Uruguay (84.8%), Ecuador (50.0%) and Chile (44.3%); but in most countries coverage is very low or non-existent. The same is true for female domestic workers in rural areas, among whom the highest coverage rates are again found in Uruguay (68.8%), Ecuador (65.4%) and Chile (46.8%). By contrast, coverage for rural own-account workers exceeds one third of the employed population in only two countries: Uruguay (35.6%) and Brazil (35.7%).

Table II.12
**LATIN AMERICA (14 COUNTRIES): PENSION SYSTEM AFFILIATES AS A PROPORTION OF TOTAL EMPLOYED BY EMPLOYMENT CATEGORY, 2014**
*(Percentages)*

| Country | Total | | Wage earners | | Employers | | Own account | | Paid domestic work | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Urban | Rural | Urban | Rural | Urban | Rural | Urban | Rural | Urban | Rural |
| Bolivia (Plurinational State of) | 29.7 | 6.2 | 49.4 | 27.8 | 14.8 | 3.4 | 12.4 | 4.8 | 8.4 | ... |
| Brazil | 71.2 | 44.1 | 84.1 | 62.3 | 78.5 | 63.5 | 40.3 | 35.7 | 50.3 | 37.6 |
| Chile | 72.8 | 58.0 | 87.3 | 75.7 | 57.3 | 44.3 | 20.6 | 11.4 | 52.2 | 46.8 |
| Colombia | 35.0 | 11.5 | 69.9 | 34.4 | 2.4 | 0.5 | 1.7 | 0.5 | 15.1 | 11.2 |
| Costa Rica | 56.7 | 42.2 | 79.4 | 64.3 | 16.9 | 5.6 | 0.8 | 0.3 | 14.3 | 9.3 |
| Dominican Republic | 39.4 | 22.7 | 73.8 | 64.4 | ... | ... | ... | ... | ... | ... |
| Ecuador | 48.2 | 40.5 | 67.4 | 52.9 | 48.2 | 50.0 | 17.1 | 29.2 | 44.3 | 65.4 |
| El Salvador | 38.9 | 13.7 | 61.3 | 28.2 | 20.1 | 2.3 | 3.7 | 0.7 | 3.8 | 2.3 |
| Guatemala | 28.9 | 8.2 | 47.5 | 18.2 | 0.5 | ... | ... | ... | 1.1 | ... |
| Honduras | 30.7 | 7.9 | 55.2 | 22.0 | 12.2 | ... | 1.5 | 0.2 | 3.3 | ... |
| Panama | 66.7 | 29.4 | 84.9 | 60.4 | 38.6 | 24.4 | 15.0 | 7.1 | 29.1 | 21.0 |
| Paraguay | 28.4 | 10.9 | 46.3 | 33.3 | 2.8 | 3.6 | 1.1 | ... | 2.5 | 1.6 |
| Peru | 42.9 | 10.8 | 61.2 | 26.1 | 35.7 | 12.5 | 20.9 | 8.2 | 13.7 | 0.9 |
| Uruguay | 77.0 | 67.9 | 90.0 | 82.3 | 90.6 | 84.8 | 32.7 | 35.6 | 65.5 | 68.8 |

**Source**: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.
**Note**: The data are from national household surveys carried out in the respective countries. For Chile, the 2014 data correspond to 2013. The minimum age of the working-age population varies from country to country.

Information on health protection reveals somewhat more favourable trends for rural areas: coverage rates improved between 2005 and 2014 in all countries that have comparable information available (2013), except for the Plurinational State of Bolivia where coverage retreated in both areas.[11] In most countries, as is the case with pension system coverage, there are significant protection-rate gaps between urban and rural zones. Nonetheless, in several countries the percentage-point gap declined in the period under consideration and the gap was either smaller than 10 percentage points or else the coverage rate was actually higher in rural areas in Chile, Costa Rica, Dominican Republic, Ecuador, Peru and Uruguay in 2014. The availability of coverage does not mean that the health care provided is of the same quality in rural areas as in urban zones, however.

Unionization and collective bargaining have the potential to help improve employment conditions; but they seldom play an important role in practice owing to their weakness in rural areas (FAO/ECLAC/ILO, 2010). This weakness is associated partly with changes in the structure of rural employment, including a trend to replace permanent workers with temporary ones, which makes union organization more difficult. Other influences include the different modes of contracting farm workers through subcontractors, where the definition of employer and wage earner is often blurred —either in law or in practice.

Lastly, disparities in job quality are also reflected in the incidence of poverty among employed people in urban and rural areas. In the simple average of the countries with information in 2013, 35% of rural employed persons in Latin America were poor, compared with 18% in urban zones. In rural areas poverty rates are high among own-account workers and unpaid family workers (42%), but substantially lower for wage earners (25%). Nonetheless, in recent years, the standard of living of rural employed persons has improved, since 48% of them were still living in poverty in 2005 (ECLAC, 2014).

[11] The sharp expansion of coverage in Peru is the result of the Comprehensive Health Insurance (SIS), which has been targeted on the poor and extremely poor population groups, thereby also reaching the country's rural areas. In the Dominican Republic, the expansion is due to the increase in non-contributory coverage provided through the public health service supplier under the Ministry of Health.

Table II.13
**LATIN AMERICA (16 COUNTRIES): RATE OF HEALTH PROTECTION AS A PROPORTION OF EMPLOYMENT BY GEOGRAPHICAL AREA, 2005 AND 2014**
*(Percentages and percentage points)*

| Country | Urban areas *(percentages)* | | Rural areas *(percentages)* | | Urban-rural difference *(percentage points)* | |
|---|---|---|---|---|---|---|
| | 2005 | 2014 | 2005 | 2014 | 2005 | 2014 |
| Bolivia (Plurinational State of) | 30.7 | 27.4 | 13.0 | 5.6 | 17.7 | 21.8 |
| Brazil | 55.1 | 67.4 | 18.1 | 30.8 | 37.0 | 36.6 |
| Chile | 93.4 | 96.9 | 93.6 | 96.3 | -0.2 | 0.6 |
| **Colombia** | **44.1** | **48.1** | **12.6** | **18.5** | **31.5** | **29.6** |
| **Costa Rica** | **79.5** | **82.1** | **73.4** | **77.9** | **6.1** | **4.2** |
| Dominican Republic | 29.8 | 70.2 | 13.7 | 61.3 | 16.1 | 8.9 |
| **Ecuador** | **32.4** | **48.6** | **18.0** | **40.6** | **14.4** | **8.0** |
| **El Salvador** | **41.8** | **44.6** | **15.1** | **15.6** | **26.7** | **29.0** |
| Guatemala | ... | 35.2 | ... | 11.1 | ... | 24.1 |
| Honduras | 17.0 | 30.7 | 4.0 | 8.0 | 13.0 | 22.7 |
| Mexico | 41.1 | 42.7 | 13.1 | 15.3 | 28.0 | 27.4 |
| **Nicaragua** | **31.3** | **29.7** | **8.4** | **9.0** | **22.9** | **20.7** |
| Panama | 63.8 | 71.3 | 30.2 | 35.9 | 33.6 | 35.4 |
| Paraguay | 32.2 | 40.7 | 9.6 | 19.1 | 22.6 | 21.6 |
| Peu | 29.7 | 63.2 | 9.9 | 74.0 | 19.8 | -10.8 |
| Uruguay | 95.8 | 98.3 | 96.8 | 97.9 | -1.0 | 0.4 |

**Source**: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.
**Note**: The data are from national household surveys carried out in the respective countries. Bold is used to indicate countries for which the years of the series are not comparable owing to methodological changes. For Chile, the 2005 data correspond to 2006 and the 2014 data to 2014. For Nicaragua, the 2014 data are from 2012. For the Plurinational State of Bolivia, the 2005 data correspond to 2007. For Uruguay, the 2005 data are from 2006. The minimum age of the working-age population varies from country to country.

## F. Conclusions

Despite the region's increasing urbanization, rural workers still represent about one fifth of the total labour force. Between 2005 and 2014, there were major improvements in the region's labour markets and the data analysed in this section of the report show that this progress included rural areas, in terms of both labour market integration and job quality. In most countries, rural participation and employment rates increased, the share of wage-earning jobs in total employment grew and the coverage of social protection systems expanded.

In conjunction with the expansion of social policies, improvements in rural employment were a key factor in reducing rural poverty. Nonetheless, these improvements were insufficient to establish a clear trend towards closing the rural-urban gaps in employment conditions, which remain large.

Moreover, and despite the progress recorded in the last decade in terms of labour market integration and job development for rural women, there remain significant disparities in relation to their urban counterparts, and also between them and rural men. There are also gaps between young people and older persons, both rural and urban.

Considering the persistent deficits in labour market integration and job quality in rural areas compared with the region's urban areas, a series of public policies are needed, both to promote productive development and increase the productivity of economic activities, and to improve the effective coverage and quality of programmes and services and employment inspection. At the global level, the policy challenges for rural areas were formulated in the International Labour Conference conclusions on the promotion of rural employment for poverty reduction (ILO, 2008), which highlighted the need for a conducive business environment and the creation of decent jobs in rural areas, along with an integrated set of policies.

The diversification of the rural productive structure has a key role to play in this, with an extension of non-farming activities, often linked to agriculture. This requires decentralized productive development policies, together with training in new skills for ever larger segments of the rural population. In addition, much of peasant agriculture has potential for sustainable productive development as a basis for improvements in productivity and job quality in this sector; and public policies need to be strengthened to exploit this potential (ECLAC/FAO/IICA, 2015).

Despite various innovative experiences of improvements in rural labour institutions in recent years, most of the region's countries still lack public policies for the labour market in rural areas, thereby revealing an urban bias in government policies.

The main directions in which labour market policy should focus to move towards decent work in rural areas include the following:

- Steps should be taken to increase levels of job formalization. Formalizing rural employment is not easy and requires an integrated productive development approach, together with better coordination of the institutions responsible for inspecting firms with respect to labour standards, social security and taxation. A highly relevant area in this regard is regulation of labour force intermediation and subcontracting, particularly in agriculture. In the medium term, it is necessary to ensure the effective presence of labour institutions throughout the country.
- The coverage and quality of the benefits provided by social protection systems in rural areas must be improved. This issue is closely related to the formalization of jobs mentioned in the previous point. It also involves the integration of contributory and non-contributory social protection programmes and the application of the Social Protection Floors Recommendation, 2012 (No. 202). Employment guarantee programmes or conditional transfer programmes that require school attendance could be useful examples.
- The observance of minimum wage laws should be improved through campaigns to disseminate the rights and obligations that exist in this area, as well as greater employment inspection in rural areas (Marinakis, 2014). When minimum wages are static and do not cover basic needs, they should be raised through regular adjustments. A well-designed and well-applied minimum wage policy has the potential to prevent wage earners falling below the poverty line. This should be the case at least in high-productivity agriculture sectors, such as agro-export producers.
- The promotion of female employment requires policies that encourage women to persevere and complete their studies, so as to increase their productivity and raise the profile of women as workers (formalizing labour relations through employment contracts), while also strengthening care policies and services in the countryside and promoting a fairer distribution of unpaid domestic work between men and women.
- Closing the gaps between young people and adults calls for education and training for rural youth, along with labour market formalization policies and greater access to pension coverage and other sources of income for older persons.
- Measures should be taken to promote social dialogue and strengthen social actors in rural areas. In some countries, this includes the need to recognize the wage-earning status of dependent rural workers, even if they are paid on a piecework basis.

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# Annex

Table A1.1
**LATIN AMERICA AND THE CARIBBEAN: ANNUAL AVERAGE OPEN UNEMPLOYMENT RATE BY SEX 2005-2015**
*(Percentages)*

| Country | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Latin America** | | | | | | | | | | | |
| Argentina[a] | 11.6 | 10.2 | 8.5 | 7.9 | 8.7 | 7.7 | 7.2 | 7.2 | 7.1 | 7.3 | 6.5[b] |
| Men | 10.0 | 8.4 | 6.7 | 6.6 | 7.8 | 6.7 | 6.3 | 6.1 | 6.1 | 6.5 | 5.7[b] |
| Women | 13.6 | 12.5 | 10.8 | 9.7 | 9.9 | 9.2 | 8.5 | 8.8 | 8.5 | 8.4 | 7.6[b] |
| Bolivia (Plurinational State of) | 8.1 | 8.0 | 7.7 | 4.4 | 4.9 | ... | 3.8 | 3.2 | 4.0 | 3.5 | ... |
| Men | 6.8 | 7.1 | 6.3 | 3.3 | 3.7 | ... | 3.1 | 2.2 | 3.2 | 2.5 | ... |
| Women | 9.9 | 9.1 | 9.4 | 5.7 | 6.4 | ... | 4.7 | 4.4 | 5.1 | 4.9 | ... |
| Brazil[c] | 9.8 | 10.0 | 9.3 | 7.9 | 8.1 | 6.7 | 6.0 | 5.5 | 5.4 | 4.8 | 6.8 |
| Men | 7.8 | 8.1 | 7.4 | 6.1 | 6.5 | 5.2 | 4.7 | 4.4 | 4.4 | 4.0 | 6.0 |
| Women | 12.4 | 12.2 | 11.6 | 10.0 | 9.9 | 8.5 | 7.5 | 6.8 | 6.5 | 5.8 | 7.8 |
| Chile[d] | 8.0 | 7.8 | 7.1 | 7.8 | 9.7 | 8.2 | 7.1 | 6.4 | 5.9 | 6.4 | 6.2 |
| Men | 7.0 | 6.9 | 6.3 | 6.8 | 9.1 | 7.2 | 6.1 | 5.4 | 5.3 | 6.0 | 5.8 |
| Women | 9.8 | 9.5 | 8.6 | 9.5 | 10.7 | 9.6 | 8.7 | 7.9 | 6.9 | 6.9 | 6.8 |
| Colombia[e] | 13.9 | 12.9 | 11.4 | 11.5 | 13.0 | 12.4 | 11.5 | 11.2 | 10.6 | 9.9 | 9.8 |
| Men | 12.2 | 10.7 | 9.7 | 9.9 | 11.3 | 10.7 | 9.5 | 9.4 | 8.9 | 8.3 | 8.2 |
| Women | 17.1 | 15.4 | 13.3 | 13.5 | 15.0 | 14.4 | 13.6 | 13.2 | 12.5 | 11.8 | 11.5 |
| Costa Rica[f] | 6.9 | 6.0 | 4.8 | 4.8 | 7.6 | 7.1 | 7.7 | 9.8 | 9.1 | 9.5 | 9.7 |
| Men | 5.6 | 4.5 | 3.4 | 4.3 | 6.5 | 6.0 | 6.3 | 8.9 | 8.3 | 8.3 | 8.3 |
| Women | 8.8 | 8.2 | 6.8 | 5.6 | 9.2 | 8.8 | 9.7 | 11.5 | 10.5 | 11.3 | 11.7 |
| Cuba[g] | 1.9 | 1.9 | 1.8 | 1.6 | 1.7 | 2.5 | 3.2 | 3.5 | 3.3 | 2.7 | ... |
| Men | 1.8 | 1.7 | 1.7 | 1.3 | 1.5 | 2.4 | 3.0 | 3.4 | 3.1 | 2.4 | ... |
| Women | 2.2 | 2.2 | 1.9 | 2.0 | 2.0 | 2.7 | 3.5 | 3.6 | 3.5 | 3.1 | ... |
| Dominican Republic | 7.3 | 6.2 | 5.4 | 5.3 | 5.8 | 5.7 | 6.7 | 7.2 | 7.9 | 7.2 | 6.9 |
| Men | 5.5 | 4.4 | 4.0 | 3.8 | 4.5 | 4.8 | 5.4 | 8.5 | 5.9 | 5.4 | 5.0 |
| Women | 10.0 | 9.0 | 7.8 | 7.6 | 7.8 | 7.1 | 8.5 | 9.3 | 10.7 | 9.8 | 9.6 |
| Ecuador[h] | 8.5 | 8.1 | 7.3 | 6.9 | 8.5 | 7.6 | 6.0 | 4.9 | 4.7 | 5.1 | 5.4 |
| Men | 6.8 | 6.2 | 6.0 | 5.6 | 7.1 | 6.3 | 5.1 | 4.5 | 4.2 | 4.5 | 4.4 |
| Women | 10.9 | 10.6 | 9.2 | 8.7 | 10.4 | 9.3 | 7.1 | 5.5 | 5.5 | 6.0 | 6.7 |
| El Salvador[i] | 7.3 | 5.7 | 5.8 | 5.5 | 7.1 | 6.8 | 6.6 | 6.2 | 5.6 | 6.7 | ... |
| Men | 9.4 | 7.6 | 7.9 | 7.2 | 9.0 | 8.3 | 8.7 | 8.0 | 6.8 | 8.5 | ... |
| Women | 4.8 | 3.6 | 3.4 | 3.5 | 4.9 | 5.1 | 4.1 | 4.2 | 4.2 | 4.6 | ... |
| Guatemala[j] | ... | 2.6 | ... | ... | ... | 4.8 | 3.1 | 4.0 | 3.8 | 4.0 | ... |
| Men | ... | 2.4 | ... | ... | ... | 4.4 | 2.7 | 3.7 | 3.9 | 3.9 | ... |
| Women | ... | 3.0 | ... | ... | ... | 5.2 | 3.7 | 4.5 | 3.8 | 4.2 | ... |
| Honduras | 6.9 | 5.2 | 4.1 | 3.9 | 4.9 | 6.4 | 6.8 | 5.6 | 6.0 | 7.5 | 8.8 |
| Men | 6.7 | 5.2 | 3.8 | 4.2 | 4.6 | 5.9 | 6.2 | 5.3 | 5.7 | 6.9 | 7.0 |
| Women | 7.2 | 5.3 | 4.4 | 4.2 | 5.2 | 7.1 | 7.6 | 6.1 | 6.3 | 8.3 | 10.9 |
| Mexico[k] | 4.7 | 4.6 | 4.8 | 4.9 | 6.6 | 6.4 | 5.9 | 5.8 | 5.7 | 5.8 | 5.1 |
| Men | 4.5 | 4.4 | 4.5 | 4.8 | 6.7 | 6.5 | 6.0 | 5.9 | 5.7 | 6.0 | 5.1 |
| Women | 5.0 | 4.9 | 5.2 | 4.9 | 6.5 | 6.3 | 5.8 | 5.7 | 5.7 | 5.6 | 5.1 |
| Nicaragua | 7.9 | 7.6 | 7.3 | 8.0 | 10.5 | 10.1 | 6.5 | 7.6 | ... | ... | ... |
| Men | 8.8 | 8.8 | 8.0 | 8.4 | ... | 10.4 | 6.7 | 7.7 | ... | ... | ... |
| Women | 6.8 | 6.1 | 6.3 | 7.6 | ... | 9.6 | 6.3 | 7.5 | ... | ... | ... |
| Panama[l] | 12.1 | 10.4 | 7.8 | 6.5 | 7.9 | 7.7 | 5.4 | 4.8 | 4.7 | 5.4 | 5.8 |
| Men | 10.0 | 8.6 | 6.5 | 5.4 | 6.3 | 6.5 | 5.3 | 4.2 | 3.9 | 4.7 | 5.1 |
| Women | 15.0 | 13.0 | 9.6 | 7.9 | 9.9 | 9.3 | 5.4 | 5.5 | 5.7 | 6.4 | 6.7 |
| Paraguay[m] | 7.6 | 8.9 | 7.2 | 7.4 | 8.2 | 7.2 | 7.1 | 8.1 | 8.1 | 8.0 | 6.8 |
| Men | 7.1 | 7.7 | 6.2 | 6.6 | 7.9 | 6.6 | 6.3 | 6.7 | 6.5 | 6.5 | 5.9 |
| Women | 8.3 | 10.4 | 8.4 | 8.5 | 8.7 | 8.1 | 8.2 | 9.9 | 9.9 | 9.9 | 8.0 |

Table A1.1 (concluded)

| Country | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Latin America** | | | | | | | | | | | |
| Peru[n] | 9.6 | 8.5 | 8.5 | 8.4 | 8.4 | 7.9 | 7.7 | 6.8 | 5.9 | 5.9 | 6.5 |
| Men | 8.3 | 7.2 | 7.3 | 6.5 | 6.7 | 6.5 | 5.8 | 5.4 | 4.9 | 5.1 | 5.4 |
| Women | 11.2 | 10.1 | 9.9 | 10.6 | 10.4 | 9.6 | 10.1 | 8.5 | 7.2 | 7.0 | 7.8 |
| Uruguay | 12.2 | 11.3 | 9.8 | 8.3 | 8.2 | 7.5 | 6.6 | 6.7 | 6.7 | 6.9 | 7.8 |
| Men | 9.6 | 8.7 | 7.2 | 6.1 | 6.1 | 5.7 | 5.3 | 5.3 | 5.4 | 5.5 | 6.8 |
| Women | 15.3 | 14.2 | 12.7 | 10.8 | 10.5 | 9.5 | 8.1 | 8.3 | 8.3 | 8.5 | 9.0 |
| Venezuela (Bolivarian Republic of)[o] | 12.3 | 9.9 | 8.3 | 7.4 | 7.8 | 8.6 | 8.3 | 8.1 | 7.8 | 7.2 | 7.1[p] |
| Men | 11.3 | 9.1 | 7.8 | 7.1 | 7.4 | 8.2 | 7.7 | 7.4 | 7.1 | 6.7 | 6.5[p] |
| Women | 14.0 | 11.3 | 9.2 | 7.9 | 8.5 | 9.2 | 9.3 | 9.0 | 8.8 | 8.0 | 7.7[p] |
| **The Caribbean** | | | | | | | | | | | |
| Bahamas[o] | 10.2 | 7.6 | 7.9 | 8.7 | 14.2 | ... | 15.9 | 14.4 | 15.8 | 14.8 | 12.0[q] |
| Men | 9.2 | 6.9 | 6.7 | 7.7 | 14.0 | ... | ... | 15.0 | 15.6 | 13.6 | 11.0[q] |
| Women | 11.2 | 8.4 | 9.1 | 9.7 | 14.4 | ... | ... | 13.7 | 16.1 | 16.0 | 12.9[q] |
| Barbados[o] | 9.1 | 8.7 | 7.4 | 8.1 | 10.0 | 10.8 | 11.2 | 11.6 | 11.2 | 12.3 | 11.9[r] |
| Men | 7.4 | 7.7 | 6.5 | 6.9 | 10.1 | 10.9 | 9.8 | 11.0 | 11.1 | 11.7 | 12.5[r] |
| Women | 10.8 | 9.8 | 8.5 | 9.5 | 9.8 | 10.6 | 12.6 | 12.2 | 11.3 | 12.8 | 11.4[r] |
| Belice[o] | 11.0 | 9.4 | 8.5 | 8.2 | 13.1 | 12.5 | ... | 15.3 | 13.2 | 11.6 | 10.1 |
| Men | 7.4 | 6.2 | 5.8 | ... | ... | ... | ... | ... | ... | 6.3 | 6.8 |
| Women | 17.2 | 15.0 | 13.1 | ... | ... | ... | ... | ... | ... | 19.9 | 15.4 |
| Jamaica[o] | 11.2 | 10.3 | 9.8 | 10.6 | 11.4 | 12.4 | 12.7 | 13.9 | 15.2 | 13.7 | 13.5 |
| Men | 7.6 | 7.0 | 6.2 | 7.3 | 8.6 | 9.2 | 9.3 | 10.5 | 11.2 | 10.1 | 9.9 |
| Women | 15.8 | 14.4 | 14.5 | 14.6 | 14.8 | 16.2 | 16.7 | 18.1 | 20.1 | 18.1 | 17.9 |
| Trinidad and Tobago[o] | 8.0 | 6.2 | 5.5 | 4.6 | 5.3 | 5.9 | 5.1 | 5.0 | 3.7 | 3.3 | 3.4[s] |
| Men | 5.8 | 4.5 | 3.9 | ... | ... | ... | ... | ... | ... | ... | ... |
| Women | 11.0 | 8.7 | 7.9 | ... | ... | ... | ... | ... | ... | ... | ... |
| **Latin America and the Caribbean**[t] | **9.0** | **8.6** | **7.9** | **7.3** | **8.1** | **7.3** | **6.7** | **6.4** | **6.2** | **6.0** | **6.5**[p] |

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

[a] 31 urban agglomerates.
[b] Average for the first to third quarters.
[c] Six metropolitan areas.
[d] National total. A new measurement is applied as from 2010, so the data are not comparable with those of earlier years.
[e] 13 metropolitan areas. Includes hidden unemployment.
[f] National urban. As from 2009, and again as from 2012, a new measurement is applied, so the data are not comparable with those of earlier years.
[g] National total.
[h] National urban. Includes hidden unemployment. As from 2008, the working age was raised from 10 years and over to 15 years and over.
[i] National urban. In 2007, the definition of the working-age population was changed from 10 years and over to 16 years and over.
[j] National urban. In 2011, the definition of the working-age population was changed from 10 years and over to 15 years and over.
[k] Corresponds to 32 urban areas.
[l] National urban. Includes hidden unemployment.
[m] Up to 2009, National urban; since 2010, data of urban zones of Asunción and the Central Department.
[n] Metropolitan Lima.
[o] National total. Includes hidden unemployment.
[p] Preliminary figure.
[q] Figure for May.
[r] January-June average.
[s] Data corresponding to the average of the months of March, June and September.
[t] Weighted average. Includes data adjustment for the exclusion of hidden unemployment in Colombia, Ecuador, Jamaica and Panama. Does not include the Bahamas, Belize and Guatemala.

Table A1.2
**LATIN AMERICA AND THE CARIBBEAN: ANNUAL AVERAGE URBAN PARTICIPATION RATES, 2005-2015**
*(Percentages)*

| Country | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Latin America** | | | | | | | | | | | |
| Argentina[a] | 59.9 | 60.3 | 59.5 | 58.8 | 59.3 | 58.9 | 59.5 | 59.3 | 58.9 | 58.3 | 57.7[b] |
| Bolivia (Plurinational State of) | 55.7 | 58.7 | 57.1 | 58.8 | 60.5 | ... | 59.7 | 57.0 | 58.4 | 59.4 | ... |
| Brazil[c] | 56.6 | 56.9 | 56.9 | 57.0 | 56.7 | 57.1 | 57.1 | 57.4 | 57.1 | 56.0 | 55.7 |
| Chile[d] | 55.6 | 54.8 | 54.9 | 56.0 | 55.9 | 58.5 | 59.8 | 59.5 | 59.6 | 59.8 | 59.7 |
| Colombia[e] | 63.3 | 62.0 | 61.8 | 62.6 | 64.6 | 65.7 | 66.7 | 67.6 | 67.5 | 67.9 | 68.0 |
| Costa Rica[f] | 58.2 | 58.2 | 58.5 | 58.6 | 62.3 | 60.7 | 62.2 | 64.5 | 63.3 | 64.0 | 62.7 |
| Cuba[g] | 72.1 | 72.1 | 73.7 | 74.7 | 75.4 | 74.9 | 76.1 | 74.2 | 72.9 | 71.9 | ... |
| Dominican Republic | 50.4 | 50.6 | 50.5 | 51.0 | 49.2 | 50.5 | 51.8 | 52.6 | 52.8 | 53.4 | 54.0 |
| Ecuador[h] | 59.5 | 59.1 | 61.2 | 67.7 | 66.3 | 64.2 | 62.2 | 62.8 | 61.8 | 62.2 | 64.1 |
| El Salvador[i] | 54.3 | 53.9 | 63.6 | 64.1 | 64.3 | 64.4 | 63.7 | 64.6 | 65.1 | 64.6 | ... |
| Guatemala[j] | ... | 60.1 | ... | ... | ... | 56.6 | 61.0 | 65.5 | 61.9 | 62.7 | ... |
| Honduras | 54.9 | 52.1 | 51.0 | 52.7 | 53.1 | 53.7 | 52.5 | 51.2 | 54.3 | 55.7 | 57.1 |
| Mexico[k] | 60.9 | 62.0 | 62.0 | 61.7 | 61.5 | 61.3 | 61.4 | 62.1 | 61.7 | 60.9 | 61.1 |
| Nicaragua[l] | 52.1 | 53.1 | 50.7 | 53.8 | 52.1 | 71.6 | 74.2 | 75.2 | ... | ... | ... |
| Panama[m] | 63.7 | 62.8 | 62.6 | 64.4 | 64.4 | 64.0 | 63.2 | 63.6 | 64.1 | 64.3 | 64.5 |
| Paraguay[n] | 60.4 | 57.9 | 59.6 | 61.5 | 62.3 | 62.5 | 62.4 | 62.9 | 65.1 | 64.9 | 64.8 |
| Peru[o] | 67.1 | 67.5 | 68.9 | 68.1 | 68.4 | 70.0 | 70.0 | 69.1 | 68.9 | 68.4 | 68.3 |
| Uruguay | 58.5 | 60.8 | 62.9 | 62.8 | 63.3 | 63.5 | 65.0 | 64.0 | 63.6 | 64.8 | 64.0 |
| Venezuela (Bolivarian Republic of)[p] | 66.3 | 65.4 | 64.8 | 64.8 | 65.0 | 64.6 | 64.4 | 64.0 | 64.3 | 65.1 | 64.4[q] |
| **The Caribbean** | | | | | | | | | | | |
| Bahamas[p] | 76.3 | 75.1 | 76.2 | 76.3 | 73.4 | ... | 72.1 | 72.5 | 73.2 | 73.7 | 73.0[r] |
| Barbados[p] | 69.6 | 67.9 | 67.8 | 67.6 | 67.0 | 66.6 | 67.6 | 66.2 | 66.7 | 63.8 | 64.8[s] |
| Belice[p] | 59.4 | 57.6 | 61.2 | 59.2 | ... | ... | ... | 65.8 | 64.5 | 63.6 | 63.2 |
| Jamaica[p] | 64.2 | 64.7 | 64.9 | 65.5 | 63.5 | 62.4 | 62.3 | 62.5 | 63.0 | 62.8 | 63.1 |
| Trinidad and Tobago[p] | 63.7 | 63.9 | 63.5 | 63.5 | 62.7 | 62.1 | 61.6 | 61.8 | 61.3 | 61.9 | 60.7[t] |
| **Latin America and the Caribbean[u]** | **59.7** | **59.9** | **60.1** | **60.1** | **60.2** | **60.5** | **60.7** | **60.9** | **60.7** | **60.1** | **60.0**[q] |

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

[a] 31 urban agglomerates.
[b] Average for the first to third quarters.
[c] Six metropolitan areas.
[d] National total. A new measurement is applied as from 2010, so the data are not comparable with those of earlier years.
[e] 13 metropolitan areas. Includes hidden unemployment.
[f] New measurement as from 2009, and again as from 2012, so the data are not comparable with those of earlier years.
[g] National total. The working-age population spans women aged 17 to 58 years and men aged 17 to 63 years.
[h] As from 2008, the working age was raised from 10 years and over to 15 years and over. Includes hidden unemployment.
[i] As from 2007, the working age was raised from 10 years and over to 16 years and over.
[j] In 2011, the definition of the working-age population changed from 10 years and over to 15 years and over.
[k] 32 urban areas. As from 2005, the working age was raised from 14 years to 15 years.
[l] New measurement as from 2010; data not comparable with those of previous years.
[m] Includes hidden unemployment.
[n] National urban up to 2009; Asunción and Central Urban as from 2010.
[o] Metropolitan Lima.
[p] National total. Includes hidden unemployment.
[q] Preliminary figure.
[r] Figure refers to May.
[s] January-June average.
[t] Average of the months of March, June and September.
[u] Weighted average. Includes data adjustment for the exclusion of hidden unemployment in Colombia, Ecuador and Panama, and for methodological changes. Does not include the Bahamas, Belize, Guatemala or Nicaragua.

Table A1.3
**LATIN AMERICA AND THE CARIBBEAN: ANNUAL AVERAGE URBAN EMPLOYMENT RATES, 2005-2015**
*(Percentages)*

| Country | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Latin America** | | | | | | | | | | | |
| Argentina[a] | 53.0 | 54.1 | 54.5 | 54.2 | 54.2 | 54.4 | 55.2 | 55.0 | 54.7 | 54.0 | 53.9[b] |
| Bolivia (Plurinational State of) | 51.2 | 54.0 | 52.7 | 56.2 | 57.5 | ... | 57.4 | 55.2 | 56.1 | 57.3 | ... |
| Brazil[c] | 51.0 | 51.2 | 51.6 | 52.5 | 52.1 | 53.3 | 53.7 | 54.2 | 54.0 | 53.3 | 51.9 |
| Chile[d] | 50.4 | 50.5 | 51.0 | 51.7 | 50.5 | 53.7 | 55.5 | 55.7 | 56.0 | 56.0 | 56.0 |
| Colombia[e] | 54.5 | 54.0 | 54.8 | 55.3 | 56.2 | 57.6 | 59.1 | 60.1 | 60.3 | 61.2 | 61.4 |
| Costa Rica[f] | 54.2 | 54.7 | 55.7 | 55.7 | 57.0 | 56.4 | 57.8 | 58.2 | 57.5 | 57.9 | 56.6 |
| Cuba[g] | 70.7 | 70.7 | 72.4 | 73.6 | 74.2 | 73.0 | 73.6 | 71.6 | 70.5 | 70.0 | ... |
| Dominican Republic | 46.8 | 47.5 | 47.8 | 48.3 | 46.4 | 47.6 | 48.3 | 48.8 | 48.6 | 49.5 | 50.3 |
| Ecuador[h] | 54.4 | 54.3 | 56.8 | 63.1 | 60.7 | 59.3 | 58.5 | 59.7 | 58.9 | 59.0 | 60.7 |
| El Salvador[i] | 50.3 | 50.8 | 59.9 | 60.6 | 59.7 | 60.0 | 59.5 | 60.6 | 61.5 | 60.3 | ... |
| Guatemala[j] | ... | 58.5 | ... | ... | ... | | 59.0 | 62.8 | 59.5 | 60.2 | ... |
| Honduras | 51.1 | 49.4 | 49.0 | 50.5 | 50.5 | 50.3 | 48.9 | 48.3 | 51.1 | 51.5 | 52.1 |
| Mexico[k] | 58.0 | 59.2 | 59.1 | 58.7 | 57.4 | 57.4 | 57.8 | 58.5 | 58.2 | 57.3 | 58.0 |
| Nicaragua[l] | 47.9 | 49.1 | 47.1 | 49.5 | 46.6 | 64.4 | 69.4 | 69.5 | ... | ... | ... |
| Panama | 56.0 | 56.3 | 57.7 | 60.2 | 59.3 | 59.1 | 59.8 | 60.6 | 61.1 | 60.9 | 60.7 |
| Paraguay[m] | 55.8 | 52.7 | 55.3 | 57.0 | 57.1 | 55.9 | 56.2 | 57.8 | 59.9 | 59.7 | 60.4 |
| Peru[n] | 60.7 | 61.8 | 63.0 | 62.4 | 62.7 | 64.5 | 64.5 | 64.4 | 64.8 | 64.3 | 63.8 |
| Uruguay | 51.4 | 53.9 | 56.7 | 57.6 | 58.4 | 58.8 | 60.7 | 59.6 | 59.5 | 60.4 | 59.0 |
| Venezuela (Bolivarian Republic of)[o] | 58.2 | 58.9 | 59.4 | 60.0 | 59.9 | 59.0 | 59.0 | 58.8 | 59.3 | 60.4 | 58.9[p] |
| **The Caribbean** | | | | | | | | | | | |
| Bahamas[o] | 68.5 | 69.4 | 70.2 | 69.7 | 63.0 | ... | 60.6 | 62.1 | 61.6 | 62.8 | 64.2[q] |
| Barbados[o] | 63.2 | 61.9 | 62.8 | 62.1 | 60.3 | 59.4 | 60.1 | 58.6 | 58.9 | 56.0 | 57.5[r] |
| Belice[o] | 52.8 | 52.2 | 56.0 | 54.3 | ... | ... | ... | 55.8 | 56.7 | 56.3 | 56.8 |
| Jamaica[o] | 57.0 | 58.0 | 58.6 | 58.5 | 56.3 | 54.7 | 54.4 | 53.8 | 53.4 | 54.2 | 54.6 |
| Trinidad and Tobago[o] | 58.6 | 59.9 | 59.9 | 60.6 | 59.4 | 58.4 | 58.2 | 58.8 | 59.6 | 59.9 | 58.6[s] |
| **Latin America and the Caribbean[t]** | **54.4** | **54.9** | **55.4** | **55.8** | **55.4** | **56.1** | **56.6** | **57.0** | **56.9** | **56.5** | **56.1**[p] |

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

[a] 31 urban agglomerates.
[b] Average for the first to third quarters.
[c] Six metropolitan regions.
[d] National total. New measurement as from 2010; data not comparable with those of earlier years.
[e] 13 metropolitan areas.
[f] New measurement as from 2009 and again as from 2012; data not comparable with those of previous years.
[g] National total. The working-age population spans women aged 17 to 58 years and men aged 17 to 63 years.
[h] As from 2007, the working age was raised from 10 years and over to 15 years and over.
[i] As from 2007, the working age was raised from 10 years and over to 16 years and over.
[j] In 2011, the definition of the working-age population was changed from 10 years and over to 15 years and over.
[k] 32 urban areas. As from 2005, the working age was raised from 14 years to 15 years.
[l] New measurement as from 2010; data not comparable with those of earlier years.
[m] National urban up to 2009; Asunción and Central Urban as from 2010.
[n] Metropolitan Lima.
[o] National total.
[p] Preliminary figure.
[q] Figure refers to May.
[r] January-June average.
[s] Average of the months of March, June and September.
[t] Weighted average. Includes adjustments for methodological changes. Excludes the Bahamas, Belize, Guatemala and Nicaragua.

In 2015, the continued economic slowdown in Latin America and the Caribbean, which culminated in a slight contraction in regional GDP, caused the first increase in unemployment since 2009 (from 6.0% in 2014 to 6.5% in 2015) and may have contributed to a rise in poverty levels. Yet deteriorating employment indicators are not a region-wide phenomenon; the unemployment rate only increased in 7 out of 19 Latin American and Caribbean countries, while it decreased in 9 and remained virtually unchanged in a further 3. Other labour indicators, such as the underemployment rate and real wages, suggest that relative stability prevailed in most of the region's countries, and that the deterioration of the overall regional figures reflected the negative performance of a few economies, notably Brazil, a country that weighs heavily in the regional average. Nonetheless, economic and labour-market trends suggest that a further rise in the regional unemployment rate may be expected in 2016.

The second section of this report looks at employment trends in rural areas of Latin America and the Caribbean between 2005 and 2014. Specifically, it seeks to answer the two key questions of whether overall labour-market improvements during this period were also reported in rural areas, and whether there was any narrowing in the gaps between rural and urban areas. The data reveal that rural areas indeed benefited from improvements in job quantity and quality indicators in most of the region's countries, with a leap in social security coverage providing one example of this pattern. However, gaps between urban and rural areas persisted, owing to similar gains in both geographical categories.

E C L A C

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