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Report of the Third Regional Seminar on Social Development

Promoting labour inclusion as a way to overcome inequalities and informality in Latin America and the Caribbean

Andrés Espejo
Valentina Cortínez
Compilers

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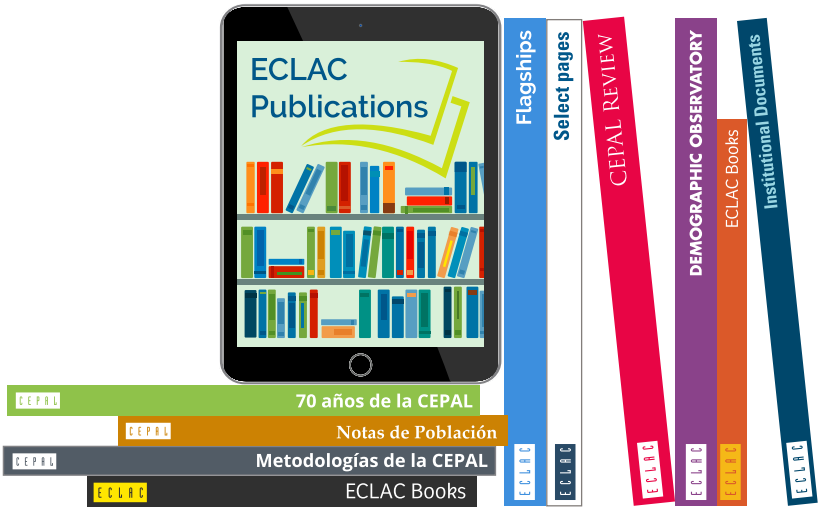

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This document was compiled by Andrés Espejo, Senior Research Assistant in the Social Development Division of the Economic Commission for Latin America and the Caribbean (ECLAC), and Valentina Cortínez, consultant in the Division. It was prepared in the framework of the cooperation project between ECLAC and the Government of Norway, "Enhancing human capacities throughout the life cycle for equality and productivity", the ECLAC-Ford Foundation project "Social inequality and the future of workers in Latin America in the context of post-pandemic recovery", and the project "Transformative reactivation: overcoming the consequences of the COVID-19 pandemic in Latin America and the Caribbean", implemented jointly by ECLAC and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and financed by the Federal Ministry for Economic Cooperation and Development (BMZ) of Germany. The document contains the summaries of the statements delivered by panellists participating in the Third Regional Seminar on Social Development, held in hybrid format from 27 to 29 June 2023.

The valuable comments by Alberto Arenas de Mesa, Chief of the Social Development Division of ECLAC, are gratefully acknowledged, as are the contributions of Claudia Robles, Social Affairs Officer, and Daniela Huneeus, Research Assistant, both of the same Division.

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Contents

Summary

This document is the report of the Third Regional Seminar on Social Development "Promoting labour inclusion as a way to overcome inequalities and informality in Latin America and the Caribbean". This seminar was organized by the Social Development Division of the Economic Commission for Latin America and the Caribbean (ECLAC) in collaboration with the International Labour Organization (ILO) and in partnership with the Government of Norway, the Ford Foundation and Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), and was held from 27 to 29 June 2023. In its third edition, the Regional Seminar focused on providing a space for dialogue, reflection and sharing experiences on labour inclusion policies as a means of overcoming inequalities and informality in Latin America and the Caribbean. The seminar was attended by government representatives from 12 countries of Latin America and the Caribbean, including 10 labour ministers from countries of the region, as well as representatives from the business and trade union sector, renowned professors and researchers, and professionals and technical experts from international organizations such as ILO, the Inter-American Development Bank (IDB) and the Organisation for Economic Co-operation and Development (OECD).

Presentation by the Social Development Division

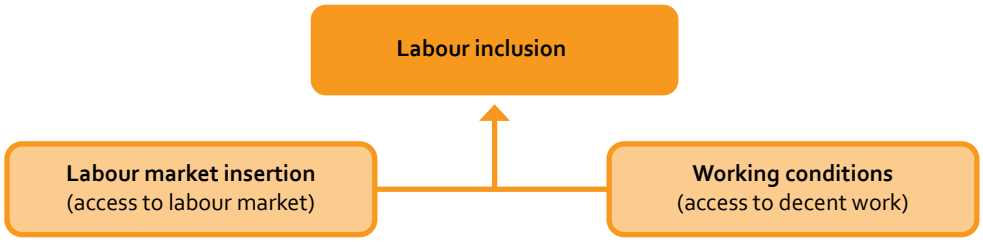
Alberto Arenas de Mesa and **Andrés Espejo**
Social Development Division
Economic Commission for Latin America and the Caribbean (ECLAC)

Regional Seminar on Social Development

The Regional Seminar on Social Development is a gathering for various stakeholders to share their experiences and insights on issues relevant to inclusive social development and sustainable development within societies of Latin America and the Caribbean. The first edition of the Regional Seminar on Social Development, held in 2021, aimed to reflect on education as a driving force for inclusive social development and to discuss education policy and strategies proposed as part of the transformative recovery with equality and sustainability in the region (Esper, Huepe and Palma, 2022). The second edition, in 2022, focused on the state of social security systems in the region, particularly on pension and healthcare systems. These systems were a prominent feature in the response to the impacts of both the pandemic and the protracted social crisis. Furthermore, their significant gaps made it possible to visualize the challenges of moving towards universal, comprehensive, sustainable and resilient social protection systems that were at the centre of countries' response and development strategies (Dahuabe, 2023).

The third edition of the Regional Seminar on Social Development sought to reflect on labour inclusion as a means of overcoming inequalities and informality in Latin America and the Caribbean. Labour inclusion, a central component of inclusive social development, aimed to ensure access to decent jobs that guaranteed sufficient levels of pay and social protection coverage for all labour force participants. It was a dynamic process that must be addressed in its complexity. Labour inclusion consisted, in a complementary manner, of labour market access and the working conditions obtained (see diagram 1).

Diagram 1
Labour inclusion



Source: Economic Commission for Latin America and the Caribbean (ECLAC).

The region's labour markets were currently experiencing profound transformations and uncertainties marked by the technological revolution, the environmental crisis, population ageing, changes in economic globalization and the impacts of the coronavirus disease (COVID-19) pandemic, which had particularly affected the world of work. Such changes threatened to further deepen poverty and inequality in the region, considering that those very conditions limited countries' ability to face such challenges and to benefit from the transformations under way. They jeopardized the achievement of the goals set forth in the 2030 Agenda for Sustainable Development and the Regional Agenda for Inclusive Social Development.

The pandemic triggered the greatest labour market crisis in Latin America and the Caribbean since 1950 (ECLAC, 2023). In 2020, during the pandemic, employment creation fell by 8.2%, the only drop recorded in the previous 70 years. Between 2014 and 2023, the growth rate of the number of employed persons was 1.26%, compared with 3.2% during the lost decade of the 1980s. According to ECLAC data, in 2022, 81.7 million people aged 15–59 (28% of this age group) were outside the labour market, in nine of the region's countries. Of that total, 57.1 million were women (70%). In addition, one out of every two workers worked informally.

In a region marked by deep labour disparities and high levels of informality, improving economic and labour indicators would be essential, but would not guarantee labour inclusion. Thus, entry in the labour market per se was not enough to reduce inequality (ECLAC, 2019). The characteristics of labour market entry and working conditions were determining factors in this regard, and tackling inequality and making progress towards inclusive social development required not only robust, broad-scale employment, but also higher levels of labour inclusion.

Introduction

The third edition of the Regional Seminar on Social Development was held in a hybrid format from 27 to 29 June 2023, with the aim to reflect on and discuss labour inclusion in Latin America and the Caribbean in light of the challenges faced in the region, as well as to examine countries' policy experiences in that context. A total of eight panels were organized, including a high-level panel featuring ministers of labour from the region, six panels in which academics, researchers, ministers and technical experts from international organizations participated, and a closing panel comprising the four persons who had served as Chief of the Social Development Division of ECLAC since 2006.

On the first day of the Regional Seminar, the high-level panel was held, with a presentation by Alberto Arenas de Mesa, Chief of the Social Development Division of ECLAC, and comments by eight ministers of labour from the region. The presentation described the complex economic and labour scenario in Latin America and the Caribbean, as well as the transformations in the world of work that posed challenges for the State and the public policies that called for rapid and innovative implementation. The ministers presented the specificities of these challenges in their respective countries and some of the strategies under development. It was followed by a panel entitled "Labour informality as a structuring factor of regional inequality and precariousness", with a keynote address on the concept of informality and its different approaches over time delivered by Alejandro Portes, the Howard Harrison and Gabrielle Snyder Beck Professor of Sociology at Princeton University. Following the address, the experiences and research of academics, ministers and technical experts from ECLAC and ILO were discussed.

On the second day, Professor Francisco Ferreira, Director of the International Inequalities Institute of the London School of Economics, gave a keynote speech in which he referred to the inequality triangle in Latin American labour markets, characterized by inequalities in both labour supply and demand, which in turn reproduced inequalities in income and access to decent work among workers. It was followed by the panel entitled "Towards the eradication of child labour by 2025", in which Pilar Rodríguez, of the International Labour Organization (ILO), and Andrés Espejo, of the ECLAC Social Development Division, provided an overview of child labour in the region, highlighting its close relationship with contextual and family factors that structured inequality and poverty in the region. In the third panel, entitled "Youth labour inclusion: transition from school to work", presentations were made by Evelyn Vezza, Daniela Trucco and Lucía Scuro, all of ECLAC, focusing on public policies aimed at young people's labour inclusion from a gender perspective and examining the notion of school-to-work transition given the reality of

Latin America and the Caribbean. The last panel of the second day, "Labour Inclusion: challenges in an unequal region", explored the concepts of labour inclusion, proposing dimensions and critical issues that hindered its achievement in the region.

The last day of the seminar began with a keynote speech by Glenda Quintini, Senior Economist at the Organisation for Economic Co-operation and Development (OECD), on the topic "Present and future of work: labour inclusion as an axis to overcome inequalities and informality in Latin America". She discussed the changes in the demand for skills in the labour market and the possible inequalities that such transitions may generate in the region. Panel 5, on "Skills development for labour inclusion", included a presentation by Mariana Huepe and Ernesto Espíndola of the Social Development Division of ECLACon the risks of labour automation in the region and the public policy challenges it posed in terms of transforming education and training systems with a view to labour reconversion. In the last panel of the seminar, entitled "Articulation between labour policies and social protection oriented towards formality and equality", a presentation was made by Claudia Robles and Nincen Figueroa of the Social Development Division of ECLAC on the importance of coordination among social protection policies in order to move synergistically towards protected and quality labour market access. Subsequently, the experiences of Chile, Uruguay and the International Social Security Association (ISSA) were discussed.

The Regional Seminar on Social Development concluded with a discussion led by three former Chiefs and the current Chief of the Social Development Division on the challenges of labour inclusion in the context of multiple crises, summarizing the findings, evidence and good practices that had been shared throughout the event.

This document, which is a translation of an original which did not undergo formal editing, provides a summary of the statements, discussions and conclusions of each of the panels held at the Regional Seminar on Social Development. The original presentations are available at:

- **Recording** of day 1 here.
- **Recording** of day 2 here.
- **Recording** of day 3 here.

I. Inaugural session[1]

Moderator:
Daniela Trucco
Senior Social Affairs Officer, Social Development Division, ECLAC

José Manuel Salazar–Xirinachs (virtual participation)
Executive Secretary of the Economic Commission for Latin America and the Caribbean (ECLAC)

In his opening remarks, the Executive Secretary of ECLAC welcomed and thanked the participants for their presence, particularly the ministers from the countries in the region and authorities of ILO, the Government of Norway, the Federal Ministry for Economic Cooperation and Development (BMZ) of Germany and the Ford Foundation, all of which had provided support for the event. He also thanked the representatives of development banks, colleagues from the United Nations system, labour experts and academics for their participation, and ECLAC colleagues, in particular the team from the Social Development Division, for organizing the event.

The third edition of the Regional Seminar on Social Development aimed to reflect on the promotion of labour inclusion policies that enabled progress towards the reduction of both inequality and informality in the region. ECLAC defined labour inclusion as an objective of inclusive social development that sought to ensure that all labour force participants had access to decent jobs that guaranteed adequate levels of pay and social protection coverage. In practice, labour inclusion was composed of labour market insertion and the working conditions obtained. He emphasized that women, young people, persons with disabilities, people living in poverty, people of African descent, Indigenous Peoples and other populations at the intersections of the structural axes of the social inequality matrix faced greater obstacles and barriers to labour inclusion.

He also spoke of the ongoing economic crisis in the region and the complex shifts in the organization of international trade, in addition to technological, demographic and environmental changes, all of which constituted a turning point in which the policies implemented at the time would determine the course of countries' development in the future. Labour inclusion was an essential component of any strategy to address the challenging social and labour situation that countries were facing and, given the current context, urgent action and greater ambition in public policy efforts were required.

[1] The presentations made, discussions and conclusions of this session are summarized in this section. The recordings of the original presentations are available [online] https://www.youtube.com/watch?v=Y5P1TMe94NQ&t=3307s.

Lastly, he hoped that the seminar would be successful and reaffirmed the commitment of ECLAC as a strategic partner, which for 75 years had been working for a more productive, inclusive and sustainable future in the countries of the region.

Gilbert Houngbo (virtual participation)
General Director of the International Labour Organization (ILO)

After greeting and thanking strategic partners and authorities for their presence, the General Director of ILO noted that the current scenario in the region posed a challenge to efforts to promote social justice and achieve the Sustainable Development Goals. Despite many governments' rapid response to the COVID-19 pandemic, the effects of the unprecedented crisis persisted. The slow recovery marked by high inflation, informality, low productivity and limited fiscal resources put immense pressure on countries' capacities to adapt to ongoing structural changes. That was compounded by climate change, technological progress, demographic change and the relocation of industries. Concrete and coordinated measures must be taken at multiple levels to promote economic diversification, improve formal education, capacity development, job matching and foresight to improve the employability and productivity of workers. Another recommendation was to implement sustainable social protection measures and strong labour institutions.

He was satisfied to note that progress in the region would be shared and discussed over the three-day seminar, and mentioned specifically Paraguay's national employment plan, employment insurance in Ecuador and Peru and business development services in the Caribbean.

Lastly, he invited participants to learn about the tripartite conclusions adopted at the 111th Session of the International Labour Conference, particularly those on a just transition and labour protection. He reaffirmed the commitment of ILO to work in collaboration with ECLAC in order to effectively address current challenges in the world of work.

Gundula Weitz (virtual participation),
Head of Division for Latin America and the Caribbean, Federal Ministry for Economic Cooperation and Development (BMZ) of Germany

The representative of the Ministry greeted the authorities present and thanked them for the invitation. She emphasized that labour inclusion as a way of overcoming inequalities was of the utmost importance for the Ministry. Despite the progress achieved, the region's labour market still had high levels of informality, which meant that a large part of the population did not have access to social protection, disproportionately affecting children and the elderly. The post-pandemic recovery had been marked by informal employment, which prevented people's integration into the labour market, thus affecting equal growth opportunities for the region. As such, investment in social security not only helped to emerge better and more quickly from crises; it also acted as a preventive mechanism against the effects of crises.

Cooperation and joint work on the issue were essential. Major challenges remained in moving towards a just transition, including in training, and they required integrated approaches and dialogue. The seminar was an ideal platform for learning, discovering good practices and supporting innovative pilot projects in the field.

Jostein Leiro
Ambassador of Norway to Chile

The Ambassador greeted the authorities present and welcomed the long-standing cooperation with ECLAC and the countries of the region, which had been based on a shared ideology of the importance of multilateral and regional cooperation. The Sustainable Development Goals were the framework for Norway's participation in Latin America, where the areas of education, gender equality, climate and environment, decent work and human rights were vital to efforts in that regard.

In 2015, Norway was admitted as a member State of ECLAC, enabling it to engage with member countries and contribute by supporting specific projects. In 2019, Norway and ECLAC launched the programme "Enhancing human capacities throughout the life cycle for equality and productivity" focused on three areas: youth education and career paths at regional and national levels; dissemination of new knowledge on training and qualification for decent work and labour inclusion; and development of skills for young people and workers so that the necessary progressive structural change in economies left no one behind. Under the project, regional and national seminars and workshops were organized, and studies were carried out with a particular focus on gender inequality in educational and employment trajectories. The results of those studies formed the basis for the content of the current seminar.

Decent work was key to social and economic development and was the main gateway to equality, social integration, overcoming poverty and empowerment. Progress would depend on reducing labour informality and ensuring quality and inclusive education systems that prepared young people for the labour market of the future, as well as measures to ensure women's access to education and the world of work. Reference was made to climate change, demographic transformations and the persistent effects of the pandemic on education and the workplace. He also expressed concerns about the advances in artificial intelligence and the uncertainty inherent in its progress.

He expressed the hope that the discussions between decision-makers and specialists over the three-day seminar would help to advance concrete and constructive proposals and measures, and again extended his gratitude for the opportunity to participate.

Javier Ciurlizza
Regional Director for the Andean Region at the Ford Foundation

The representative of the Ford Foundation welcomed the opportunity to participate in person at the seminar's opening session. For the Ford Foundation, labour inclusion was a key issue that enabled an understanding of some of the gaps in the region and the current dilemmas facing democracy. He said that the combination of unfulfilled promises in Latin America —including that of labour inclusion— had eroded public trust. He reviewed the Ford Foundation's history of cooperation with ECLAC, highlighting critical moments such as the beginning of the armed conflict in Colombia and the coup d'état in Chile, as well as moments of hope such as the political transition in Mexico and the expansion of rights through constituent processes in several countries. Both institutions shared the conviction that social justice could improve quality of life and the quality of institutions. The Foundation had been committed to the modernization of the State, training, rural reform and the defence of human rights in adverse contexts; more recently, it had focused on the drivers of inequality that hindered efforts towards equality and that disproportionately affected historically excluded populations.

In their joint efforts, ECLAC and the Foundation had sought an approach that would help to improve the quality of discussions on social inclusion in order to prepare for the changes under way in the labour market, particularly in relation to workers' rights and the large number of people in the informal sector who faced precarious conditions. He reaffirmed that ECLAC had found a long-term partner in the Ford Foundation. Lastly, he looked forward to a fruitful and informative discussion and the formulation concrete measures, amid the ongoing challenges, that transcended the labour market and legitimized democracy.

II. Keynote presentation: promoting labour inclusion as a way to overcome inequalities and informality in Latin America and the Caribbean[2]

Moderator:
Andrés Espejo
Social Development Division of ECLAC

Main presentation:
Alberto Arenas de Mesa
Chief of the Social Development Division of ECLAC

The Chief of the Social Development Division began his presentation by indicating that the region was facing a "double trap" of low growth and high inequality that could lead to another "lost decade", in reference to the 1980s. The region's average growth rate for the past 10 years —between 2014 and 2023— at 0.8% was even lower than that of the lost decade, presaging a more unfavourable scenario.

Regarding the difficult economic context in the region, he recalled that the pandemic had triggered the greatest labour market crisis in Latin America since 1950. In 2020, employment creation contracted by 8.2%, the only decline recorded in the previous 70 years. In addition, low economic growth hindered the recovery of employment and raised the risk of an increase in labour informality.

Poverty had been trending upwards since the middle of the previous decade, decreasing only in 2021, mainly as a result of the economic aid provided by governments during the pandemic. Likewise, the Gini inequality index had remained relatively stable at high levels. The post-pandemic economic recovery had been insufficient to return to previous levels of employability, and significant gender gaps persisted in labour participation, with one out of every two women remaining outside the labour market.

He said that labour inclusion was an essential part of development strategies and that the labour market was the master key for reducing the high levels of inequality and labour informality. Progress

[2] The presentations made, discussions and conclusions of this session are summarized in this section. The recordings of the original presentations are available [online] https://www.youtube.com/watch?v=Y5P1TMe94NQ&t=3307s.

was therefore urgently needed in linking labour inclusion and social protection. Labor inclusion sought to ensure that all labour force participants had access to decent jobs that ensured adequate levels of pay and access to social protection coverage.

Labour inclusion consisted of two elements: labour market insertion and working conditions. Both elements were conditioned by the institutional framework, labour policies, the social inequality matrix and the productive structure. In that regard, labour market entry was necessary but was not enough to achieve labour inclusion. For example, 33% of those employed in low-productivity sectors and 18% of employed persons were living in poverty; 48% of those who had entered the labour market did not contribute to a pension system and 40% of employed persons earned less than the minimum wage established by each country.

Likewise, there were several barriers to labour market entry that conditioned access and the quality of employment, especially for population groups at the intersections of the structural axes of the social inequality matrix: women, young people and Indigenous Peoples.

In order to reduce inequality, progress should be made in linking labour inclusion and social protection systems, given the large proportion of informal employment in the region. Such policies were all the more necessary in the post-pandemic scenario, in which informality had increased, and also in light of the rapid transformations in labour markets.

An analysis was provided on the future of labour markets in the region and the capacity of public policies to address challenges in a timely manner. Labour markets were experiencing a period of great uncertainty and rapid transformations linked to technological and demographic changes, rapid population ageing, the environmental crisis and changes in economic globalization. Such transformations could exacerbate existing inequalities while also hampering countries' capacity to cope with changes and leverage the opportunities arising therefrom. For example, technological changes could generate a dynamic of job destruction and creation; however, the jobs destroyed were not the same as those that were created. Statistics showed that 28.4% of jobs in 14 Latin American countries were at a high risk of automation, and in the secondary sector, 57.8% of jobs were at risk of automation. In addition, there was a mismatch between the labour skills offered and those demanded by the labour market, which may become more pronounced with technological transformations. In 14 countries of the region, 31.3% of workers were underqualified for the work they performed. In addition linking social protection and labour inclusion policies, it would be necessary to create linkages between the educational offering and the labour market in order to strengthen existing skills and acquire new skills that aligned workforce development with demand related to technological changes, a just transition and the care society.

There was an urgent need to approach labour inclusion policies from a strategic and comprehensive perspective, with ministries of labour as the lead institutions. As a result, labour inclusion policies should be aligned with economic growth and productive development policies, as well as with social development, health, education and care policies. The pandemic temporarily transformed the composition of labour policies, with a greater preponderance of passive policies aimed at maintaining employment relationships, formal employment and workers' incomes. The pandemic also led to an expansion and redistribution of spending on labour policies: in 2020, spending on passive labour policies tripled. However, post-pandemic labour inclusion called for a comprehensive and sustainable approach.

He underscored that inclusive social development would not be possible without labour inclusion, which was why labour inclusion policies must be at the centre of development strategies. To make progress in that regard, injecting financial resources into countries' public labour institutions —and not only into policies— was critical, since institutional frameworks determined countries' capacities to implement policy. Investing in labour inclusion meant investing in countries' most important asset: people and their well-being.

Comments by ministers of labour from the region

Jeannette Jara

Minister of Labour and Social Security of Chile

The Minister commented on several initiatives that had been recently approved or were under way and that were in line with the issues raised in the presentation, and which aimed to move towards labour inclusion with decent work policies that also promoted social mobility and reduced inequalities. In Chile, 27.5% of the population worked in the informal sector. While that figure was not very high when compared to other countries of the region, it meant that one out of every four people worked without due social protection. Six areas in which the Ministry was promoting labour inclusion initiatives were then presented: incentives for access to formal employment; advances in education coverage and in transforming the national training system; improvements in access to social protection; the protective function of the minimum wage; facilitation of the creation of formal companies and a simplified tax regime; and modernization of the Directorate of Labour.

She mentioned two incentives for access to formal employment that had been implemented after the pandemic were presented. The Labour Emergency Family Income provided a monetary subsidy during the first months of a formal contract to encourage people to seek jobs. The second instrument was the *Protege* subsidy, a monetary contribution provided to caregivers , particularly mothers, for a few months so that they could hire someone to perform caregiving tasks while they searched for a job. The subsidy amounted to approximately US$ 250 and the Labour Emergency Family Income to US$ 375.

In education, the Ministry was working on expanding education coverage and transforming the national training system. In addition to expanding coverage in school and university education, through policies on compulsory schooling and free higher education, the Ministry was also working on strengthening other competencies through the National Training and Employment Service (SENCE) with a view to closing the digital divide, promoting women's inclusion with more tools for access to work and entrepreneurship, and strengthening small and medium-sized enterprises.

Lastly, she highlighted social protection policies that had boosted formal employment: the *PREVIRED* digital platform, a private initiative that centralized and facilitated the reporting and payment of social security contributions; compulsory social security contributions for independent workers; unemployment insurance, which, while established in 2002, was an important employment protection measure during the pandemic; the increase in the minimum wage to above the poverty line; and a simplified tax regime for small and medium-sized enterprises to spur the creation of formal jobs.

Among the challenges faced, she mentioned moving forward with the tripartite social dialogue, which had yielded positive results, and optimizing a training ecosystem that was aligned with the demands of the labour market and the challenges of the world of work.

Quiahuitl Chávez Domínguez

Undersecretary for Employment and Labour Productivity, Secretariat of Labour and Social Security of Mexico

The Undersecretary focused her presentation on two experiences of labour inclusion policies under the current term of office. The first was the Youth Building the Future programme, which had been implemented since January 2019, targeting young people aged 18–21 not in education or employment. Through the programme, the government matched young people with companies that functioned as job centres and provided training as well as a monthly grant equivalent to the minimum wage for up to 12 months. In addition, medical insurance from the Mexican Social Security Institute was provided to cover illnesses, work-related accidents and maternity leave. The programme targeted municipalities with

the highest incidence of crime and social lags and had shown significant results, reducing serious crimes by 18%. The 500,000 work centres had already trained 2.6 million young people, of whom 46.2% were employed either in the companies where they were trained or in others.

She said that the National Employment Service was responsible for facilitating job placement through 167 offices across the country and a team of 3,000 employment counsellors who provided personalized attention to jobseekers and companies requiring support to fill vacancies. During the current term of office, the National Employment Service had assisted 10.6 million people, 1.7 million of whom had found jobs; of those, 37.6% were young people and 40% women. She mentioned other National Employment Service strategies, such as the Opening Spaces programme, which promoted the labour inclusion of senior citizens and persons with disabilities, and job fairs, through which 327,000 people had been directly employed. Lastly, since the pandemic, there had been a digital employment portal to expand the scope and coverage of labour intermediation.

Pablo Mieres
Minister of Labour and Social Security of Uruguay

The Minister framed his presentation in the context of the challenges posed to labour inclusion by the automation and digitalization of labour markets. First, a large part of the jobs that were no longer in demand were those performed by workers with low qualifications and in precarious socioeconomic conditions, which increased social inequality and poverty. Second, the incorporation of technology was a continuous, rapid process that posed a public policy challenge in terms of the capacity to respond in timely and appropriate manner, and therefore required the design of public policies to also be a continuous process. It was difficult to forecast the effects on labour markets and three examples were mentioned: increased telework driven by the pandemic, digital platform workers and the development of artificial intelligence.

He outlined the specific labour inclusion measures implemented by the government. In recent years, informality had been reduced in Uruguay from 25% to 20% as a result of the social protection measures implemented for formal sector workers during the pandemic, such as subsidies for unemployment or reduced labour activity, sickness benefits and access to health care and contributions. The provision of a subsidy for the risk of job loss was an important instrument and Uruguay's positive employment performance during the pandemic could be explained by the pre-existence of the network of insurance and subsidies for both unemployment and health. In addition, the development of a safety net to support workers in periods when there was a risk of job loss was an extremely strong incentive for formality.

Regarding the barriers to formal employment faced by certain population groups, at the end of 2021, Uruguay passed a law on the promotion of employment for vulnerable populations, which provided a one-year subsidy to employers who hired young people, women, persons aged 45 and over or persons with disabilities. Also noteworthy was the programme called I Study and Work, which offered part-time work to young people aged – 20 who were studying. The programme had proven to be successful in terms of educational trajectories, labour market access and the reduction of gender gaps.

Turning to policies on the inspection of labour standards, he stressed the need to establish an actual risk for employers who did not register their employees in the social security system to be sanctioned, by ensuring the capacity to detect and effectively monitor them.

Regarding training policies, he mentioned Uruguay's Labour Reconversion Fund, which was administered by the National Institute of Employment and Vocational Training and developed a series of training initiatives aimed at retraining unemployed workers. He stressed that such policies should be designed taking into account the labour market's actual opportunities and needs, since there was no use for a labour training policy if its contents were not aligned with the competencies and skills that would be demanded in the immediate future.

Lastly, he highlighted the challenges that the transformations in labour markets represented for the formal education system, given that the demand in the workplace driven by the market and production processes was outpacing changes that could be implemented in education.

Doris Zapata

Minister of Labour and Workforce Development of Panama

The Minister said that the major challenges that the country faced in terms of employment had been exacerbated by the pandemic and that it was in a process of recovery. During the pandemic, the government launched the plan *Panamá Solidario*, through which an economic subsidy was provided to those who had lost their jobs. In addition to the subsidy, the plan provided for capacity-building at two education and training institutions: the National Institute of Vocational Training and Training for Human Development (INADEH), which provided technical training, and the Specialized Higher Technical Institute (ITSE), both under the umbrella of the Ministry of Labour and Workforce Development.

Another area in which the country had worked was strengthening the Labour Market Observatory, which worked directly with the National Institute of Statistics and Censuses and the universities of Panama. The Observatory's work helped to provide a clear view of where the labour market was headed and, therefore, where skills development should be directed. She also referred to *Plan Colmena*, in which all institutions worked together to promote labour market access as well as social inclusion in the country's 300 poorest districts. Another initiative mentioned was the community employability programmes, through which people could be employed in the public infrastructure works undertaken in their communities. Lastly, she said that social dialogue had been crucial in advancing labour inclusion.

Colin E. Jordan

Minister of Labour, Social Security and Third Sector of Barbados

The Minister welcomed the opportunity afforded him to present the experiences being carried out in Barbados, indicating that most of the interventions were geared towards the most vulnerable populations.

He first said that the government's main objective was to establish connections between the population's needs and solutions thereto, with the understanding that the information necessary for policymaking was not always available or updated. The Barbados Labour Market Information System (BLMIS) had been developed, which allowed users to make dynamic queries on a wide range of economic, demographic and labour statistics, thus facilitating more informed decision-making.

In addition, Barbados was undertaking discussions to reform both the National Insurance and Social Security Service (NIS) and the National Insurance Fund (NIF), to make them sustainable in the face of the significant changes that were impacting the labour market, including demographic and technological changes.

The country had supported the movement of workers between Caribbean Community (CARICOM) countries, considering it an opportunity both for workers and for small island States. He underscored that governments should facilitate movement between countries, which would allow them to benefit from those workforce opportunities.

Lastly, the government was updating its labour legislation to align it with new international regulations and, in doing so, was protecting employment, ensuring compliance with regulations and, consequently, ensuring labour inclusion.

Norman Dunn
Minister of Labour and Social Security of Jamaica

The Minister stated that Jamaica had historically faced two challenges related to labour inclusion: high levels of informality and the low participation of young people and women in the labour market. Informal employment in Jamaica generated 41% of GDP and, according to data from the Statistical Institute of Jamaica (STATIN), in October 2020, 40% of the country's workforce was in the informal sector, concentrated in services and small businesses. In addition, a 2014 ILO study on employment formalization in Jamaica reported that over 80% of men and 75% of women were in the informal sector.

Two successful pilot projects were cited. The first focused on micro-entrepreneurs in rural towns who received grants for entrepreneurship, job fairs, training and tangible help to regularize land tenure for their businesses. The second addressed inequalities in two key sectors: domestic work and the fishing industry. Jamaica had made efforts to register domestic workers in the National Insurance Scheme (NIS) and provide a wide range of training. To address the vulnerabilities triggered by the pandemic, the government had worked hand in hand with the domestic workers' union to create the Household Workers Training Institute, to be run by domestic workers themselves. In Jamaica, all persons aged 18–65 who received an income had to register with NIS, which covered employed persons and their families and provided financial protection in the event of loss of a worker's income, whether due to injury at work, illness, retirement or death. Jamaica had made significant progress in registering persons in NIS. Since 2019, there had been a 13 percentage point increase in the number of taxpayers enrolled, and by 2022 51% of Jamaica's employed workforce was enrolled. In addition, the government had been successful in reducing informality by employing people in the global services sector.

More research was needed to understand the underlying causes of gender gaps in labour participation, as well as the factors that contributed to unemployment among young people. He said that tripartite social dialogue had been central to the progress made to date in the country, as it showed first-hand the problems in the labour market, as well as possible solutions.

Kelly Olmos
Minister of Labour, Employment and Social Security of Argentina

The Minister acknowledged the importance of events such as the Regional Seminar, the ILO International Labour Conference and the convening by the United Nations of a summit for a new global financial compact in building a comprehensive approach to and global governance of the problems affecting the region. There was an inescapable link between poverty, inequality and labour informality that had to be addressed taking into account their reciprocal nature, whereby poverty and inequality were causes of informality which, at the same time, amplified and deepened them.

She highlighted the strength of trade union organizations in Argentina, which represented an advantage for the design and implementation of public policies in the country. Without strong trade union organizations, there would be no labour law.

The initiatives carried out in Argentina included the *Fomentar Empleo* employment programme, which had three components. The first focused on training and created a system of work training centres created by unions, which was strengthened by the State with capital goods and technological innovations. Impact assessments showed that those who participated in the training processes had a 30% greater chance of finding a decent job than those who had not. The second component was on-the-job training, for which the State provided a monetary contribution both to those who attended the training and to employers, with up to 12 months' tax credit on social security contributions. Under that system, priority was given to sectors with greater difficulty accessing employment: women, persons with disabilities, persons with diverse sexual orientations and persons with substance abuse problems.

To address informality in domestic employment, under the *Registradas* programme for domestic workers, the State covered 50% of salaries for the first six months of registration, with the aim of encourage domestic workers to demand their registration. Similarly, to address informality in the rural sector, the *Intercosecha* programme was implemented, which provided 50% of the adjustable minimum living wage for up to four months for seasonal workers during the periods in which they did not have access to formal income. Other examples mentioned included grants to supplement income such as the Universal Child Allowance, Pregnancy Allowance for Social Protection and other resources such as the Food Card for the purchase of basic necessities, and the *Puente al empleo* programme that maintained those benefits until the person entered formal employment. Lastly, she cited the enforcement policy according to which companies found in violation of the formalization requirements were denied State credits and other incentives.

In closing, she stressed the central role of the State in guaranteeing decent and dignified access to employment and coverage that required the continued strengthening of institutional capacities.

Francisco Macena da Silva

Executive Secretary, Ministry of Labour and Employment of Brazil

The Executive Secretary described the situation in Brazil, indicating that it was a period of reconstructing social dialogue and public policies and recovery of a cycle that had been interrupted since 2016. In the previous five months, employability had begun to pick up, surpassing 2014 thresholds when the formal employment index had reached record highs. The recovery policies implemented by the current administration included an increase in the minimum wage, which was based on average GDP for recent years.

In addition, tripartite forums and social dialogue had been resumed. Two working groups had been established: the first focused on union issues, collective bargaining and the strengthening of union representatives, both on the part of workers and employers. The aim was to increase formal employment and employment through a social compact and tripartite discussion of decent work conditions. The aim of the second working group was to regulate work performed through digital platforms, which affected several economic sectors. The idea of the discussions was to make progress in providing social protection to digital platform workers and to establish decent working conditions.

In the area of economic policy, a new fiscal compact was being discussed in Congress, with a tax reform capable of generating fairer taxes while also providing tax relief for sectors that generated more employment. In addition, the reform sought to alleviate the burden of sectors with a large volume of payroll expenses in order to promote formal employment.

III. Panel 1. Labour informality as a structuring factor of regional inequality and precariousness[3]

Moderator:
Raúl Holz
Social Development Division of ECLAC

Main presentation:
Alejandro Portes
Howard Harrison and Gabrielle Snyder Beck Professor of Sociology, Princeton University

The *Howard Harrison and Gabrielle Snyder Beck Professor of Sociology at Princeton University* first introduced the concept of the informal economy and proposed a model to reflect the income potential for the urban workforce based on the difference between salaried employment and self-employment. Regarding self-employment, he drew attention to the dynamism and diversity of those activities, which went beyond the stereotypes about them in Western countries. Subsequently, the dynamic character of the informal sector was lost when the concept was institutionalized in ILO and informal employment became associated with concepts such as poverty, low-skilled jobs and companies using obsolete technology, among others. That perspective was called into question by other researchers, among them, the Peruvian academic Hernando de Soto who —in contrast to the ILO definition that considered informal enterprise a survival mechanism in the face of low job creation— viewed it as the aspiration of real market forces to recover some of the economic power denied by centralized elites and limited by State regulation.

In developed countries, the informal economy was defined as including activities that did not adhere to established institutional norms, that failed to protect them, or activities that were not regulated by the State and generated income in a social environment in which similar activities were effectively regulated. That definition would be more appropriate since it did not establish a judgment in advance regarding the activities. Thus far, the most relevant conceptual difference was between informal and illicit activities, the latter involving the production and marketing of goods that were considered illicit in a given time and place.

[3] The presentations made, discussions and conclusions of this session are summarized in this section. The recordings of the original presentations are available [online] https://www.youtube.com/watch?v=Y5P1TMe94NQ&t=3307s.

A diagram was then presented that summarized a joint study carried out with the academic Manuel Castells in an effort to define what distinguished formality from informality. The distinction between formal and informal work was determined by the process of production or exchange and not by its result or product. That gave rise to a functional classification of informal activities, namely: (i) informal survival economies, which involved the direct production or marketing of goods or services; (ii) dependent operations aimed at increasing managerial flexibility and reducing the labour costs of formal sector enterprises through subcontracting; and (iii) growth economies, organized by small enterprises to accumulate capital by mobilizing their social capital and solidarity ties to reduce costs. The three types of informal economies were not mutually exclusive and may even overlap; for example, the same job could be a survival job for an informal worker and a flexibility job for the company that subcontracted her.

A policy aimed at reducing labour informality should thus focus on four elements: (i) creating efficient and non-corrupt bureaucracies and committing sufficient resources to that end; (ii) encouraging and facilitating the investment of both foreign and domestic capital, eliminating bureaucratic barriers and, above all, State corruption; (iii) encouraging private entrepreneurship through training and investment programmes in strategic areas; and (iv) creating direct subsidies for the lowest-income population groups, thus preventing their exploitation and facilitating the creation of grassroots entrepreneurial initiatives.

Comments

Kelly Olmos

Minister of Labour, Employment and Social Security of Argentina

The Minister said that the presentation had clearly demonstrated the complexity of defining labour informality. However, it seemed informality occurred on the margins of local and global power relations. The existence of central and peripheral countries in capitalism stemmed from an international governance system that reproduced those power relations, and thus the institutional dimension was key to improving the balance and fairness of power relations.

Lastly, she said that in order to have a minimum balance between workers and capital, which guaranteed certain conditions of distributive justice, those power relations had to be considered by building an institutional system that balanced freedom and justice.

Alisha Holland

Associate Professor of Government, Harvard University

The Associate Professor of Government at Harvard University introduced her research and said that the causes of labour informality in Latin America were related not only to structural aspects of the economy or institutions, but also to the design of countries' social welfare policies. During the twentieth century, social welfare policies in Latin America and the Caribbean were only partially developed, since they only covered workers at the upper end of income distribution, while the rest were left out because the vast majority had no alternative other than informal employment. Subsequently, social policies such as conditional cash transfers or non-contributory pensions were implemented to reach more of the workforce. She highlighted the weaknesses of such policies, which contributed to the persistence of informal employment. The first was the reliance on informal employment as a de facto unemployment policy, since unemployment protection policies covered few people, so that temporary access to informal work ended up being a form of unemployment insurance. Second, since the non-contributory systems implemented in the region involved small amounts, State monetary transfers did not compensate for the wages lost in the case of unemployment, so people resorted to temporary informal work as an unemployment policy, alternating jobs with temporary contracts with informal jobs. A large number of workers in the region found themselves in that middle ground, where they were not covered by contributory systems but earned too much to be

eligible for cash transfers. Third, the lack of care policies meant that more women were employed in the informal sector because it offered more flexible working conditions than formal employment. Thus, without care policies, informality would continue to be the best option for primary caregivers.

Roxana Maurizio
Regional Specialist on Labour Economics, ILO Regional Office

The Regional Specialist on Labour Economics of the ILO Regional Office said that 50% of workers were employed informally and that the figure had remained more or less stable for over 10 years, indicating that labour informality was an essential characteristic of the region's labour markets. In order to design pertinent policies, informality had to be characterized by differentiating between medium-sized and large enterprises, and small-scale and micro-enterprises. In small-scale and micro-enterprises there was a close relationship between informality and low productivity; therefore, some consideration should be given to the different factors that shaped that relationship, both on the part of workers and companies. With regard to workers, one of the most important factors was the high turnover of informal workers, which prevented the accumulation of human capital and resulted in low productivity. In addition, low wages were not an incentive for worker retention. With regard to informal enterprises, they had less access to formal credit and public programmes, which reduced their capacity to access markets and new technologies, resulting in lower productivity. Looking that relationship from the opposite perspective —from low productivity to informality— small businesses had a lower contributory capacity and were therefore more likely to be informal, as were their employees. Significantly, 70% of informal employment was concentrated in smaller production establishments.

In addition to the relationship between informality and low productivity, the relationship between income inequality and informality was also important. First, she drew attention to the wage penalty of informal work, noting that, on average, an informal worker earned 30% less than a worker in formal employment; the difference was more pronounced at the lower end of income distribution, and even more so when policies to increase the minimum wage were applied.

She invited participants to consider the impact of formalization policies on income distribution. The region had valuable experience in that regard, with several countries having reduced informality by up to nine percentage points in the early 2000s. In the case of Argentina, Brazil and Uruguay, the reduction of informality had a significant positive impact on reducing wage gaps. It was found that workers' transition to formalization was not random, since it was informal workers with higher salaries who were more likely to move to formal employment; however, that did not imply an increase in inequality.

Turning to the issue of the working poor, she said that informal workers were two to three times more likely to be poor workers and that 60% to 90% of labour poverty was attributable to labour informality. Thus, there was a strong link between poverty and the labour market, considering that 70% to 80% of total family income was derived from work.

With those elements in mind, no single policy could provide a solution, for two reasons: the scale of informality and the highly heterogeneous nature of that workforce. A key element was macroeconomic stability, or how countries managed to achieve stable growth, since a formal labour relationship that was considered to be long-term required certainty about the future. Another important aspect had to do with production policies; three transitions under way in the region must be taken into account: (i) the technological transition, i.e. the approach to the jobs created and the quality thereof in the policies being implemented; (ii) the just transition, the green transition and the possibilities for the region to create jobs; and (iii) the demographic transition, with the ageing of the population.

In addition to macro policies, reference was made to active labour market policies, such as those on incentives, inspection and training. She also spoke of social welfare policies, especially those aimed at maintaining income during unemployment, and those to support the search for formal employment, which and should be linked with active labour market policies to ensure the efficiency of job searches.

Ramón Pineda
Economic Development Division of ECLAC

The speaker pointed to the difficulty of attempting to come up with a single characterization of informality, taking into account the drastic changes in the region's labour market and the diversity of situations within each country. Referring to the keynote presentation, he underscored the inherent complexity of interaction among the different sectors (households, companies, government and institutions in general), which determined the interactions between actors in the region's economies. He illustrated that with the cases of the Republic of Korea and Mexico—both with an informality rate of 30%, but with major socio-political and socioeconomic differences— which raised a question about the structural aspects underlying informality. If the macro conditions to guarantee better results in terms of informality were created, he questioned whether the aim should be to eliminate informality or whether, as the keynote speaker had suggested, the conditions of informal workers should be modified instead. Regardless of the existence of optimal conditions to decrease informality, there appeared to be certain elements that caused some economies to have higher levels of informality than others. In that regard, he wondered why countries such as the Republic of Korea maintained high levels of informality, despite better economic performance than Latin America, which had seen a steady decline in productivity since the 1980s, or why Singapore continued to see informality rates between 10% and 12% despite all its efforts.

Andrés Espejo
Social Development Division of ECLAC

The speaker began by saying that informality was one of the strongest expressions of inequality; however, the presentations confirmed that informality was very heterogeneous and had changed drastically in the past 30 years. For example, informality was previously seen as precarious and necessary for survival. While that undoubtedly remained the case, new forms of informality had also emerged that called for new tools to meet the challenge. With reference to the keynote presentation, he agreed that institutional frameworks were essential for tackling informality, but alone were not enough. They must be coordinated with productivity, social protection and business development policies. The multidimensional nature of the issue linked back to the social inequality matrix, namely the recognition that the axes that structured inequality meant that informality was expressed in different ways for the various population groups at the intersections of the matrix.

In closing, he underscored that informality was changing, with between 10% and 15% of the informal sector comprising professionals or people with technical or intermediate level studies. There were also informal workers in companies with 5–10 employees, suggesting that informality was restricted to micro-enterprises. In addition, there were many informal workers who worked in the areas of financial intermediation, services, administration and politics. The recommendation was made to break from the stereotypical view of informality as synonymous with poverty, since informality had two faces: one associated with low productivity and the other with informal employment that was more productive and completely unprotected and unregulated. Regarding the latter, labour institutions should work to create regulations to address the new informality.

IV. Labour inclusion and human capabilities for equality and productivity[4]

Moderator:
Carlos Maldonado
Social Development Division of ECLAC

Main presentation:
Francisco H. G. Ferreira
Amartya Sen Professor of Inequality Studies and Director of the International Inequalities Institute, London School of Economics

The presentation was divided into three main topics: (i) inequality in Latin America and its intergenerational persistence; (ii) the triangle of inequality involving supply, demand and their outcomes; and (iii) the types of public policies that could be developed to address the triangle of inequality.

A series of graphs was presented with Gini inequality index averages for groups of countries, including industrialized, Latin American and African countries, illustrating the high levels of inequality in the region. In addition to being unequal, Latin America had a very high intergenerational persistence of inequality. In the most unequal countries, there was a positive association between income inequality and inequality of opportunities, indicating that those countries also had the greatest intergenerational persistence of inequality. In other words, the more unequal the countries, the less mobile and more unequal they were in terms of opportunities.

Regarding supply-side inequalities, he cited examples of origin inequalities relating to the cognitive development of boys and girls with different economic and educational backgrounds. The results of studies in Ecuador highlighted that the gap between children with more resources and whose mothers had higher educational levels compared with children with fewer resources and whose mothers had lower levels of education was not only very wide, but increased over time. In addition, the results of standardized tests showed that children whose parents had better occupations also had better results.

[4] The presentations made, discussions and conclusions of this session are summarized in this section.The recordings of the original presentations are available [online] https://www.youtube.com/watch?v=Rk8NZZs9Ml8.

In addition to the inequalities associated with workers' conditions of origin, within the same labour market there were educational gaps between workers. According to data from Brazil, 20% of workers aged 18–65 had less than five years of schooling, while the top 20% had 11 or more years of schooling. Thus, workers entered the labour market in very unequal conditions in terms of training, which were then reproduced by the market by projecting inequalities in terms of human capital development on entry into the labour market.

Regarding the other vertex of the triangle, inequality also existed among companies in terms of their demand for labour. Data were provided on the levels of informality in the region, and how little it had decreased. Another aspect of inequality in the labour market was related to the size of companies. In industrialized countries, the vast majority of workers were employed in large or medium-sized enterprises, a trend that was inversely proportional in the case of Latin America, where 32% were self-employed, 36% worked in small companies and only 32% worked in large enterprises. Thus, the market was not only segmented on the basis of formality or informality of workers, but also that of companies, considering that most small or self-employed enterprises were also informal. In addition, there was a strong correlation between company size and income distribution: up to 54% of the highest-income workers were employed in large companies, compared to the lowest-earning 3%. Conversely, 97% of the population with the lowest income worked in self-employed or small-scale businesses. Thus, an analysis of supply and demand in the labour market would show that workers with better educational backgrounds worked in larger companies with more capital, whereas workers with lower educational levels were employed in small companies with less capital. In summary, inequalities in the labour market came from both the supply side (the skills and possibilities of human capital development) and from the demand side (greater likelihood of being employed in small or informal enterprises), all of which led to unequal outcomes in terms of wages and job quality.

In conclusion, there was a need for policies at both vertices at the base of the inequality triangle in order to improve both labour supply and demand. On the supply side, investment should be made in training and strengthening the human capital of persons with lower incomes in order to reduce the gaps that were subsequently generated in the labour market. The policies that had proven most effective were those focused on teachers, particularly those on teacher training. Conditional transfer policies had also proven to have positive effects on human capital development. On the demand side, policies that unintentionally encouraged companies to remain small should be eliminated. In addition, States should seek ways to ensure that health and pension guarantees were not conditional on formal employment, but rather universal. Lastly, he said that barriers and obstacles to business growth should be eliminated, including by simplifying the tax and registration system and strengthening the regulation of labour standards.

V. Panel 2. Towards the eradication of child labour by 2025[5]

Moderator:
Raquel Santos Garcia
Social Development Division of ECLAC

Presentation:
Pilar Rodríguez
ILO
Andrés Espejo
Social Development Division of ECLAC

"A trap for equality: child labour in Latin America and the Caribbean"

The ILO representative began by emphasizing that child labour was one of the most striking manifestations of inequality in Latin America and the Caribbean. The presentation would address in detail the transformations that child labour had undergone in the previous 20 years in the region as well as the evidence of the links between inequality and the associated risks that pushed children and adolescents into early employment.

The regional initiative, Latin America and the Caribbean Free of Child Labour, which brought together governments of 31 countries along with trade union and business organizations from the region, had taken on the challenge of eradicating child labour by 2025. The definition of that goal also entailed combating reductionist perspectives on the matter that failed to look at the context in which children lived. Thus, tackling child labour implied understanding it in all its complexity and developing preventive actions that targeted its structural causes.

Although the region had made significant progress, there were still more than 8 million children who suffered the scourge of child labour, a situation that not only deprived them of their childhood, but also limited their future opportunities and perpetuated the cycle of poverty and inequality. Addressing child labour required comprehensive policies that took into account all the inequalities involved: origin, supply and quality of education, social protection and economic inclusion, among others.

[5] The presentations made, discussions and conclusions of this session are summarized in this section. The recordings of the original presentations are available [online] https://www.youtube.com/watch?v=Rk8NZZs9Ml8.

The representative of ECLAC continued the presentation by highlighting that child labour was one of the means through which inequality was transmitted intergenerationally, as previously developed by Professor Ferreira. Data showed that a large percentage of child workers had parents who also worked in childhood, and that the situation would likely persist in terms of the employment prospects of those children and their children. He referred to the inequality matrix, discussed during the first day of the seminar, noting that child labour was structured along the same axes. Thus, age, gender, race, ethnicity, socioeconomic level and territory largely defined the likelihood of children and adolescents working at an early age. The case of Argentina was cited, where more than 60% of children in child labour did not complete primary education, a cross-cutting characteristic of the phenomenon in almost all countries in the region. In addition, of the total number of child workers, 60% to 70% of their parents had not completed their schooling. An analysis of school attendance data showed that a large number of child and adolescent workers did not attend school, basically because the two were incompatible. That was reaffirmed by data on the number of hours worked, with most child and adolescent workers spending more than 20 or 30 hours per week at work.

Continuing with the inequality matrix, he illustrated the relationship between economic income and child labour. For example, in Ecuador, almost 70% of children in the lowest quintile worked, compared to 1.9% in the highest quintile. An analysis by sex showed a higher prevalence of child labour among men, but surveys tended to hide child labour in the form domestic and care work, which were performed by girls and adolescent girls and were time-intensive and possibly dangerous. Data also showed that girls dedicated more than 20 hours a week to domestic and care work, and that there were differences between the type of work performed by girls and boys: a large percentage of boys and adolescent boys were employed in agriculture and construction, while girls and adolescent women were more concentrated in the commerce and services sectors, indicating that child labour also reproduced gender stereotypes in the workplace.

Regarding ethnic origin, the probability of engaging in child labour was three to four times higher for Indigenous children than non-Indigenous children. There were also countries where the probability of child labour risk tripled or quadrupled for children living in rural areas. When crossing those probabilities with other structural factors of inequality, it was possible to see certain specificities that were hidden by the aggregate data. For example, in the Plurinational State of Bolivia, the incidence of child labour was lower among women than men; however, when crossed with ethnicity, the probability of child labour increased and, for women, the probability of child labour increased exponentially when they were Indigenous, lived in a rural area and belonged to a low socioeconomic level. Therefore, the inequality matrix was a useful tool for analysing child labour.

Reference was made to the Child Labour Risk Identification Model (CLRISK), developed by ECLAC with ILO support. The model had enabled a new way of exploiting data since it could identify the risk of child labour at the local level, according to the characteristics of the territory. That made analyses more specific, given that national averages tended to hide differences within countries. An example could be seen in the State of Rio de Janeiro which, in global terms, had one of the lowest child labour rates. However, when the information was analysed at municipal level, a significant disparity could be observed between municipalities.

There was still a long way to go to achieve target 8.7 of the Sustainable Development Goals, which aimed to eradicate child labour by 2025. The 2030 Agenda had made it possible to chart a course where inequality was at the centre of the discussion. As such, the inequality matrix was essential to better understanding the underlying causes of child labour, defining effective and efficient public policies and beginning innovation in public policies. The commitment undertaken by all States was a window of opportunity that had enabled the mobilization of resources and effective reduction of child labour. In view of the high prevalence of child labour in several countries, there was a need to analyse it through the inequality matrix in order to design public policies that were more sensitive to labour contexts and characteristics in each country, region and municipality.

Comments

María Gabriela Pico

Undersecretary for Policy and Norms, Ministry of Labour of Ecuador

The Undersecretary said that eradicating child labour in the region was both a challenge and a debt owed by States and society to children. She stated that unemployment, informality and labour precariousness were elements that led families to turn to child labour as a means of economic sustenance and that States had not been able to provide social protection services, decent salaries and education for the parents on whom those children depended. Regarding the territorial nature of child labour, she said that the situation was certainly not the same when it occurred in a border area, in a cocoa-growing region or in the city, but the fact remained that child labour existed in all those areas. International organizations had contributed to the eradication of child labour by raising awareness, creating models and strategic plans that saw a reduction by a few percentage points. Every action taken by governments helped to restore the rights of children and adolescents who were defenceless.

Gillian Corrodus

Director of Industrial Relations and Allied Services, Ministry of Labour and Social Security of Jamaica

The first point addressed was the fact that the world's economies had suffered a major shock as a result of the pandemic, an event that had not been envisaged in strategic plans and goals. In that regard, she said that it would important to evaluate the impact of the pandemic on the goal of eradicating child labour by 2025.

She highlighted the importance of inequality matrix; however, in the Caribbean, ethnicity and race might not be such significant variables. The research done on the inequality trap was valuable and it would be useful to reflect specifically on factors that affected the Caribbean. There were cultural elements that should be discussed with respect to what was understood by child labour. Specific reference was made to different types of work in the areas of sports, music and culture in general, which should not be considered child labour in the Caribbean context.

In Jamaica, parents and children had been encouraged to become ambassadors in the fight against child labour. Two related initiatives were cited. First, the establishment of a national coordination mechanism for the eradication of child labour with a multidisciplinary steering committee made up of representatives of local government, ministries and civil society, which had formed the basis of a national plan with communication strategies and various procedures for labour inspectors. Second, at the community level, work had been carried out in the geographic areas with the highest risk of child labour, promoting artistic and sports activities that targeted boys and girls.

Juliana Manrique

International Organisation of Employers (IOE)

The IOE representative agreed with the structural elements that favoured child labour mentioned in the presentation and said that other causes included the lack of an enabling environment for formal business development to create productive jobs with decent conditions for adults. Attention was drawn to barriers and challenges from the employers' perspective, such as the lack of coordination in the public sector for the implementation of policies to eradicate child labour. She also identified causes linked to cultural characteristics, particularly in the region's rural areas, as well as the State's lack of enforcement and reach in areas furthest from urban centres.

As the goal of eradicating child labour by 2025 was still a long way off, the tripartite work between the State, businesses and workers was important in order to identify actions and policies to accelerate its eradication. On behalf of employers, she called on governments to include the eradication of child labour as a strategic axis of policies, which would require the provision of sufficient resources for developing projects and implementing tools such as those developed by the regional initiative for the eradication of child labour in the different territories.

The pandemic had slowed progress in the eradication of child labour and had resulted in some of the resources that were intended for those efforts being redirected to the COVID-19 response. She expressed the private sector's unconditional support for initiatives developed with the aim of eradicating child labour. As a trade union, IOE considered the following priorities: moving forward with public-private partnerships, strengthening the development of public policies through tripartite dialogue with assistance from ILO, and strengthening national committees for the eradication of child labour.

She underlined the importance of implementing the two tools associated with CLRISK —the risk identification model itself and the child labour vulnerability index, which had helped to define more effective multisectoral actions to break the trajectory of child labour. Using those tools could prove very successful in eradicating child labour.

In conclusion, progress towards the eradication of child labour meant eliminating one of the primary causes of vulnerability throughout the life cycle, since early labour market entry was one of the mechanisms that perpetuated poverty. She stressed that progress towards the prevention and eradication of child labour in all its forms should be one of the region's fundamental development goals.

Cicero Pereira Da Silva
Secretary of Union Training Education, Trade Union Confederation of the Americas

The Confederation, which represented close to 50 million workers in the Americas, saw child labour as yet another unfortunate result of the existing production model, which was becoming less sustainable in environmental and social terms, as it deepened inequality and further concentrated wealth. The structural factors underlying child labour —such as high rates of informality, unemployment, lack of access to social protection systems, including care work, the precariousness of public education, gender inequalities and ethnic and racial inequalities— as well as the intersections between those factors, exponentially increased the likelihood of children and adolescents having to work in order to contribute to improving family conditions. Inequality tended to become entrenched as time passed, since the opportunities to improve the lives of such children, with no access to quality education, necessary care or adequate food, were reduced day by day.

Considering the multidimensionality of child labour, the solutions also had to be comprehensive, covering all the risk factors mentioned in the matrix. He said that decent work should be ensured for adults, with living wages, healthy conditions, without violence or harassment and with full respect for labour rights. In addition, minimum working ages should be respected and special attention should be paid to the transition from education to the world of work.

Given the changes in the world of work, it was essential for companies to take responsibility for their entire product chain, including outsourced services. There was a need to regulate work established through digital platforms, which did not provide any security for their workers. It was argued that States must ensure rights in terms of education from early childhood, social protection, including care, and ensure mechanisms for freedom of mobility to prevent the exploitation of children and adolescents along migration corridors.

In order to break the intergenerational transmission of inequality, States had to promote comprehensive policies that addressed all underlying causes, ensuring decent work with full respect for freedom of association and collective bargaining, along with protection systems that included education and care as their pillars.

Laís Abramo,
National Secretary of Care and Family, Ministry of Social Development and Assistance, Family and Fight against Hunger of Brazil

In addition to highlighting the relevance of the Child Labour Risk Identification Model as part of the region's progress towards the eradication of child labour, she stressed the need to advance in more systematic measurements that reflected its multidimensional nature and enabled the generation of increasingly detailed analyses. She suggested that the various dimensions contained in the inequality matrix should be considered and the availability of data at the subnational level strengthened. Another important aspect for improving measurements was to deepen the analysis of domestic work as child labour, which had been underrepresented in data and was difficult to measure. Regarding policies to prevent child labour, it was essential to have care policies, since it was very common in the region for girls and adolescent women to care for their younger siblings so that their mothers could work, or for mothers to take their children to the workplace, exposing them to child labour. Generating decent work and promoting formal employment for women was a fundamental strategy for preventing child labour.

She spoke of the progress made in child labour policies in Brazil, mentioning that the National Commission for the Eradication of Child Labour (CONAETI) had been reinstated, with tripartite representation that included civil society and with the participation of seven ministries. In addition, at the International Labour Conference, Brazil had requested to be included as a pioneer country for target 8.7, a sign of the government's willingness to place the issue at the centre of its political agenda and commitment to developing immediate and urgent actions to speed up reduction. The first action taken in that context, and inspired by CLRISK, was an agreement among the seven ministries forming the Commission to accelerate the pace of eradication and contribute decisively to the new national plan to combat child labour.

VI. Panel 3. Youth labour inclusion: transition from school to work[6]

Moderator:
Ramón Pineda
Economic Development Division of ECLAC

Presentation:
Daniela Trucco
Social Development Division of ECLAC

The speaker began by defining the school-to-work transition, noting that it was commonly understood as the period during which a person stopped attending school or completed their education until the moment that they obtained job. Under that definition, there was an assumption of linearity about life trajectories that was not consistent with the reality of Latin America and the Caribbean, where leaving school or starting to work was not a specific moment in time. On the contrary, transitions in the region were non-linear, multidimensional and marked by inequality.

Given those findings, she questioned the notion of transition, asking whether it was possible to define a beginning and an end for school-to-work transitions and whether shorter or longer transitions were desirable. As an example of the instability of the notion of transition, it was noted that short transitions —desirable when transitions were seen as linear— could be associated with dropping out of school or child labour, while a long transition could be linked to searching for a job with minimally favourable conditions. Also mentioned was the dual inactivity of people who were neither studying or in paid employment and of the invisibility of domestic and care work. She underlined the importance of making all transitions visible and of the diversity of young people and the situations they faced, especially the family dimension, which was not usually taken into account in research or policies in that area.

Data were presented on the education gaps among young people in the region, particularly in secondary education. For example, 3 in 10 young people aged 20–24 had not completed secondary

[6] The presentations made, discussions and conclusions of this session are summarized in this section.The recordings of the original presentations are available [online] https://www.youtube.com/watch?v=Rk8NZZs9Ml8 .

education, and students from Indigenous or Afrodescendent groups completed secondary education at a lower rate than their non-Indigenous and non-Afrodescendent peers. Similarly, the completion of secondary education was much lower in rural areas and among persons with disabilities and immigrant populations. The educational setbacks caused by the pandemic were also mentioned, with delays in learning and high levels of disengagement from education during periods of confinement, in addition to the increase in poverty and problems linked to mental health, socioemotional well-being and school coexistence.

Information was provided supporting the fact that education and work were co-existent among young people in the region: one out of every four adolescents, more than half of the young people aged 18–24, and almost two thirds of those aged 25–29 were in the labour market. She soke of the heterogeneity of educational and employment situations among the region's young people, which required differentiated support and policies. Motherhood was a breaking point in educational trajectories and in the transition to work, given the general absence of integrated care policies and systems. Women accounted for 72% of young people neither working or studying and 43% of young mothers were neither studying nor employed in the labour market; both situations were strongly marked by the level of household income, territoriality and ethnicity and race.

She then spoke of the importance of the family dimension in discussions on the school-to-work transition, since it influenced the support that young people would have in that period. Family composition was diverse and dynamic; for example, less than half of the households with young people were composed of two-parent families with children, and the figure was higher in higher-income households than in lower-income households.

Lastly, she noted that the research findings provided a comprehensive view of the policies that sought to support school-to-work transitions, placing families at the centre as recipients of many of the State's policies. Family support was fundamental in the process of becoming independent and continuation of education; at the same time, the absence of care policies represented a significant obstacle, particularly for women, making it necessary to consider the balance between education, work and family life.

Presentation:
Lucía Scuro
Division for Gender Affairs of ECLAC

The speaker presented the results of a study on the transitions of young women in Latin America and the Caribbean and noted that, as seen in the previous presentation, the study showed non-linear and multidimensional trajectories, with intersections in the inequality matrix. The presentation was divided into three sections: (i) characterization of the care crisis and the problems of achieving women's autonomy in the region; (ii) linkages between domestic work, care and opportunities for young women's educational and professional paths; and (iii) women in higher education, with a focus on careers in science, technology, engineering and mathematics (STEM).

Regarding the care crisis, she said it had been compounded by the pandemic, which had increased demand on two fronts: patients with diseases that were not being treated in health facilities had to receive care at home and the closure of educational establishments placed greater demand on care providers in families. Those factors exacerbated what was referred to as the unfair social organization of labour, which was one of the structural obstacles of gender inequality in the region. Also worth mentioning were the mass exit of women from the labour market, the collapse of women's rate of participation and employment, and the increase in unemployment levels during the pandemic.

Regarding the allocation of domestic and care work, women spent three times as much time as men on that type of work, which also affected girls and young women. The situation worsened when looking at the population of young people aged 15–25 who were neither studying or working and were engaged in unpaid domestic and care work: there were 10 times more women than men in that situation. Another scenario backed by the evidence was the greater burden of domestic work for by married women under 18, compared to men in the same situation.

Regarding the situation of women in higher education, in most countries the number of women entering higher education was increasing and even outweighing the number of men, but an analysis by course of study or occupational sectors with higher levels of employability —science, technology, engineering and mathematics— the proportion of women graduates fell with respect to enrolment.

Women's economic autonomy could be achieved as long as the following elements were considered: promoting gender and social co-responsibility with respect to care; improving statistics on time use and educational levels for the design of better policies; implementing affirmative actions for entering and remaining in education, accompanied by care policies; recognizing care needs beyond child care in the face of demographic changes; considering and promoting co-responsibility in care in remote work or education measures; and giving greater visibility to the relationship between mobility and care, while recognizing transportation and the territorial dimension as part of institutional responses.

Presentation:
Evelyn Vezza
Consultant in the Economic Development Division of ECLAC

The speaker from the *said* that active labour market policies had proven to be successful in including young people in the labour market. Among such policies, the evidence indicated that theoretical-practical training —or on-the-job training— provided the best results for labour market insertion. Research showed that beyond training, offering young people a set of services for labour market entry, such as intermediation services, together with incentives for employers to hire young people or to offer internships, improved labour market access. The demand focus of such programmes was emphasized, as they aligned market needs with skills development and intermediation policies. She noted that the design and implementation of policies, as well as their management, were more significant in terms of results than the type of policy itself.

Active labour market policies acted as a buffer for young people's labour market entry in the event of transitory shocks. For example, during the pandemic, some programmes used active labour market policies to channel cash transfers. One of the challenges faced by governments to continue providing the benefits implemented under those policies, such as training and skills development, was that the shift to an online modality brought to the fore the digital gaps among young people and the need to adapt methodologies and content. The post-pandemic economic crisis struck at the core of those policies since they focused on labour intermediation and many jobs were lost; at the same time, educational processes were affected in terms of interruptions, loss of learning and school dropout.

Other challenges mentioned by the presenter included the institutional fragmentation of the offer aimed at young people, with several scattered and overlapping initiatives. In turn, that led to some inequalities regarding access to benefits. Reference was also made to the irrelevance of some programmes, which were often misaligned with the requirements of the labour market, and the short-term nature of the benefits provided. Lastly, the challenge of reaching the most vulnerable populations was raised. Such policies suffered from what the literature referred to as the "crime effect", whereby those in better circumstances within the target population ended up benefiting from those types of programmes for two reasons: first, because the most vulnerable populations lacked points of reference that would allow them to see the potential of participating in such policies; and second, because complementary policies —such as care policies— were needed to enable the participation of the populations in the most vulnerable situations.

She concluded with a series of recommendations for improving the results of active labour market policies: (i) adapt responses to the profiles of young people to increase effectiveness; (ii) reduce dispersion and fragmentation in programmatic and institutional terms to avoid overlap and provide a single point of access; (iii) create linkages with programmes that were not labour-specific, but were critical to overcoming the barriers faced by the populations in the most vulnerable situations; (iv) focus on programme performance, with result-oriented programme management; and (v) encourage evidence-based management and accountability that provided feedback for policy and allowed improvements to be made in the short term.

Comments

Laís Abramo

National Secretary of Care and Family, Ministry of Social Development and Assistance, Family and Fight against Hunger of Brazil

The National Secretary stressed the need to recognize the complexity of school-to-work transitions, particularly their non-linear and non-successive nature, in light of the regional context of high unemployment rates, informal and precarious employment, fragile and poorly integrated social protection systems and weak social welfare States, together with structural problems and challenges such as the effects of the COVID-19 pandemic and the fourth industrial revolution. She said that rigid categorizations should be avoided and the concept of "NEET" (not engaged in education, employment or training) should not be applied to young people because many of them performed unpaid domestic and care work. She highlighted the intersecting structural inequalities such as gender and race. In Brazil, for example, a disaggregation of the situation of young people aged 15–29 who neither studied nor worked by gender and race showed that for every white man in that situation there were three black women. There were also large differences according to age group: the prevalence of adolescents aged 15–17 who neither studied nor worked was much lower than in the group of young people aged 18–24 . Young motherhood also had be considered since it radically changed school-to-work trajectories.

Care policies in Brazil had paid particular attention to young people because they often experienced the world of work, care work and the pursuit of studies simultaneously. Data were presented to illustrate that among young people aged 14–29 who did not complete secondary education for work-related reasons, 52% were men and 24% were women; however, when the reason was related to domestic work, caregiving or pregnancy, 32.7% were women versus 0.6% men, demonstrating that it was a fundamental barrier to women's educational trajectories. Likewise, the shortcomings in the offering of public preschool education represented an obstacle for women's educational and labour trajectories.

In closing, she said that active labour market policies must be rethought in light of the major inequalities in the region, especially gender inequalities in relation to care, so that they could be efficient both in terms of labour market access and retention.

Juan Chacaltana

Senior Employment Policy Specialist at ILO

According to ILO studies, the evidence on youth employment policies showed that such programmes worked when they had certain characteristics, with both policy content and implementation being important. Comparing the programmes in Latin American and Caribbean countries with those in Europe, while both regions focused on education and training, in Europe the emphasis was on active labour market policies.

In recent years, policies in the region had placed emphasis on generating incentives for labour demand, but during previous decades they had been heavily focused on training and entrepreneurship. The rise and fall of entrepreneurship as a policy priority was highlighted as an important topic for discussion since such policies required both financial and non-financial support and were related to macroeconomic policies, mainly in the area of investment.

He raised the need for greater participation of young people in the design of such policies. In his own experience, young people were aware of the obstacles and barriers they faced in entering the labour market and that knowledge could be used to develop more effective programmes and policies.

VII. Panel 4. Labour inclusion: challenges in an unequal region[7]

Moderator:
María Luisa Marinho
Social Development Division of ECLAC

Presentation:
Andrés Espejo
Social Development Division of ECLAC

The speaker referred to the importance of developing a Latin American perspective on labour inclusion given its particularities in terms of inequality and informality. Since 2015, the region had been experiencing a slow-motion crisis, with social and labour indicators showing signs of decline and adding to a growing climate of social unrest. The post-pandemic scenario also appeared complex, since economic growth had been modest and had not allowed for increased labour demand. Along the same lines, the economic context made it very difficult to comply with Sustainable Development Goal 8, on economic growth and employment.

For those reasons, the Social Development Division had worked to deepen the understanding of labour patterns. Within that framework, the idea of labour inclusion emerged, consisting of two major dimensions: entry into the labour market and quality of employment. He listed five critical issues that hindered labour market inclusion: (i) barriers to entry; (ii) child and adolescent labour; (iii) unemployment; (iv) low-quality formal employment; and (v) informal employment.

Certain population groups faced greater barriers to labour market inclusion. Among them, young people had the highest unemployment rate and women were overrepresented in all indicators linked to labour market exclusion. Persons with disabilities also had high unemployment rates and the jobs to which they had access were more precarious and unstable. The same was true for Afrodescendants, Indigenous Peoples and immigrants, who faced specific barriers and lower incomes even when they had access to formal jobs.

[7] The presentations made, discussions and conclusions of this session are summarized in this section. The recordings of the original presentations are available [online] https://www.youtube.com/watch?v=Rk8NZZs9Ml8.

Regarding barriers to entry, he noted that of the total number of people outside the labour market, 70% were women. A closer look at that figure showed that almost 50% of women aged 15–59 were outside of the labour market compared to 25% of men in the same age bracket, with the majority of them being young men in the process of transition. That figure decreased considerably after the age of 30, when the percentage dropped to 3.4%. In addition, in four countries of the region, persons with disabilities were twice as likely to remain outside the labour market; although they expressed an interest in being employed, 60% did not find a job. In general terms, the data confirmed that the population groups located at the intersections of the structural axes of the inequality matrix faced greater barriers to entry into the labour market.

A second type of labour exclusion was child and adolescent labour, which referred young people aged 15–17 performing dangerous activities that posed a risk to their health and with heavy workloads, all of which prevented them from continuing their studies. In Latin America and the Caribbean, close to 6 million adolescents were in that situation and entered the labour market in precarious jobs, thereby reproducing intergenerational inequality.

A third form of exclusion mentioned by the speaker was unemployment. Among young people, the unemployment rate reached almost 20%; that figure decreased to 9.8% in the 25–34 age group, to 6.2% in the 35–44 age group, and to 4.9% in the case of those over 45 . Those figures illustrated the false hope that higher levels of education and skills development could have a positive impact on employability. It was noted that inequality was quite structural over time. Young people were much more likely to exit the labour market in the event of external shocks such as economic crises and tended to be employed in much more precarious jobs with high segmentation and high turnover. Thus, young people had higher unemployment rates in all countries across the region, which was why labour policies had focused on that segment of the population.

Another form of labour exclusion was traditional labour informality, which was similar among men and women. In terms of age, it was concentrated among the youngest and oldest workers and in rural areas. Reference was also made to the new forms of informality caused by transformations in the labour market. There was a stereotype of the informal worker associated with poverty, agricultural workers or street jobs; however, there were informal workers who were highly productive, with incomes above the poverty line. He said that 20% of those informal workers were in companies with more than five people, 10% of them had university or technical studies and 25% received incomes three times above the poverty line. In that context, it was important for the policies developed to factor in the differences with the characteristics of traditional informal employment.

Labour inclusion was a concept that offered a functional approach to understanding the current world of work, which was rapidly changing, unequal and informal. Without labour inclusion, there could be no social development. Any successful strategy in that area should be centred on labour inclusion, which was a fundamental element for achieving the Sustainable Development Goals, including those related to income inequality and gender equality. Achieving those goals required labour inclusion policies and a broad and cross-cutting social compact, where labour ministries played a fundamental role in coordinating such policies with those of other ministries.

Comments

Laura Ripani

Chief of the Labour Markets Division, Inter-American Development Bank (IDB)

In response to the question of whether labour inclusion was achievable in the region, the IDB representative said that a great deal of will and intentionality was required in defining labour policies. Considering that one of the elements associated with informality in the region was low labour productivity, she noted three ways to improve it: innovation, an adequate business climate and the development of job skills. She referred to the obstacles to labour inclusion, specifically the barriers faced by women in entering the labour market and developing a career, which were expressed as three gaps: women's low labour participation, high occupational segregation and the gender wage gap.

Regarding how public policies could contribute to the achievement of labour inclusion, she identified three key strategies. The first was stimulating and shaping to female employment, not only for purposes of inclusion, but also as an economic motivation for countries, as it was a driver of growth. According to data from the International Monetary Fund, closing gender gaps in the region could increase the size of the economy by up to 22%. The second was investing in skills, particularly in retraining strategies to meet the new demands of the labour market. It was important to listen to employers in order to identify needs and to guide the groups facing the greatest barriers towards careers with the greatest demand in the labour market. The third was promoting flexible work arrangements to make progress on the work-life balance for both men and women. Achieving labour inclusion required more productive, resilient and inclusive labour markets that were adapted to the new demands of post-COVID economies, while closing gender gaps in order ensure the recovery of the region's economies.

Colin E. Jordan

Minister of Labour, Social Security and Third Sector of Barbados

The Minister affirmed that labour inclusion was possible and that it required well-directed policies. He underscored some elements that should be prioritized by public labour policies in order to achieve inclusion. The first was access to employment, which implied not only that training and education were made available, but also that they were accessible. The second was the importance of access to technology in the context of the digital transformation in labour markets, which required improving Internet coverage in all territories that lacked access. Internet access had become a basic need and was as important as access to sanitation and electricity.

Concerning the groups most excluded from the labour market, in the case of young people, investments should be made in "first job" programmes to improve their work experience and facilitate their entry into the market. With regard to women, there was a need to address violence and harassment in the workplace, which led to the exclusion of women from the labour market, as well as to improve maternity leave policies to promote men's involvement in caregiving. Lastly, he said that social protection should be regarded as more than just the provision of social programmes and that investing in labour inspection also meant offering social protection.

Guillermo Alves

Senior Economist, Socioeconomic Research Division, Development Bank of Latin America and the Caribbean (CAF)

Acknowledging the major challenge faced by the region to achieve labour inclusion within the scenario described by the keynote speaker, the Senior Economist of CAF said that such gaps constituted a call to action since there was still ample opportunity for public policy to intervene in the areas identified. He underlined the importance of complementing labour policies with broad and universal social protection policies since labour inclusion was not enough for people to have adequate levels of well-being.

On the policy front, there were three key elements regarding decent work: the productivity agenda, the human capital agenda in broad terms —including early childhood, education and training policies— and labour market institutions and policies. On the last point, he noted that countries with similar GDPs had very different percentages of formal work, suggesting that there was scope for pro-formality policies. Examples of included incentives to formalize lower productivity jobs, such as the provision of subsidies or relief from social contributions. Also highlighted was the effectiveness of training, internship and "first job" programmes, whose impact on improving young people's trajectories was becoming increasingly evident.

Lastly, he referred to the vulnerability of Latin American and Caribbean labour markets to external shocks, which were very detrimental to workers and their opportunities for decent employment, thus policies should aim to anticipate such shocks.

VIII. Present and future of work: labour inclusion as an axis to overcome inequalities and informality in Latin America[8]

Moderator:
Daniela Trucco
Social Development Division of ECLAC

Main presentation:
Glenda Quintini
Senior Economist, OECD

The Senior Economist of OECD said that her presentation would focus on the changes in the demands for skills in the labour market and the potential inequalities that such transitions could generate in the region. In particular, recent OECD research had focused on artificial intelligence, its effects on the automation of skills and its implications for inequality.

An examination of the skills that could be automated showed that the most susceptible were manual skills and some skills related to programming, deductive reasoning and reading comprehension. Among those that remained non-automatable were complex problem solving, high-level management and work on social perception. That would indicate that in all jobs, whether high- or low-skilled, there was a combination of automatable and non-automatable tasks. However, in low-skilled jobs, 25% of the tasks were highly automatable. Thus, it could be expected that low-skill jobs would change more and high-skill jobs would require additional training to incorporate technological tools.

Concerning the green transition, the labour reconversion that it would generate would mean the destruction of several jobs. As a result, in countries where there were many low-skilled occupations, such as in Latin American and Caribbean countries, certain jobs would be greatly affected and workers would have to undergo a learning process and significant labour reconversion in order to maintain them.

[8] The presentations made, discussions and conclusions of this session are summarized in this section.The recordings of the original presentations are available [online] https://www.youtube.com/watch?v=cpyz5X3kFj8.

She referred to the list of priorities developed by OECD to assess whether countries were prepared to face such transitions in terms of the capacities generated in adults. The priorities were organized according to their level of urgency, coverage and inclusion criteria. A comparison of Latin American and Caribbean countries with OECD countries in terms of adult skills showed significant gaps in basic skills such as reading comprehension. Consequently, although those adults were performing well in the labour market, it would be difficult for them if they were required to move to higher-skilled jobs. There were also a large number of adults with limited digital qualifications. For example, a small percentage of adults participating in the labour market in Latin America and the Caribbean used a computer. Chile was the country that came closest to the OECD figure of 60%, while in other countries, such as the Plurinational State of Bolivia, it was only 20%.

In terms of educational coverage for the acquisition of new knowledge and skills among adults, participation was low: 40% in OECD countries and much lower in the countries of the region. By contrast, a high level of participation in informal settings was recorded both in OECD countries and in Latin America, where peer-to-peer training and self-learning were highly valued. Research into people's reasons for not participating in training —60% did not want to participate in any type of training— showed that in OECD countries they were related to a motivational issue or to the adequacy of the job offer. However, in Latin America and the Caribbean, the reason provided by 40% of adults was lack of time, a situation that was more pronounced in certain population groups that lacked the resources to pay for caregivers, transportation or their own training materials, or that did not know how to access such training. Companies also faced obstacles to providing training: time, workload, cost and preference for people already trained were mentioned, among others.

With regard to the training of groups that had been historically excluded from the formal labour market, the gaps in adult participation in training were presented. In all countries, participation was much higher among higher-skilled people, young people and men. Gender gaps were partly explained by the segmentation of jobs according to sex. For example, in Latin America, women worked more in small and medium-sized enterprises and were less likely to be trained than if they were employed in large companies.

She said that, in general, digitalization had not necessarily meant an increase in employment and had deepened certain inequalities, considering that there were groups that could not access those new jobs and were not being reached by training policies for adults. OECD had developed research that could provide a response to the situation. The first proposal was contacting the potential participants of adult training programmes to inquire about their interests, their opportunities for access and the relevance of the offer. Another recommendation was implementing holistic and personalized counselling and intermediation processes, as well as non-formal skills recognition processes.

With regard to education supply, she said that the learning opportunities created should be interesting and relevant, and that modular and shorter training courses should be developed, considering the time constraints faced by adults. Offering time for participation in training, as well as financial support for travel and other costs also contributed to adult participation. The provision of such support was dependent on the size of the company; for example, small and medium-sized enterprises faced many challenges in the area of training, either due to costs or to a very limited training culture.

On the policy front, the following actions were recommended: strengthening skills assessment capacity, facilitating networking between large and small companies, implementing tax incentives for training and raising awareness of training needs. It was also necessary to determine the risk of job automation, identify individuals who were at risk of skills obsolescence and intervene before they lost their jobs.

She concluded by saying that the world was facing an emerging systemic change that was modifying the innovation landscape. In response, countries had come up with different approaches to address adult learning. A first approach was to empower adults for skills development. In that regard, the European Union recommended the establishment of individual training accounts through which they could receive money as well as guidance to decide on training programmes. Another aimed to increase the flexibility of training, where good options ensured modularity, recognition of a person's existing skills, and mobility. Lastly, she highlighted the "skills first" approach, which sought to develop skills within companies, with initiatives for retraining and new skills training in the workplace that had shown particularly good results.

IX. Panel 5. Skills development for labour inclusion[9]

Moderator:
Amalia Palma
Social Development Division of ECLAC

Presentation:
Ernesto Espíndola and **Mariana Huepe**
Social Development Division of ECLAC

Ernesto Espíndola said that the presentation was based on an ECLAC study on automation in Latin America and related risk estimates, as well as its potential effects on occupational structure and social stratification. The study assumed that occupations consisted of a set of tasks; therefore, what could be automated were some components of those occupations, more so in some jobs than in others.

The main challenge in developing the aforementioned work was methodological. The Frey and Osborne model was used as the basis of the research, with some adaptations in the data source. The occupations of the O*NET survey used by the authors were reviewed, consolidating a list of 70 occupations that were classified as fully automatable or fully non-automatable, which were then standardized based on the ILO International Standard Classification of Occupations (ISCO). Subsequently, the authors defined and operationalized two bottlenecks to automation, namely, social intelligence and creative intelligence.

To estimate automation, the Programme for the International Assessment of Adult Competencies (PIAAC) survey was used for Chile, Ecuador, Mexico and Peru, with a sample of 5,000 to 7,000 cases that categorized the labour market by measuring, for example, life and work skills, the use of skills and the frequency of use. The list of 94 occupations classified as automatable and non-automatable was used to complete the database of all employed persons represented in the survey , with a 0 or 1 assigned to them depending on whether their tasks were automatable or non-automatable. Once the database had been classified, a probability vector was created from which a matrix was obtained with 436 occupations for which there was a probability of automation. Subsequently, the matrix was associated with national household surveys in order to estimate the risks of automation according to socioeconomic variables such as poverty and social stratification.

[9] The presentations made, discussions and conclusions of this session are summarized in this section. The recordings of the original presentations are available [online] https://www.youtube.com/watch?v=cpyz5X3kFj8.

The speaker then described the results of the estimates. The first calculation was the average probability of automation of the different occupations and a coefficient of 0.501 was obtained, indicating that jobs in the region had a significant proportion of potentially automatable tasks or activities. In addition, 28.4% of occupations had a high risk of automation. An analysis of the data according to socioeconomic levels showed that people with intermediate educational levels were employed in occupations with a higher proportion of automatable tasks, and employed persons who were at in the middle segment of the per capita income distribution were more at risk of partial or total automation of their jobs.

The presenter offered some reflections based on the evidence, noting that automation was not a source of vulnerability in itself but should be understood as a potential risk that could produce great vulnerability if there was no response capacity from the State. Thus, public policies should anticipate the risks associated with automation and take advantage of any emerging opportunities. The transition could be addressed in several areas, including education, job training, the labour market, fiscal policy, industrial policy and social protection. Attention was drawn to the fact that the distribution of risks was uneven across social groups, and therefore policymakers must take that into account to direct policy towards the groups most disadvantaged by the technological transition.

Mariana Huepe continued the presentation, focusing on the skills required for future work in Latin America and the Caribbean. She defined what was meant by then referred to the multiple transformations that the world was facing and that were shaping a future of work with high levels of uncertainty. As a result, workers would need to strengthen existing skills and acquire completely new ones throughout their lives, which posed a challenge for current education and training systems. The question was raised as to how prepared the education and training systems were to meet those challenges.

The limitations of the region's education systems in facing the transformations in the world of work were then examined. At the regional level, there was a significant mismatch between the supply of skills by workers and the demand for skills by companies because education systems were slow to adapt to the market's demands. In view of the technological revolution, there was a risk that the mismatches would deepen and be sustained over time, which represented an obstacle to the development of individuals, companies and the economy in general.

In that same vein, she said that the gaps in skills for the world of work took root at an early age, when children inherited inequalities. In addition, gaps that existed in digital skills were also influenced by the region's social inequality matrix. A comparison was made of the share of people scoring at the highest levels in problem solving in technology-rich environments, by age, educational level and gender, in Chile, Ecuador, Mexico, Peru and the OECD average. The data showed the significant gap between the countries of the region and those of the OECD, as well as the wide variation across the countries of the region.

Summing up, said that addressing the challenges of the future of work called for education and training systems with a life-cycle approach, aligned with the productive sector and focused on inclusion and equality. To that end, a first step would be to overcome the deficiencies and inequalities produced by the education system from primary school onwards, which would not only reduce the inequality of skills in the labour market, but also increase the return on any other educational investment made during the life cycle. In addition, there was a need for education and training systems that facilitated the entry and exit of students and workers through short-term programmes that could be complementary throughout a person's life. Likewise, training and retraining programmes should be offered for workers, considering that they would have to deepen their knowledge and retrain throughout their working lives in order to remain employed.

Comments

Doris Zapata Acevedo

Minister of Labour and Workforce Development of Panama

The Minister said that in Panama the service sector had the highest percentage of automation; therefore, the government was establishing strategic partnerships, strengthening programmes and reviewing internal processes in order to anticipate the challenges that automation would bring. The government had been proactive, strengthening partnerships with the education sector to build bridges to the labour market. He mentioned the *Orienta Panamá* programme, in which the government worked with schools and universities to introduce students who were finishing high school to the labour market. Through the programme, different skills were identified and young people were oriented towards different sectors, with the educational institutions acting as facilitators. Recognizing the skills required by the labour market created a "single window for opportunities" for linking training and business institutions. Progress had also been made in the approval of the national qualifications framework, which had been developed with the participation of all sectors.

In addition, the gaps between existing skills and those required by the labour market had been identified; in Panama, they were closely linked to technology, languages and training. To meet the challenge, the *Plan Colmena* was developed, which had enabled progress in mapping the country's training needs across its different regions. The Public Employment Service had been strengthened through the establishment of a digital employment exchange that connected employers with jobseekers and also enabled the identification of training and education needs, which could be coordinated through the "single window for opportunities". Several existing programmes had opted to make labour market entry conditional on training: the idea was to serve not just as intermediaries with the productive sector, but also to offer a human resource with sufficient skills to increase productivity. Partnerships had been established with private job placement agencies to generate a database that had allowed the Ministry to target its action in training and education.

Andrés Romero

Minister of Labour and Social Security of Costa Rica

The Minister drew attention to weaknesses in Costa Rica's public policies that made it difficult to face the future challenges of the labour market. The policies targeting the unemployed population were disjointed and did not respond to the needs of individuals or the productive sectors. It The services provided were of little relevance, with very limited coverage, low response capacity and were highly rigid. Another shortcoming was that public policies lacked a mechanism for foresight analysis of the labour market, which was essential to guide the design and promotion of and investment in public policy.

He outlined the progress made in the country in terms of skills development for labour inclusion. The government had developed a labour intermediation platform, which had brought to light the significant mismatches between supply and demand, the poor coordination of labour intermediation with other employment training services and with social protection and inclusion services, as well as a reactive approach to management. In that regard, employment services should not be dependent on a simple intermediation platform. Another important experience highlighted was the *Empléate* programme, aimed at increasing young people's skills and abilities to improve their employability. The programme's main obstacles were its high cost, low coverage, the low quality of the training centres and the difficulties in understanding the future needs of labour demand. Based on that experience, in 2016 a prototype management model was developed, which was called the National Employment System of Costa Rica. Under that service, between 2019 and 2023, a series of regulations, documents, tools and governance spaces were created that made it possible to develop employment services based on criteria of quality, relevance and coverage.

In terms of education, in 2019, the Organic Law of the National Learning Institute was reformed with the aim to provide greater coverage and adaptability, incorporate a focus on inclusion and articulation with employment services, and achieve greater relevance in terms of labour demand. Another important advance was the dual training aimed at young people to improve their employability and experience.

One of the most important challenges was giving new impetus to all the work that had been undertaken to date and making it available to both companies and individuals. To that end, a national employability strategy was being developed and the Labour Market Observatory was being enhanced, in a shift from a retrospective approach to a labour market intelligence system. In addition, efforts continued for the reform of the National Apprenticeship Institute, which was essential for improved coordination with the educational services offered by the Ministry of Public Education. Another challenge was providing greater management capacity to Costa Rica's National Employment System, which meant establishing a new regulatory framework to provide technological, financial and human resources. In active market services and policies, progress had to be made to include an approach based on results and not only on management, where monetary transfers to training centres came with preconditions such as entry in the labour market. Lastly, it was essential to strengthen tripartite social dialogue in order to formulate short-, medium- and long-term policies that transcended administrative political cycles, as that had been the basis for charting the course to more rapid progress.

Anne Caroline Posthuma
Director of ILO/CINTERFOR

The Director stressed the importance of having good statistics for the improvement of technical-vocational training in the region. A complete overview of all policies aimed at developing competencies was necessary, not only for young people, but also for workers in general within the framework of lifelong learning. Knowledge about the supply of technical-professional training in the region, the investments in that area, the professions in which training was being provided and the profile of the persons being trained was also essential.

She outlined four key dimensions in the development of skills for labour inclusion based on the ILO/CINTERFOR experience with vocational training institutions in the region. The first was technological transformation, which had transformed digital skills into core labour competencies because it was so widespread. Importantly, the development of technological skills also posed challenges for the technological transition in the training offer itself. Some initiatives in the region had made progress in that regard; for example, Brazil's National Industrial Training Service offered training for trainers, centre directors and academic coordinators in academic planning and teaching methods and strategies for the development of technology-assisted training. Other vocational training institutions in the region, such as the National Service of Apprenticeship of Colombia, Uruguay's National Institute of Employment and Vocational Training and the Technical Institute for Training and Productivity of Guatemala, had opted to form alliances with technology companies to increase their capabilities in the field, providing training and internationally accepted certifications.

From a methodology perspective, she said that traditional pedagogical approaches were being questioned for their decreasing capacity to develop the competencies of the future, as well as their difficulties in fostering inclusion, given the preponderance of theoretical knowledge over practical knowledge. As such, several vocational training institutions in the region were including project-based methodologies that encouraged applied learning in the real world.

The third dimension was youth unemployment and the challenge of a successful transition from school to the labour market. The transition had great potential to expand dual learning, an education method that had been shown to enhance learning and develop skills in a comprehensive manner, thus improving young people's opportunities to access decent work. Among the institutions that had an extensive dual

training offering were Costa Rica's National Apprenticeship Institute, INADEH of Panama, the National Technical and Professional Training Institute of the Dominican Republic, Brazil's National Service for Industrial Training, the National Service for Industrial Labour Training of Peru and the Salvadoran Institute of Vocational Training of El Salvador. In addition, an alliance for dual training had been established involving more than twenty institutions in Latin America and the Caribbean to promote South-South cooperation.

The fourth dimension mentioned referred to the speed of transformations in the world of work, which required moving towards a framework of lifelong learning. She said that several countries in the region had advanced towards the design of national and sectoral qualification frameworks, both in terms of tools for improving the linkages between different types of education and training for the workplace, as well as policies for the standardization and certification of labour competencies. Some vocational training institutions had also included content in their programmes to prepare people for the changing world of work and to make labour markets more inclusive during those transformations.

X. Panel 6. Articulation between labour policies and social protection oriented towards formality and equality[10]

Moderator:
Antonia Dahuabe
Social Development Division of ECLAC

Presentation:
Claudia Robles and **Nincen Figueroa**
Social Development Division of ECLAC

The speakers said that their presentation would focus on some of the challenges in analysing the articulation between labour inclusion and social protection policies, in a region where major labour inclusion challenges persisted, access to social protection through formal employment was limited and there were fragmented systems with significant gaps. In Latin America and the Caribbean, labour market entry did not guarantee freedom from the risk of poverty; in fact, in 2021, one fifth of the employed population aged 15–59 in 15 Latin American countries was living in poverty. The situation was related to the high levels of labour informality, low salaries and their inequalities, and the weakness of labour institutions; at the same time, it revealed a structural deficit in social protection, where systems did not protect the populations living in poverty, even when they were employed. In addition, the deficit in contributory coverage was creating significant fiscal pressure both in relation to pensions and to social security instruments as a whole. More than half of the economically active population in the region was excluded from pension systems.

They then spoke of labour inclusion policies in the region, which had focused on promoting labour market access, especially for socially excluded young people and working age adults. To increase labour market entry, those policies had aimed to reduce barriers to access and create decent working conditions. The spheres of action of labour inclusion programmes could be classified into two main categories: (i) those seeking to improve the labour supply through programmes focused on education and training; and (ii) those seeking to expand labour demand through programmes to support the self-employed and direct and indirect job creation.

[10] The presentations made, discussions and conclusions of this session are summarized in this section. The recordings of the original presentations are available [online] https://www.youtube.com/watch?v=cpyz5X3kFj8.

The Social Development Division of ECLAC had monitored labour inclusion programmes in the region and systematized the information in a database of more than 100 non-contributory social protection programmes in 22 countries. The analysis indicated that in the previous decade, labour inclusion programmes had expanded to cover almost 8 million people, focusing on those in vulnerable situations or who faced greater barriers to labour inclusion. Regarding the spheres of action, technical training and support for self-employment were the most common forms of intervention, with differences depending on the programmes' target population. It was suggested that one of the weaknesses of labour inclusion strategies was the absence of a link with guaranteed access to social protection.

Reference was also made to the multiple crises that affected the world of work, particularly in the wake of the pandemic, and to the lessons learned from that experience with regard to social inclusion and social protection policies. A first lesson learned related to strengthening the design of emergency policies driven by the pandemic, when support for self-employment and technical and professional training had been bolstered. While emergency jobs proved to be effective in the short term, they also demonstrated that multidimensional support was necessary for labour inclusion to be effective. A second was that it was possible to adapt social security instruments, for example, by extending unemployment insurance, making access requirements more flexible and increasing their amounts. Digital platform workers were cited as an example of the possible policy challenges in terms of greater flexibility in order to extend social protection coverage. A number of recommendations that emerged from a literature review were mentioned, including the elimination or reduction of minimum thresholds (hours worked, minimum income, duration or periods of employment, continuity and minimum contributions); mechanisms for simplifying tax and social security contributions and the portability of benefits; ad hoc regulations for specific platforms or partial access to benefits through existing or new schemes; and non-contributory instruments such as the Minimum Vital Income.

In short, the articulation between social protection and labour inclusion policies could be designed and organized around different axes. An example was the life cycle, where children and adolescents' development played a crucial role when considering the pathway to labour inclusion with decent working conditions. It was also possible to develop a set of specific policies such as active labour inclusion policies, income protection policies, crisis-adaptive policies to support workers in transition , as well as strategies for extending social protection to workers without coverage, to ensure access to health, comprehensive policies and pensions. Lastly, attention was drawn to the challenge of making coordinated progress on inclusion policies with guaranteed access to social protection and social protection policies that made labour inclusion feasible. There was an urgent need for labour inclusion policies aimed at enabling guaranteed access to social protection for people in the most vulnerable situations so as to prevent the reproduction of precariousness. In addition, it was imperative to devise strategies to support workers during periods of transition in the face of the climate crisis and disasters, advance in multidimensional strategies to extend contributory coverage to independent and informal workers, and adapt and create specific benefits for new labour contexts.

Comments

Mariano Brener

Regional Coordinator, International Social Security Association (ISSA)

The Regional Coordinator said that ISSA was working to define social security that was dynamic, constantly changing and able to respond rapidly to crises and change. It was important to think about technological advances from both the point of view of the population and of institutions. For the population, the provision of technical competencies in line with the profiles sought for jobs and, more specifically, attention to the most vulnerable groups mentioned in the presentation were paramount. From an institutional perspective, the use of new technologies in the provision of services, which made it possible to adapt training to the

capabilities of jobseekers, informal workers or caregivers was important. The use of technology could also facilitate the coordination of labour inclusion and social protection policies, for example, through the use of databases and shared records among the various institutions with competencies in that area. In addition, the speaker highlighted the benefits of the use of big data, which provided a more comprehensive view of the population targeted by programmes by enabling the rapid analysis of a large amount of data.

Turning to unemployment insurance, he said that a preventive and proactive approach to market changes was needed, providing services for employed persons who wanted or needed to change jobs, or for persons not in employment who wished to enter a changing labour market in which their skills might have become obsolete. In the latter case, what was required was a combination of income to ensure a standard of living and various support measures ranging from job search assistance to skills upgrading or retraining.

Lastly, the existence of resilient social protection systems was essential from a dual perspective: first, social security made societies more resilient to crises and catastrophes and, secondly, resilient social security institutions were key to continuing to provide quality services even amid natural disasters and pandemics.

Nicolás Navarrete

National Director of the Solidarity and Social Investment Fund (FOSIS) of Chile

The National Director of FOSIS stated that when someone decided not to participate in the market, it was not just a choice but also a multidimensional issue. Education alone did not affect the likelihood of finding a decent job; that was also determined by whether one lived in remote areas, had complex family situations or had a history of rights being infringed, among other forms of social exclusion. Therefore, social policy that set labour inclusion as a goal would also require a multidimensional view of the situation.

Regarding the economic effects of the pandemic, the economic recovery had been slower than had been projected in 2021. In the case of Chile, the unemployment rate was close to 8% and some 800,000 people were outside the labour market, but were part of the economically active population. Thus, when those 800,000 people entered the labour market, they would probably do so informally, resulting in a brief surge in informality that the government would have to address.

With regard to the articulation between labour inclusion policies and social protection, the priority —and the most difficult task— was to have a registry of individuals, particularly in a scenario of increasing informality. He cited as an example the single tax strategy, which allowed for the creation of registers of informal enterprises, making it possible to identify whether the taxpayer was an entrepreneur or self-employed and, in the latter case, to develop policies to increase social protection coverage for those sectors of the population. That was important not only for self-employment systems, but also for devising models in which self-employed workers could be registered without distorting the labour market.

In terms of potential initiatives, he noted that there was a large number of people in the informal sector and who could be part of the labour market; however, that would require policies focused on education and training. The policies that had been implemented with positive results included labour intermediation policies and training policies that linked the education process to a source of employment. He pointed out that training without labour intermediation did not translate into higher income if people were not able to put those skills into practice in a job.

Referring to the situation of women heads of household with dependents, he said that specific policies were required to enable them to maximize their income while their children were young. Work was also needed to ensure a consolidated public supply of social protection and that people received targeted responses to specific needs through single window services.

In closing, it was noted that the region's labour markets were increasingly fragile, which called for the development of resilient policies. He cited Chile as an example, where poverty had dropped from 43% in 1990 to 8.6% in 2017, and currently stood at 11%. While that increase was a cause of great concern,

the fact that 30% of the population had not fallen back into poverty was testament to the resilience of Chile's policy. Thus, there was a need to develop policies that did not expire when people obtained employment, but rather that projected that job over a 10-year period to ensure that labour market entry was permanent and sustained over time.

Antonio Manzi

National Director of Transfers and Data Analysis, Ministry of Social Development of Uruguay

The National Director of Transfers and Data Analysis said that there was consensus that employment, albeit from a multidimensional perspective and not solely focused on income, was the master key to reducing inequality. Uruguay had reduced informality from 25% to 20% since 2020. Among other factors, that decrease was attributable to the fact that in the wake of the pandemic, people understood the benefits of participating in the formal labour system, thanks in part to the various policies aimed at the formal sector, such as the flexibilization of unemployment insurance criteria and the elimination of the income ceiling threshold for cash transfers from the State. Another tool mentioned was the social single tax of the Ministry of Social Development, which allowed for the registration of informal workers and facilitated the allocation of specific support during the pandemic. In order to register informal workers, the State created the emergency basket, a mobile application through which people filled out a form and the registers built were used to provide cash transfers using the same application.

In the area of articulation of labour inclusion and social protection policies, he described three programmes that were oriented to caregiving and aimed to support households with children aged 0–3 so that mothers could work or study. The first programme was the Child and Family Assistance Centres (CAIF), which catered to children under 4 . The second was the socio-educational inclusion grant that financed placement in private care centres for children under 4, since in many cases there was no CAIF in the vicinity or the opening hours were insufficient. There was also the *Accesos* programme, which offered protected employment in a public agency and, in its second phase, placed people in the private sector, with benefits for companies that hired programme participants. One of the programme's innovations was the shift in its entry process from one where anyone could apply and be selected to one in which the Ministry of Social Development selected people in the most vulnerable situations.

XI. Closing session: discussion with former Chiefs of the Social Development Division on "Challenges of labour inclusion in the context of multiple crises"[11]

Moderator:
Andrés Espejo
Social Development Division of ECLAC

The moderator introduced each of the panellists and posed some guiding questions for the panel regarding whether labour inclusion was an achievable goal in the region; the critical issues that had been identified and those they had identified when at the helm of the Social Development Division, and which of those they saw as challenges for the future.

Presentation:
Andras Uthoff
Officer in Charge of the Social Development Division of ECLAC, 2006–2008

The former Officer in Charge posited that the informal sector could be thought of not only as a form of labour entry, but also as part of the social protection system for those who could not afford to be unemployed. The informal sector could be considered a sphere of the labour market that needed financing and policies to protect those who worked within it, and not necessarily to transfer them to the formal sector as the only alternative. Although there was growth in the informal sector was dynamic, it remained between 20% and 40% of the labour market, and the development of public policies targeting that sector had been neglected.

In a retrospective of his career, he said that he worked at both ILO and ECLAC during what was termed the lost decade. That period required a greater adjustment than that experienced during the pandemic since more than a decade of growth had been lost and, in that context, the informal sector had served as a tool for social protection. At that time, the error had been made to research and write about the impacts of structural adjustment policies, rather than study how the labour market was functioning.

[11] The presentations made, discussions and conclusions of this session are summarized in this section. The recordings of the original presentations are available [online] https://www.youtube.com/watch?v=cpyz5X3kFj8.

When he joined ECLAC as a labour market expert for the review of the pension reform, a study had been conducted on the Chilean pension model, based on two questions: to define whether the system effectively improved pensions in terms of coverage and quality and whether it contributed to the development of the financial market. The findings had confirmed greater financial development; however, it was not the result of the system of pension fund management companies (AFP), but rather of the fiscal adjustment undertaken to offset the transition cost. In terms of coverage and quality of pensions, he said that they were not improving, illustrating how the labour market played a role in the analysis of public policy.

Other important facts to consider when analysing the privatized health and pension systems in Chile were that after 40 years, only 20% of the population was enrolled in private health systems and only 20% of pensions were above the minimum wage, which had been increasing thanks to the solidarity pillar provided by the State. In other words, those market solutions were only useful for the 20% of the population with the capacity to save, low levels of risk or the capacity to pay a relatively high premium. Thus, it was argued that leaving the market to act in such areas was not the solution, since that led to the creation of an industry that divided the population's contributions and the loss of solidarity, a key element for the functioning of a social protection system.

In his view, the region's informal labour market was structural, and since it operated as a permanent social protection system —all the more so in times of crisis — it was important to implement policies to improve its quality.

Presentation:
Martín Hopenhayn
Chief of the Social Development Division of ECLAC, 2008–2014[12]

The former Chief referred to the definitions of work in the historical context of modernity, where it was a very strong vector not only of social integration or a driver of progress, but also of identity, symbolic recognition, political participation, social interaction and as the major source of intergenerational upward mobility in a dynamic society. Work was also seen as a character builder, engendering a certain civic culture based on a sense of reciprocity, solidarity and long-term commitment.

That conception of modern work broke down in so-termed late capitalist societies, with the introduction of new organizational models of work that were flexible, unstable, changing, fragmented and less cooperative. Attention was also drawn to the emergence of a new international division of labour, together with robust liberalization and regulation policies. The specific nature of those transformations in Latin America had rendered the issue particularly critical. One such characteristic defined by ECLAC more than 50 years earlier was structural heterogeneity, which referred to the wide gaps in a production system with weak innovation and technical progress, where most of the active population was employed in low-productivity jobs, resulting in an almost automatic reproduction of inequality associated specifically with productivity gaps. Adding to the ECLAC analysis, ILO research on labour informality had shown that the precarious labour market access in the region went hand in hand with social exclusion. Thus, at one end of the spectrum, the idea of productivity gaps within the productive apparatus explained inequality and, at the other end, the high incidence of informality explained exclusion, all of which resulted in complex systemic inequality. Those elements had shaped a historical context of low social security in the region, which had been exacerbated by the pandemic, given the loss of jobs, the increase in informality, the impact of physical attendance restrictions on education, limited fiscal space due to low growth and increased fiscal spending, and the reversal of women's labour force participation, among others.

[12] Mr. Hopenhayn was also the Officer in Charge of the Social Development Division from 2004 to 2005.

In response to those critical obstacles, there were two paths forward. The first had to do with analysing how to link technological innovation with the organizational model. To date, the models that had been strengthened the most by technological innovation pointed towards the fragmentation of work, a form of individualism that was ill-disposed to cooperation and exacerbated uncertainty and insecurity, for example, through work via digital platforms. The question was asked to what extent technology-enabled intermediation systems could reinforce the binding ties within the world of work and increase productivity in a context of more concerted organization.

The critical issue of the school-to-work transition illustrated the importance of incorporating the life-cycle perspective into labour inclusion policies, both at entry and exit, taking into account rapid population ageing and the instability of social security systems with regard to long retirement periods.

At times, the high complexity of problems made them seem unmanageable. He therefore called for a return to the ideas on a fiscal covenant put forward in the position paper presented at the thirty-fifth session of ECLAC (ECLAC, 2014), which included developing an extended agreement where the strategic horizon and vector was labour inclusion —the idea of a society centred on everyone working together for collective progress. Labour inclusion involved many dimensions of people's lives that went beyond the mere fact of having a job; instead, it had a cross-cutting effect on the social fabric, and therefore a transversal compact would imply a strategic look at the world of work as a way to restore the social fabric that had been severely eroded.

Presentation:
Laís Abramo
Chief of the Social Development Division of ECLAC, 2015–2019

The former Chief began by referring to the structural axes of the social inequality matrix in Latin America and how they were interlinked throughout the life cycle, affecting classic labour market indicators. Although much progress had been made in considering aspects such as gender, race, ethnicity and territory, large gaps remained in terms of having the necessary information to carry out that type of analysis, with indicators that would make it possible to analyse inequalities and with the necessary level of disaggregation, for which political will and conviction were required.

The importance of including the territorial dimension to better characterize the heterogeneity of informality was also mentioned. The lack of integration of ethnic and racial inequalities, which in Latin America affected at least 25% of the population, was also a matter of concern. That stemmed from the limited conceptual and political acceptance that such inequalities structured social and power relations in the region's societies and labour markets.

The pandemic had brought to light the existence of a particularly important economic sector —informal workers— many of whom were not living in poverty, but who had been hard hit. That had prompted a number of programmes to incorporate them into the social security system. In that sense, it was important to develop social security policies that reached the segments of the population that fluctuated between formality and informality.

As a final point, she underlined the centrality of care policies for labour inclusion. In Latin America, care work was not only feminized, but also deeply racialized, mainly performed by Indigenous or Afrodescendent women. Women bore an excessive burden of unpaid domestic and care work, dedicating on average three times as many hours per day to such activities than men, and the situation was even more pronounced in the poorest sectors. Regarding women's labour inclusion , consideration should be given to how to free them from that burden so that they could enter the formal labour market, complete their education, receive professional training and experience other dimensions of life. She stressed that implementing public policies on care was not enough; rather, it was necessary to forge a new compact for the social organization of care that would ensure co-responsibility of care within families, between families and the State, the market and companies, and the community.

Presentation:

Alberto Arenas de Mesa

Chief of the Social Development Division of ECLAC, 2021–present

The Chief highlighted the importance of the seminar as an opportunity to discuss social development with the region's authorities. He said that the unemployment rate in Latin America and the Caribbean would be approximately 7% in 2022, which meant that 93% of the labour force was in the labour market. He called into question the way in which workers were being integrated into the labour market, considering that 50% were in the informal sector, 40% had salaries below the minimum wage, 48% did not contribute to a pension system and 20% were living in poverty. In other words, there was labour market entry but not labour inclusion. Progress towards that goal must be made, understanding labour inclusion as decent, formal employment with a sufficient remuneration for a decent life and which provided rights and social protection.

Furthermore, there was a decoupling between what was invested in employment policies —0.4% of GDP on average— and the reality of the region, where millions of people were precariously employed. The situation was not only a labour problem but also one of political economy, as it involved the decision to allocate resources to labour inclusion since the labour market alone could not solve it. There was a need to advance in political, fiscal and social compacts that would allow labour inclusion policies to reach another dimension in terms of the allocation of financial resources.

He added that the region's inequality was deeply marked by inequalities in the labour market, such that labour inclusion policies should be multidimensional, comprehensive and strategic. Comprehensiveness referred to the necessary linkages between labour inclusion and three elements: social protection policies, education and productive development policies, and technological and digital transformation.

In closing, he said that labour inclusion policies were strategic because they not only solved problems related to the world of work but were also part of what ECLAC called inclusive social development, a strategic dimension of sustainable development. If labour policies were linked to development strategies, substantive progress could be made towards a successful sustainable development strategy.

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