

Social Panorama of Latin America and the Caribbean 2023



Labour inclusion as a key axis of inclusive social development



UNITED NATIONS



Executive summary

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Social Panorama of Latin America and the Caribbean 2023



Labour inclusion as a key axis of inclusive social development



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Working for a productive, inclusive and sustainable future

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- Three dots indicate that data are not available or are not separately reported.
- A dash indicates that the amount is nil or negligible.
- A full stop is used to indicate decimals.
- The word “dollars” refers to United States dollars, unless otherwise specified.
- A slash between years (e.g. 2022/2023) indicates a 12-month period falling between the two years.
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A. From labour market access to labour inclusion: a priority challenge for the region

On 5 May 2023, the World Health Organization (WHO) announced the end of the global public health emergency caused by the coronavirus disease (COVID-19) pandemic ([United Nations, 2023](#)), marking a milestone in recent world history. However, Latin America and the Caribbean still faces structural challenges in a context of great uncertainty owing to economic, climatic, technological and geopolitical shocks, compounded by other ongoing transformations. The region is beset by the consequences of cascading crises that have created a protracted social crisis, particularly in health and education (as highlighted in previous years in the *Social Panorama of Latin America and the Caribbean*), food and energy insecurity, and a rise in the cost of living ([ECLAC, 2022a](#)). In addition, the care crisis and gender inequalities have intensified.

Compounding this situation, late 2023 marks the end of a decade begun in 2014 during which the region's average growth has been extremely slow, at only 0.8%, less than half the average growth rate for the “lost decade” of the 1980s ([ECLAC, 2023a](#)). Aside from the recent cascading crises, these 10 years of lacklustre growth have resulted in cumulative vicious circles, which

have led the region into a double trap of low growth and high levels of inequality. Combating this situation requires policy strategies to drive a development pattern based on higher, sustained, inclusive and sustainable growth ([Salazar-Xirinachs, 2022](#) and [2023](#)).

Despite the aforementioned negative trends, some more positive indicators can also be noted, in particular, a fall in rates of poverty and extreme poverty in 2022, a reduction in income inequality as measured by the Gini index, an increase in labour participation and employment rates, and a drop in unemployment. In addition, inflation is trending down, although it is likely to remain above pre-pandemic levels ([ECLAC, 2023b](#)). However, growth in Latin America and the Caribbean is likely to remain sluggish in 2023, with an estimated GDP expansion of 1.7%, significantly lower than the 3.8% recorded in 2022, and possibly as little as 1.5% in 2024 ([ECLAC, 2023a](#) and [2023b](#)).

In this context, sustained progress in eradicating poverty and reversing the development crisis will depend on the efforts made by countries to transform a series of structural conditions underlying these phenomena.

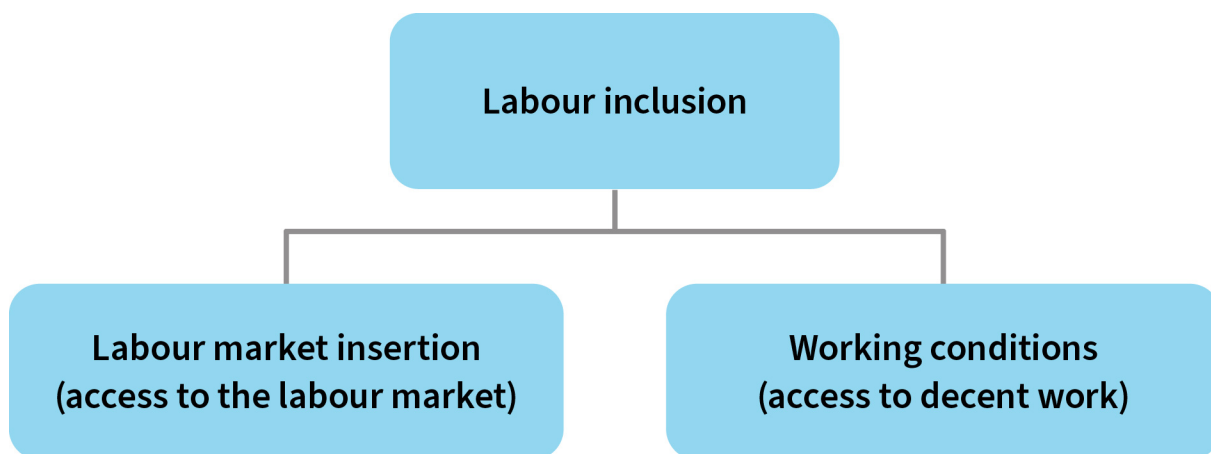
Given the role that employment and labour markets play in household and individual well-being, this edition of *Social Panorama of Latin America and the Caribbean* is devoted to the challenges and opportunities of labour inclusion. This is a priority area for advancing successful strategies towards inclusive social development, because labour markets can either transmit and reproduce inequality, inequity and discrimination, and thus be corrosive for social cohesion, or else they can function as major engines of social mobility, increased income, fulfilment of labour rights and higher living standards, and thus contribute to well-being and social cohesion.

The Economic Commission for Latin America and the Caribbean (ECLAC) has argued that employment and the buoyancy of labour markets is a master key to tackling inequality and strengthening social mobility and social cohesion, while playing a fundamental role in personal development ([ECLAC, 2010](#), [2012](#) and [2014](#)). Moreover, not just any form of labour market access or employment is sufficient for this to be achieved. It is necessary to advance a strategy that addresses the structural heterogeneity of the economies and confronts a reality in which a large proportion of workers are employed in informal jobs, with low productivity and insufficient pay. This calls for labour inclusion policies that act on persistent income inequality, structural deficits in social protection and the unequal sexual division of labour in the region.

Labour inclusion is a central component of inclusive social development, which seeks to ensure that all labour force participants have access to decent jobs that guarantee adequate levels of pay and social protection coverage. This is a dynamic process that must be addressed in its complexity. Labour inclusion consists, in a complementary manner, of labour market access and the working conditions obtained (see diagram 1). Labour inclusion policies must also address the entry barriers and obstacles that most affect certain population groups, which are linked to the structural axes of the region's social inequality matrix. This, in turn, is conditioned by the capacity of labour institutions and the production structure of the different countries.

Diagram 1

Labour inclusion



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

The countries of the region need to strengthen their labour inclusion policies to confront the challenges of the current social and economic situation, and pursue a strategy of inclusive social development, promoting the achievement of the 2030 Agenda for Sustainable Development, in particular Sustainable Development Goal (SDG) 8, on decent work and economic growth, in conjunction with regional commitments in this area. This is made all the more urgent by transformations that are currently under way that will affect labour markets, including rapid population ageing, the care crisis and migratory dynamics, the climate crisis and the challenges of a just transition, as well as technological revolutions. Against this backdrop, it is essential to anticipate adverse and destructive impacts and respond with policies that offset them and turn vicious circles into virtuous ones, the very essence of development processes.

B. Slow-motion crisis in labour inclusion: employment growth falls to historical lows, with high levels of informality

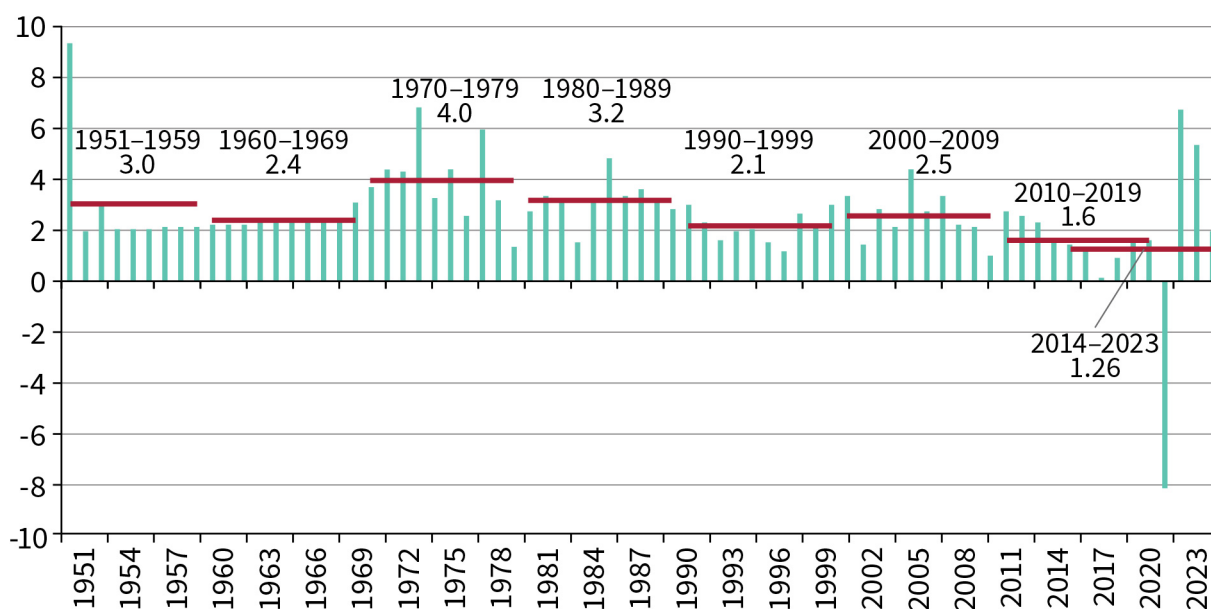
In the labour dimension, Latin America and the Caribbean has been living through a slow-motion crisis since 2010, as can be seen in various labour indicators. As happened with the GDP growth rate, the number of people employed grew by just 1.26% during the 2014–2023 decade, less than half of the 3.2% recorded in the “lost decade” of the 1980s (see figure 1). The COVID-19 pandemic accentuated this trend and triggered the deepest crisis in Latin American and Caribbean labour markets since 1950. In 2020, job creation actually declined for the first time in 70 years.

Although certain dimensions of labour markets improved between 2020 and 2022, this reflects a cyclical recovery of economic growth, or rebound effect after the 2020 contraction, which is unsustainable ([ECLAC/ILO, 2023](#)) and a labour market recovery that has been incomplete and uneven ([ECLAC, 2022b](#) and [2022c](#)). In 2022, the labour participation rate increased for the second consecutive year, and unemployment dropped sharply, as workers rejoined the labour force after abandoning it in large numbers during the pandemic shock.

Figure 1

Latin America and the Caribbean (21 countries):^a growth rate of the number of employees, 1951–2023

(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of ECLAC, *Economic Survey of Latin America and the Caribbean, 2023*, (LC/PUB.2023/11-P), Santiago, 2023; and official figures from the University of Groningen and the International Labour Organization (ILO).

Note: Figures for 2023 correspond to estimations presented in [ECLAC \(2023b\)](#).

^a The countries included are: Argentina, Belize, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia, Trinidad and Tobago, and Uruguay.

Projections for 2023 show that the rate of recovery of these variables has tended to stall ([ECLAC, 2023b](#)). On average, in 2023, the labour participation rate is estimated still to be slightly below pre-pandemic levels (63% in 2023 compared to 63.3% in 2019). The data show unemployment dropping below pre-pandemic levels, from 8% in

2019 to 6.8% in 2023, thus moderating the decline observed until 2022, when it had reached 7% (see figure 2). Nonetheless, the labour market recovery has not been associated with a narrowing of the gaps between men and women that have existed historically ([ECLAC, 2022b](#), [2022c](#) and [2023b](#)).

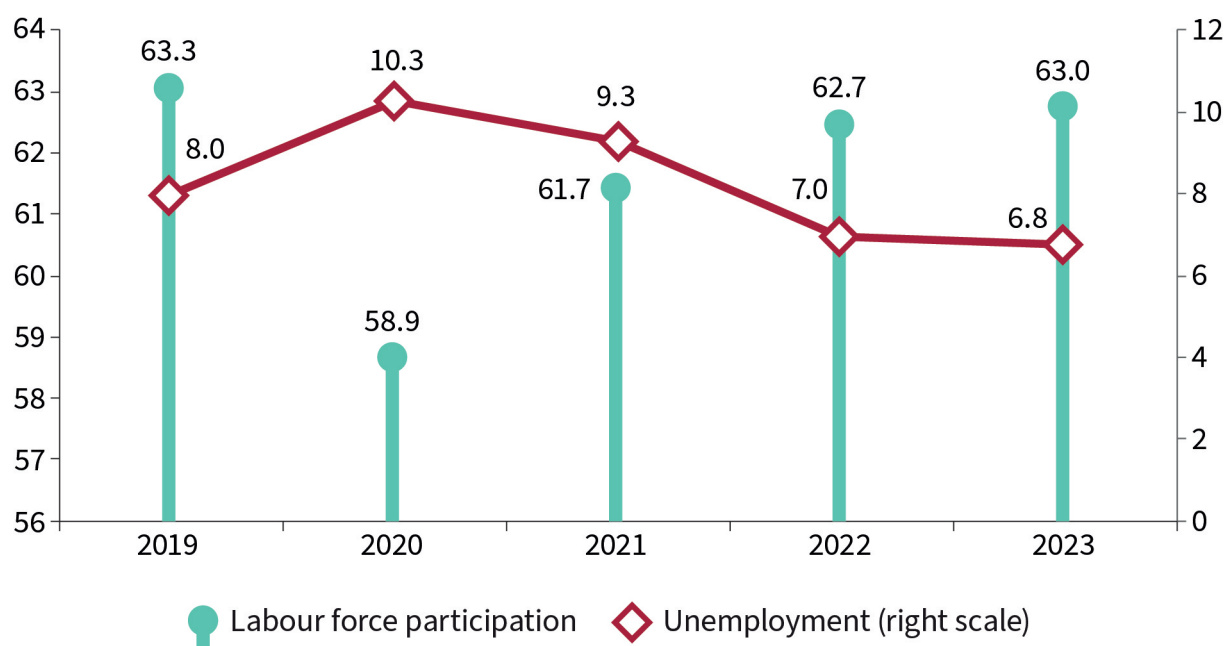
The effects that the crisis has had on the most vulnerable populations and the low growth rates forecast for 2023 and 2024, raise doubts as to the possibility for improvement in the region's labour indicators in the next two years ([ECLAC, 2023a](#)). The lacklustre growth of the regional economy projected for 2023 will likely result in less vigorous job creation, while the estimated 1.9% increase in employment in 2023 is well below the 5.4% growth recorded in 2022 ([ECLAC, 2023b](#)).

Employment surveys in 12 of the region's countries estimate that 49% of workers were employed informally in the fourth quarter of 2022. Although this is slightly less than in the first quarter of 2019, representing a progressive reduction since the fourth quarter of 2021, its magnitude demands priority attention for the implementation of a regional agenda focused on labour inclusion. This phenomenon is reflected in 54.3% of the economically active population in Latin America not contributing to pension systems in 2021, which signifies a very significant gap in their present and future access to social protection (Arenas de Mesa, Robles and Vila, 2023). It should also be noted that 17% of the employed were living in poverty and 36.8% had labour incomes below the minimum wage in 2022, according to information from household and employment surveys in 14 of the region's countries.

Figure 2

Latin America and the Caribbean (20 countries):^a labour participation and unemployment rates, 2019–2023

(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of ECLAC, *Economic Survey of Latin America and the Caribbean, 2023* (LC/PUB.2023/11-P), Santiago, 2023; regional employment surveys and projections.

Note: The 2020 and 2021 data may have problems of comparability with the 2019 data, owing to adjustments in statistical processes that the statistical and census institutes have implemented because of the situation generated by the COVID-19 pandemic.

Values for 2023 estimated in [ECLAC \(2023b\)](#).

^a The countries included are: Argentina, Barbados, Belize, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia, Trinidad and Tobago, and Uruguay.

In view of the above, this edition of *Social Panorama of Latin America and the Caribbean* reiterates that labour market access alone is not sufficient to advance towards inclusive social development; and that it is crucial to promote labour inclusion based on a more

dynamic labour market, anchored in productive development policies in growth-driving sectors, and ensuring not only greater job creation, but also an adequate level of pay and social protection coverage, thus addressing the region's structural problems in this area.

C. The increase in labour income contributed to reducing poverty and inequality, in a context of extremely concentrated wealth

Changes in the labour market during 2022, in the wake of economic recovery following the COVID-19 pandemic, led to increases in both labour income and total household income in most countries. However, these gains were partially eroded by high inflation, especially in households living in conditions of poverty and vulnerability, which spend all, or most, of their income on essential goods and services. In 2022, the real income of households in the first quintile outpaced that of the richest quintile in most of the countries analysed. Compared to 2019, individuals in the first quintile saw their incomes rise by 0.8% more than inflation, while those in the richest quintile saw their incomes fall by 1.8%, thus resulting in a reduction in inequality. The Gini inequality index, estimated on the basis of household surveys, fell by 1.1% per year, on average, between 2019 and 2022, a steeper fall than recorded between 2014 and 2019 (-0.2% per year). In nine out of 12 countries with information comparable to that of 2019, the Gini index in 2022 was lower than it was three years earlier.

Despite these improvements, income disparities in the countries of the region remain very wide. These are manifested not only in total income, but also in labour income, which is the main resource for households in all income strata. In the 13 countries that have data

up to 2022, the total amount of income from paid work captured by the richest decile was 2.7 times that received by the four poorest deciles, while in terms of total income captured, the multiple was 2.4 times.

Owing to the large share of labour income in total income, the changes in both income streams in each quintile between 2019 and 2022 were of similar sign and magnitude; in other words, most of the distributional changes originated in the labour market. In some countries, non-labour income also contributed to narrowing the gaps between extreme quintiles, although in most cases its share was small. This is not to deny that non-contributory public transfers play an important role in preventing greater inequality. In 2022, this source of income resulted in the Gini index being 3.4% lower than it would have been in its absence. In 2020, the year in which exceptional transfers were put in place to mitigate the effects of the pandemic, this percentage was 5.6%.

The economic inequalities manifested by income gaps are magnified by the concentration of wealth. Along with income inequality, the extreme concentration of capital is one of the most obvious expressions of inequality and is strongly influenced by the economic and social structure. Advantageous positions in the social structure tend to be transmitted from generation to generation. There is evidence not only of a negative correlation between wealth inequality and intergenerational social mobility ([Fisher and others, 2016](#); [Yang and Zhou, 2022](#); [CAF, 2022](#)), but also that the transmission of socioeconomic status between generations is stronger in the upper part of the distribution ([OECD, 2018](#); [Waldenström, Adermon and Lindahl, 2016](#)).

The wealth of billionaires (individuals whose net worth exceeds US\$ 1 billion) in the region has fluctuated widely in recent years, reflecting economic turbulence. The total wealth

of the 105 billionaires in Latin America and the Caribbean amounted to US\$ 453 billion at current prices in 2022, US\$ 4.6 billion more than a year earlier. However, inflation caused the real capital of Latin American and Caribbean billionaires to fall by 6.5% in 2022 compared to 2021. Nonetheless, in 2021, the capital held by of Latin American billionaires accounted for 3.6% of the wealth of the entire Latin American and Caribbean population; and, between 2020 and 2021, the total wealth of Latin American billionaires grew by much more, relatively, than the wealth of the rest of the population in their countries. Inheritance has a decisive influence on the wealth of billionaires in the region, since 54% of the super-rich included in the 2021 Forbes list obtained their capital partially or totally through inheritance. All of these data highlight the need to address the concentration of wealth and its implications for growth, mobility and social stability in the region.

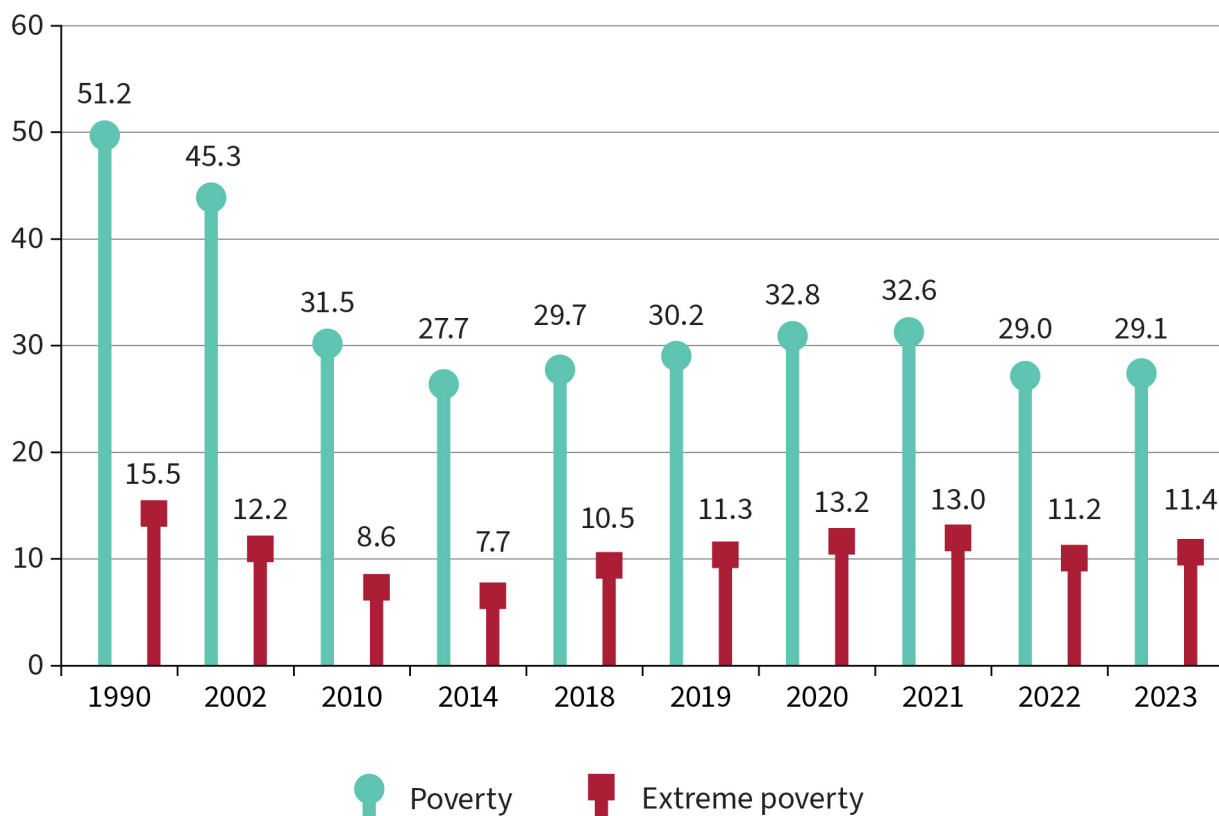
At the other extreme, both poverty and extreme poverty retreated in the region, with rates falling by 3.6 and 1.8 percentage points, respectively, on average in Latin America in 2022 (see figure 3). These figures suggest a recovery from the impact of the pandemic and even a slight improvement since 2019.

In most of the countries analysed, the reduction in poverty in 2022 is a consequence of real growth in labour incomes. In the countries reporting the largest reductions, income from employment, both wage-earning and self-employed, explains most of the increase in total income in low-income households. Moreover, in most of the countries, the share of State transfers in low-income households tended to decrease, as part of the process of closing down the emergency income protection programmes implemented in response to the pandemic. The chief exception is Brazil, where, in addition to labour income, both State transfers and other income, including contributory pensions, helped to reduce poverty (see figure 4).

Figure 3

Latin America (18 countries):^a poverty and extreme poverty rates, 1990–2022
and projections for 2023

(Percentages)



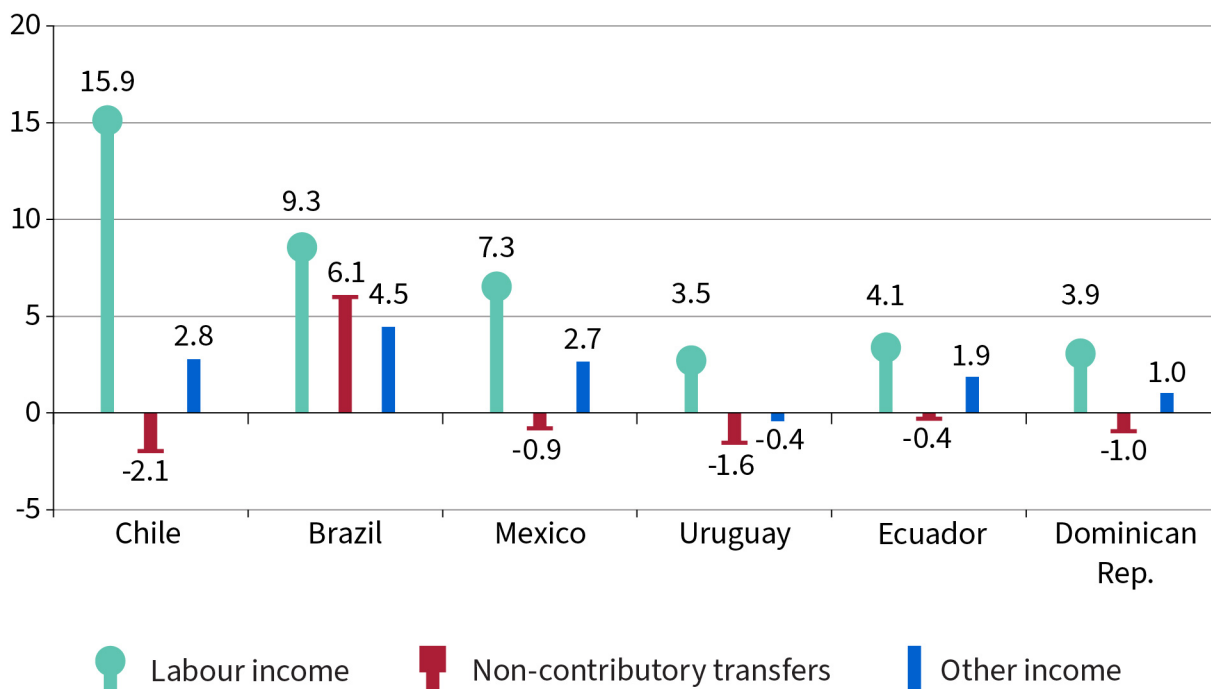
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of the Household Survey Data Bank (BADEHOG).

^a Weighted average of the following countries: Argentina, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

Figure 4

Latin America (6 countries): annual variation in total per capita income among low-income households, by income source, 2022

(Percentages, annualized figures)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of the Household Survey Data Bank (BADEHOG).

Note: Countries with a poverty reduction of 2 percentage points or more, in order of the intensity of reduction. Data correspond to each source's contribution to the variation in total income between 2021 and 2022, except in Chile and Mexico (2020–2022). The size of the lowest-income group is indicated by the percentage indicated in parentheses, as follows: Brazil (29%), Chile (19%), Dominican Republic (28%), Ecuador (34%), Mexico (42%) and Uruguay (10%). Other income includes contributory pensions, private transfers, property income and imputed rent.

A slight uptick in both poverty and extreme poverty is projected for 2023, which calls into question the sustainability of the recovery in these indicators in 2022. Achieving a sustained and sustainable reduction in poverty will therefore require implementing a

coordinated and robust strategy for inclusive social development, with a major emphasis on labour inclusion policies and social protection systems.

D. The design of labour inclusion policies must target reducing social inequality

The social inequality matrix of Latin America consists of a set of structuring axes that represent long-standing socioeconomic, gender, age, ethnic and racial, territorial and other inequalities. These axes intertwine, strengthen and interlink mutually throughout the life cycle; and they condition the exercise of fundamental rights, including the right to work in equitable and satisfactory conditions ([ECLAC, 2016](#)). This results in some populations, groups and individuals in the region facing higher entry barriers and structural obstacles to labour inclusion, in other words the capacity to access jobs under decent working conditions. In general, individuals who are at the intersections of the structural axes of the social inequality matrix, such as young people, Afrodescendants, members of Indigenous Peoples, persons with disabilities and migrants, among others, are overrepresented in sectors with lower productivity and higher rates of informality. In each of these groups or populations, glaring gender gaps persist, with women suffering relatively greater exclusion.

Young people confront greater obstacles in accessing the labour market than adults; and, when they are able to enter the market, they are overrepresented in informal employment, so their labour inclusion is incomplete. In most of the region's countries, the youth unemployment rate is nearly three times the adult rate. For example, in the fourth quarter of 2022, the unemployment rate for young males averaged 9.4% in 12 Latin American countries, 5.7 percentage points higher than the equivalent rate for adult men. In the case of women this rate was 13.5% and the gap was 8.1 percentage points. Moreover,

according to the latest available statistics, the informality rate among young people aged 15–29 years in the region is 53.4%, 12 percentage points higher than that of adults aged 30–64 years. The complex challenges of labour inclusion in the youth population were revealed more clearly during the COVID-19 pandemic, when young Latin Americans aged 15–29 years were more likely to lose their jobs than the adult population.

The large proportion of young people who are neither studying nor gainfully employed (about 23%) is particularly worrying. Nearly 16% of adolescents (15–17 years old) do not attend school. More than 70% of young people who are neither studying nor employed in the labour market are women, a situation that is heavily influenced by the level of household income, territoriality and ethnic-racial status; and it is related to the unequal division of unpaid work that prevails from the earliest stages of the life cycle. Maternity and gender inequalities in the distribution of paid and unpaid work can cause significant breaks in women's educational pathways and in the transition to the labour market, particularly in the absence of comprehensive care policies and systems.

Accordingly, when reviewing the labour inclusion of young people, it is essential to consider diverse and non-linear school-work transitions, involving entries and exits from the labour market, sometimes overlapping with participation in educational or training systems, with the possibility of lifelong training and education, along with gender inequalities, the sexual division of labour and the family dimension. In this context, the role of labour inclusion policies is central; and their design must include a gender and care perspective, together with an approach that respects young people's different life paths.

Although the participation rates of Afrodescendent populations and Indigenous Peoples do not differ significantly from those of the non-Afrodescendent or non-indigenous

populations, they do display differentiated patterns. Indigenous People enter the labour market sooner and remain in it for longer than non-indigenous and non-Afrodescendent people, both men and women, and they have lower unemployment rates ([Pedrero, 2023](#)). Conversely, Afrodescendants —particularly Afrodescendent women— face greater obstacles in job search, which is reflected in higher unemployment rates than their non-indigenous and non-Afrodescendent peers ([Huepe, 2023a](#)).

Both Afrodescendants and Indigenous Peoples face major obstacles in gaining labour inclusion, as they are disproportionately represented in low-productivity jobs and in the informal economy; they are also less likely to be affiliated and contributing to social security systems than their non-Indigenous and non-Afrodescendent counterparts. For example, 43.3% of employed Afrodescendants aged 15 years or older were affiliated or contributing to a pension system, in the six countries with available information in 2021, compared to 51.9% in the case of employed people of neither indigenous nor Afrodescendent origin ([Huepe, 2023a](#); [Pedrero, 2023](#)). Even when controlling for education, their average labour income is lower than the average income of the employed population that is neither Afrodescendent nor indigenous. There is also a general tendency for wage gaps to widen as the level of schooling rises. These differences are explained, partly, by the different characteristics of the jobs they perform in the occupational structure, compounded by the presence of barriers, social norms and discrimination that restrict their access to positions of higher pay and status, and by the shorter average working day, in the case of Afrodescendent workers, especially women ([Holz, Huepe and Rangel, 2022](#)). In short, the Afrodescendent population and the Indigenous Peoples of the region suffer horizontal and vertical discrimination in the labour market, so labour inclusion policies need to target these populations specifically.

Given the prejudices that surround the impact of migrants on labour markets and, in particular, the claim that immigrants take jobs away from the native population, it is more important than ever to review the empirical evidence to gain an objective understanding of the effects of migration. Migrants contribute greatly to their destination societies, not only economically, but also sociodemographically and culturally ([Martínez Pizarro and Cano Christiny, 2022](#); [ECLAC, 2020](#)). Their labour contribution, in particular, occurs through two mechanisms: the propensity to migrate as young adults and a greater propensity to participate in the labour force. Migrant workers contribute large amounts of labour to GDP, a contribution that varies according to the business cycle, the level of productivity and the buoyancy of the economic sectors in which they participate.

The analysis shows that characteristics and profiles of migrant workers in the region vary widely, basically in terms of their educational characteristics. The contexts in which migrants are received condition their job opportunities, although their positioning relative to local workers depends on other factors, such as their undocumented status. Occupational opportunities are more restricted and highly segmented in the case of women, who work longer hours on average, and much more frequently in informal conditions, than their non-migrant peers. These conditions generate greater obstacles to labour inclusion for migrants, who earn lower incomes than their native-born counterparts. Moreover, in most cases, migrant women are the most disadvantaged. For example, controlling for age, years of education and hours worked, in four of the seven countries analysed in Latin America, migrant men earn between 7% and 28% less than their native peers. In five of the seven countries, the equivalent percentages for women range from 6% to 41%. Consequently, it is essential to address the challenges of achieving labour inclusion for the migrant population. In particular, social protection systems need to address the specific vulnerabilities of migrants throughout the different phases of the migration cycle that characterize each country ([Maldonado, Martínez and Martínez, 2018](#)).

To confront these challenges, labour inclusion policies need to define differentiated and specific strategies to address the structural barriers and inequalities that affect certain population groups more intensively, especially those identified in the social inequality matrix.

E. Gender inequalities in labour inclusion can only be eradicated with comprehensive strategies

Unfair and inefficient structural inequalities have been identified as one of the main critical obstacles to advancing inclusive social development in Latin America and the Caribbean ([ECLAC, 2019](#)). Confronting gender inequalities and achieving women's autonomy in the region implies overcoming the structural challenges¹ that perpetuate these inequalities. These structural challenges, which are intertwined and mutually reinforcing, and prevent women from exercising all of their rights, need to be tackled by public policy with a comprehensive and intersectional approach. Eradicating gender inequalities in women's labour inclusion is a persistent challenge for Latin America and the Caribbean, which manifests itself in various dimensions. Between 2001 and 2019, the female participation rate increased slowly; but during the pandemic it was set back by 18 years. Although women's labour force participation has risen by 4.3 percentage points since 2020 to reach 51.9% in 2022, the gap between male and female participation remains wide: in 2022, one in every two women were not participating in the labour force, compared to one in four

¹ The Montevideo Strategy for Implementation of the Regional Gender Agenda within the Sustainable Development Framework by 2030 ([ECLAC, 2017](#)) defines the following structural challenges: (i) socioeconomic inequality and the persistence of poverty; (ii) discriminatory, violent and patriarchal cultural patterns and the predominance of a culture of privilege; (iii) the sexual division of labour and the unfair social organization of care, and (iv) the concentration of power and hierarchical relations in the public sphere.

men; and the figures have not changed significantly over the past 20 years. These gaps in labour market access in the region contrast with women's achievements in terms of years of schooling, even surpassing the average number of years of schooling attained by men.

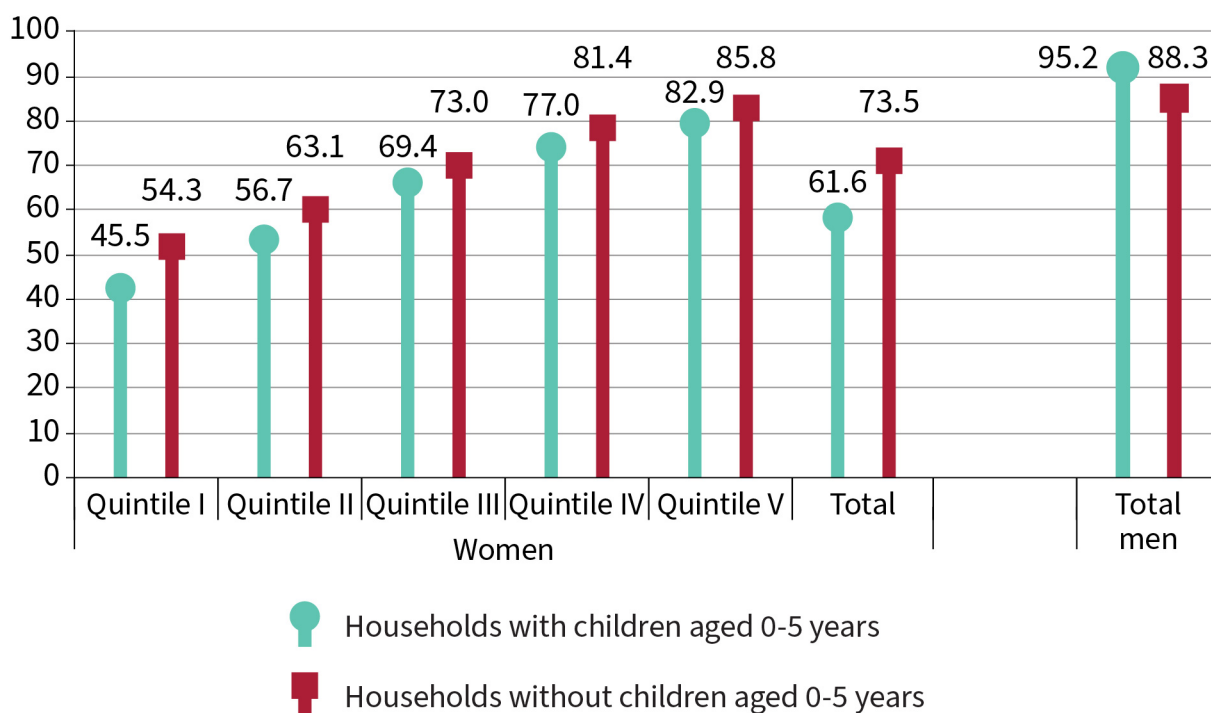
One of the main reasons for the persistence of the gender gap in labour participation is the unequal distribution of unpaid work. Despite an increase in paid work time, women continue to devote a substantially larger proportion of their time to unpaid work than men. The sexual division of labour is shown clearly by the labour participation of women who care for children. Parenting often overlaps with crucial stages in women's careers and leads many to interrupt or postpone them. This situation is exacerbated in the lower income quintiles, with a gap of almost 9 points in the labour participation of women aged 20–44 years in households with and without children of up to 5 years of age. In the highest income quintile this gap is less than 3 percentage points, which is possibly explained by the fact that higher-earning women can hire care services in the market more easily (see figure 5).

The COVID-19 pandemic highlighted the central place of care in people's lives, and the crucial importance of its organization at the societal level. School closures, excess demands on health systems and the difficulties faced by families in obtaining support for domestic and care tasks revealed the extent to which society and the economy depend on health, education and care work, both paid and unpaid. Although these jobs vary significantly in terms of type of task, working conditions and labour market status, they represent a heterogeneous group in terms of occupational category, remuneration and social valuation; and they have a direct impact on the burden of care that households have to assume and on women's autonomy. The existing sexual division of labour means that it is women who undertake most of the care work.

Figure 5

Latin America (15 countries):^a labour participation of individuals aged 20–44 years, by gender and according to the presence of children aged 0–5 years in the household, and by household per capita income quintile, 2022^b

(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of the Household Survey Data Bank (BADEHOG).

^a Weighted average of the following countries: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

^b In the cases of Colombia, Honduras and the Plurinational State of Bolivia, the data refer to 2021.

In the region, 26.7% of women are employed in the extended care sector; they also account for 69.9% of persons employed in education, 73.5% of those working in the health sector and 92.8% of domestic employment ([Baron and Scuro, 2023](#)). In some cases, low wages result in women living in poverty despite being employed and earning an income.

This situation applies to domestic workers in particular, of whom one in every four lives in poverty. Moreover, registration or the signing of contracts is very infrequent in most countries, which results in these workers being excluded from social security. This situation reveals the obstacles that women confront in terms of labour inclusion. In the face of the care crisis, exacerbated by population ageing, and compounded by changes in epidemiological trends and the effects of climate change, a sustained increase in the demand for labour in the care sector and a reduction in the time and number of people available to provide care can be expected ([ECLAC, 2022b](#)). At the same time, no reduction in jobs in this sector is anticipated as a result of automation, mainly owing to the human and physical dimensions of care work, which cannot be completely replaced.

This could represent a twin opportunity —for creating new jobs and for reducing unpaid work time in households. In particular, the digital transformation could open up new opportunities for the paid domestic work and care sector, by creating digital platforms that connect the supply of work with the care needs of households. It could also facilitate the professionalization and certification of female workers, which would lead to such work being accorded greater social and economic value. However, the current situation raises alerts in relation to existing working conditions and the potential precarity of work in this sector. Among other issues, there is still no clarity about the employment relationship in platform work, and there is a risk of biases arising in algorithmic management of time calculation, task assignment and performance. The advantages that the digitalization of this sector could generate for the labour inclusion of women depend, largely, on the regulatory and supervisory capacity of the public institutions that are tasked with enforcing labour regulations. In addition, the adoption of these technologies by countries, in accordance with existing anti-discrimination laws, in the context of respect for labour rights, human rights and citizen participation, could make the creation of decent jobs more efficient and effective.

The current situation thus presents both challenges and opportunities for addressing structural gender inequalities related to women's labour inclusion. This approach requires recognizing care not only as a driving sector of the labour market and the economy at large, but also as a potential axis for reorganizing societies under the principles of gender equality and sustainability in the framework of the care society ([ECLAC, 2022a](#)). Among other actions, this will require the implementation of labour inclusion policies linked to comprehensive care policies, in addition to an expansion of the supply of early childhood education and care services.

F. Labour inclusion policies are conditioned by population ageing

In order to analyse labour markets and develop recommendations for labour inclusion policies, it is essential to consider how population dynamics, among other factors, affect the labour supply and profile of workers in the region.

Young people and adults currently represent the largest age cohorts in Latin America and the Caribbean, which means that the region is experiencing —and will continue to experience in the coming years— a population pressure that needs to be recognized in labour inclusion policies. In less than 40 years, the 15–64 year-old population has doubled (from 220.2 million in 1983 to 442.6 million in 2022); and it will continue to climb towards a peak in 2042. The largest population group in 2022 was the 20–24 year age group, whereas in 1950 it was the under-fives.

The rapid demographic transition that is unfolding in the region entails a shift from high to low (or even very low) levels of fertility and mortality, and by a considerable increase

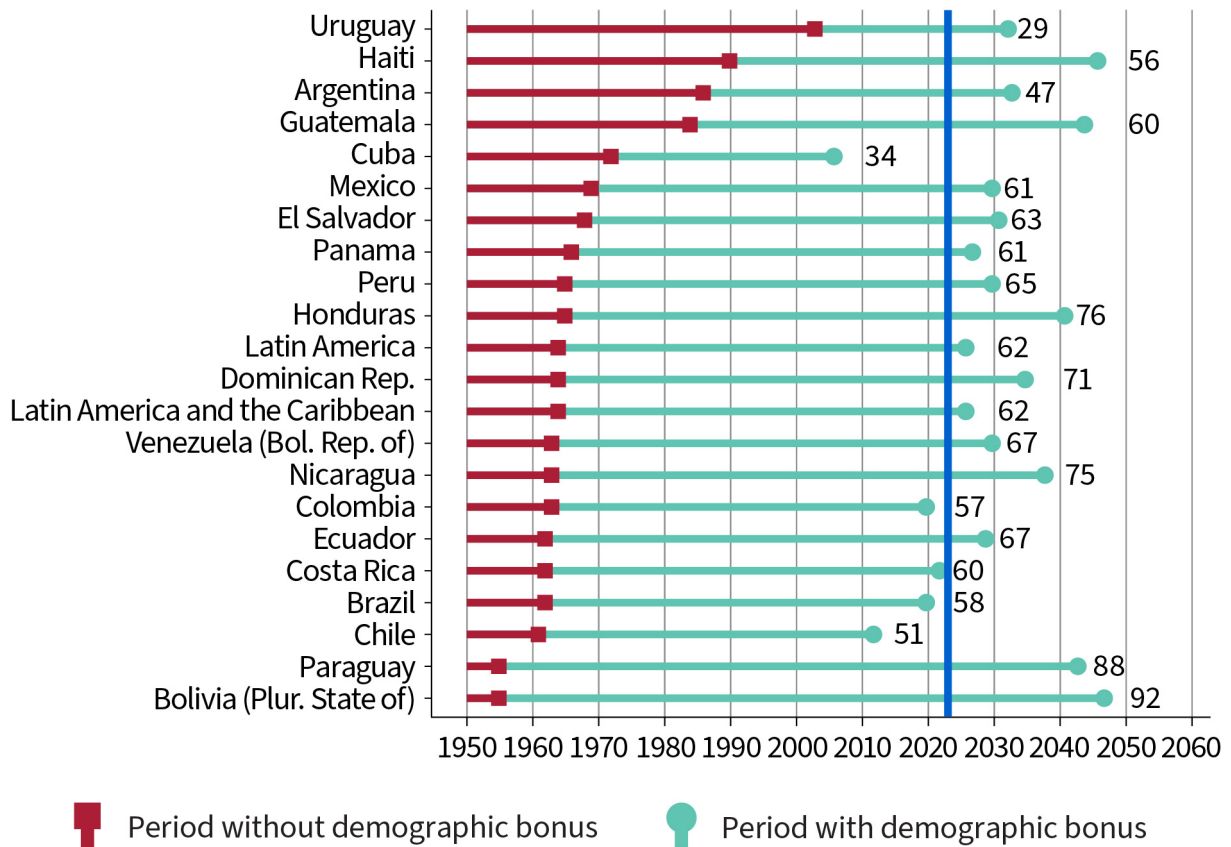
in life expectancy. In 1950–2022, the total fertility rate in the region dropped from 5.80 to 1.85 live births per woman, and life expectancy rose from 48.6 to 73.8 years ([United Nations, 2022](#)). These two main factors caused the age structure of the population to change significantly, with the median age rising from 18.3 years in 1950 to 30.6 in 2022 ([United Nations, 2022](#)). Despite this increase, the region is still one of the world's youngest, with the lowest average age after Africa (which was 18.73 years in 2022).

Although the countries of the region are converging towards low fertility rates and longer life expectancy at birth, there are differences in the levels of these phenomena and their rates of change, which are expressed in varied demographic transitions and age compositions. In relation to the world of work, this heterogeneity can be analysed through the demographic dependency ratio; that is the number of people aged under 15 and over 65 years relative to the working-age population (15–64 year-olds). When a country's dependency ratio starts to fall (mainly because of a reduction in the population aged 0–14 years), the country is considered to have entered a period of demographic bonus, because a large proportion of working-age people can drive economic growth and reduce expenditure on dependants. When the dependency ratio rises again (mainly because of an increase in the population aged 65 and over), the country is considered to have exited this bonus phase. This, among other factors, may increase the care needs highlighted in section E.

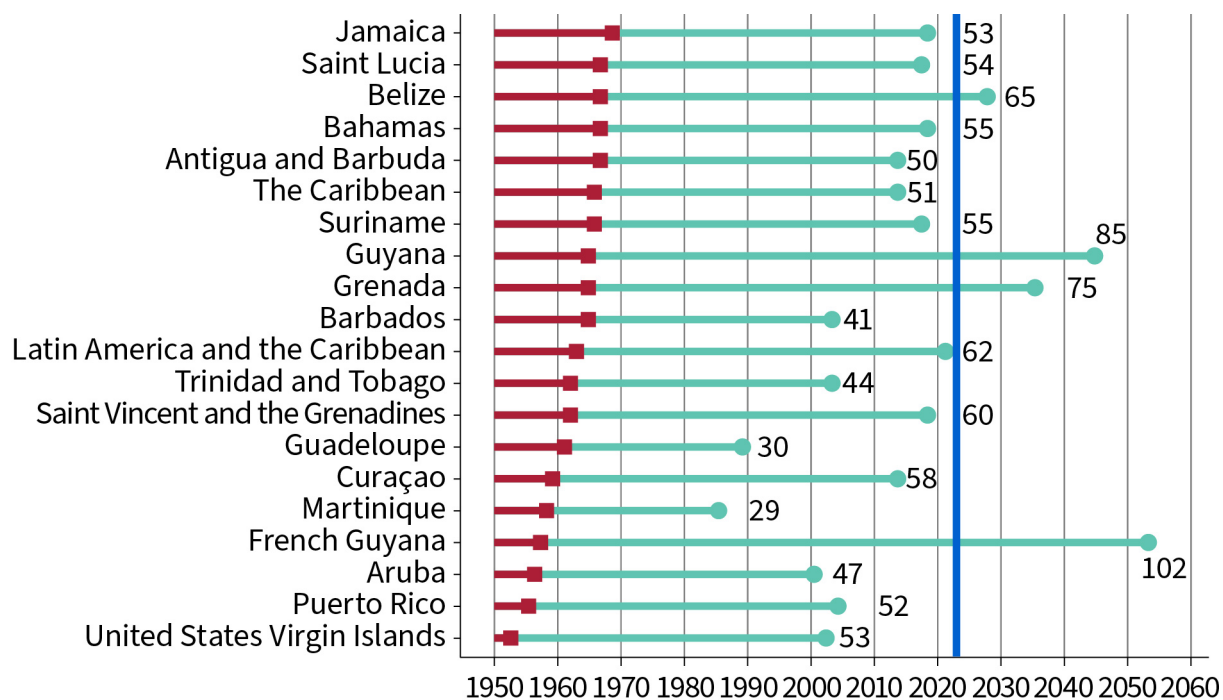
The duration of the demographic bonus varies widely among Latin American and Caribbean countries: while the demographic window of opportunity is expected to end by 2027 for the region as a whole, 13 countries had already completed this stage by 2022 (see figure 6). To take advantage of the bonus, it is crucial to promote full labour inclusion in the region, with a labour market that provides access to decent jobs, with adequate pay and social protection coverage.


Figure 6

Latin America and the Caribbean (38 countries and territories):
demographic bonus —start, end and duration, 1950–2060
(Years)

A. Latin America

B. The Caribbean



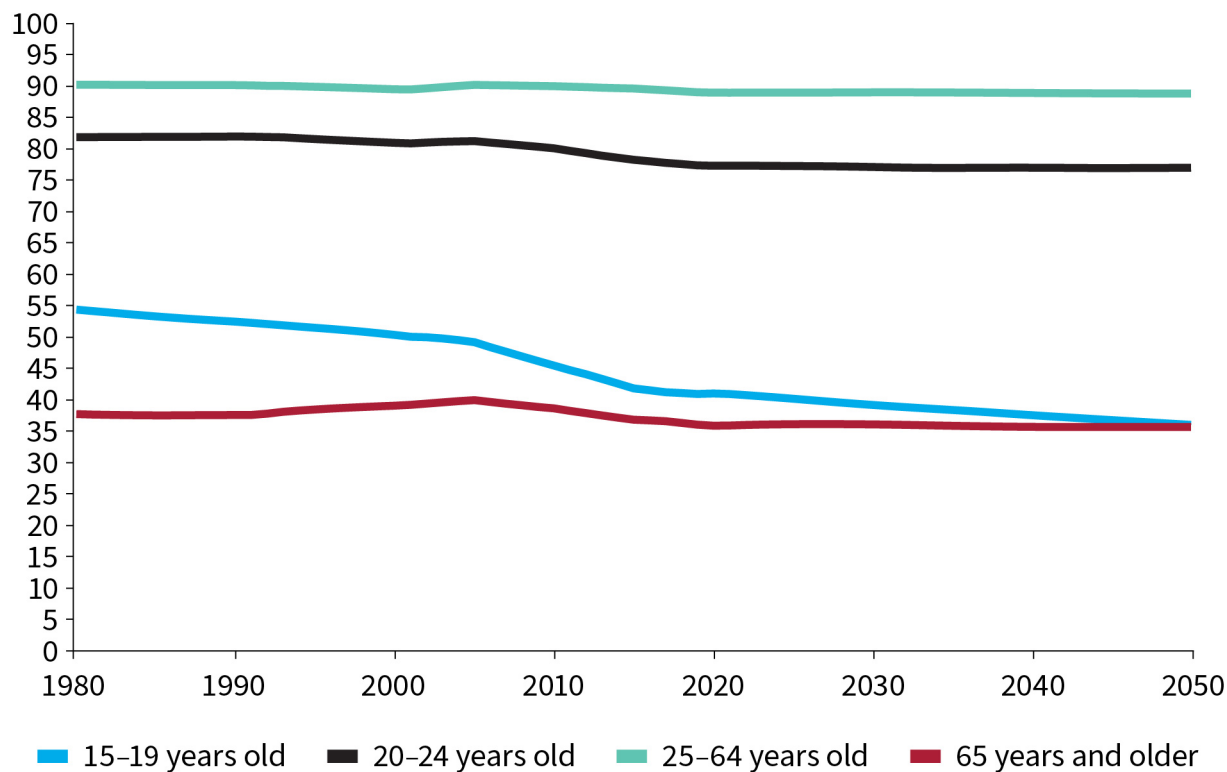
 Period without demographic bonus
  Period with demographic bonus

Source: Latin American and Caribbean Demographic Centre (CELADE) -Population Division of the Economic Commission for Latin America and the Caribbean (ECLAC), 2022 revision, and United Nations, [World Population Prospects 2022: Online Edition](#), 2022.

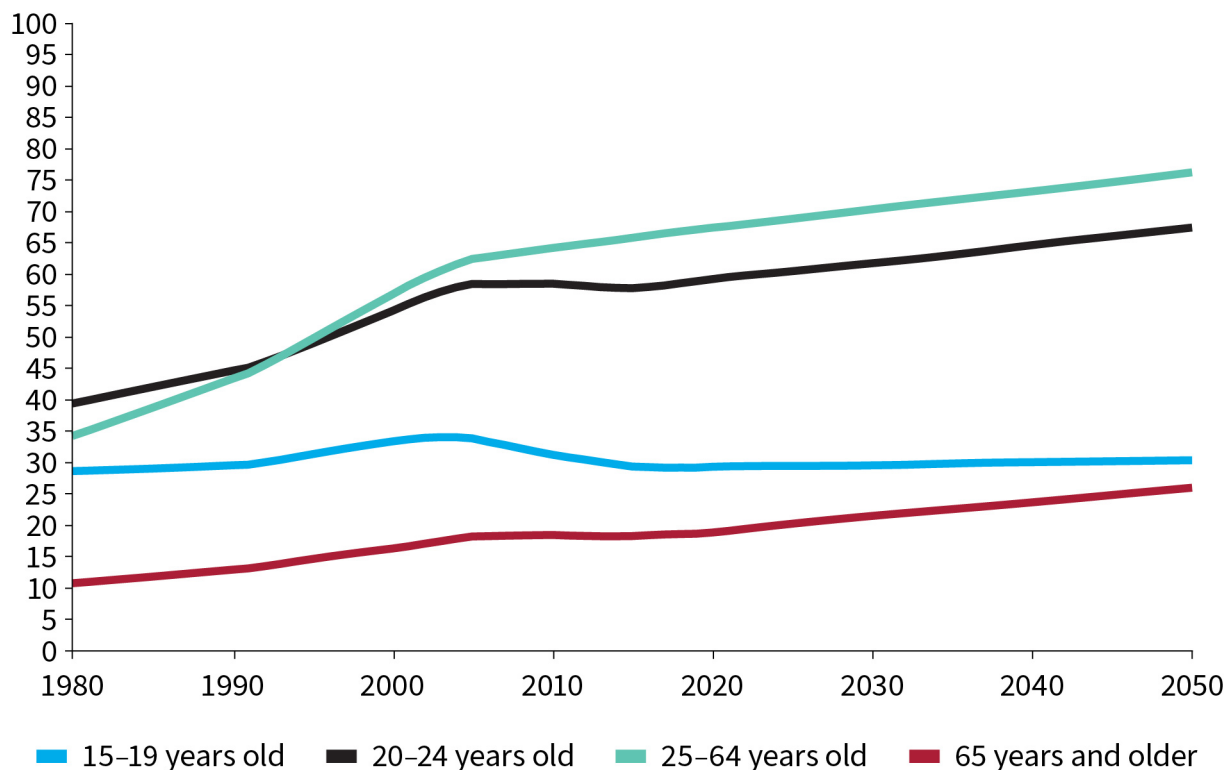
Demographic trends vary between age groups and genders. Although the labour force participation of men between the ages of 25 and 64 years has remained stable at around 90% and is projected to remain so in the future, the participation rates among men aged 15–19 and 20–24 have declined in the last decade. So also has that of men aged 65 or older. In contrast, female labour force participation has increased in all age groups, albeit with a slight dip among 15–19 year-olds over the last decade (see figure 7). However, although the labour force participation of women aged 25–64 years is projected to continue increasing, if historical trends persist, it will reach 73% in 2050, still almost 20 points below the equivalent male rate. This scenario again reinforces the need to promote labour inclusion policies that anticipate the implications of this transition and can address issues such as the gender inequalities prevailing in the labour market.

Figure 7**Latin America and the Caribbean: labour force participation
by sex and age group, 1980–2050**

(Percentages of the total population in each age group)

A. Men

B. Women



Source: Latin American and Caribbean Demographic Centre (CELADE)-Population Division of the Economic Commission for Latin America and the Caribbean (ECLAC), 2022 revision, and United Nations, [World Population Prospects 2022: Online Edition](#), 2022.

G. Social spending is declining relative to GDP, but remains above pre-pandemic level

The cascading crisis that is unfolding in the region and worldwide, with its economic, social and environmental effects, has exerted and continues to exert pressure on fiscal policy to respond with sustainable, inclusive and sufficient measures that not only alleviate the impact of the shocks, but also make it possible to resume progress towards the Sustainable Development Goals ([ECLAC, 2023c](#)). The impacts on the region's labour markets intensify these pressures, which need to be anticipated with a view to advancing towards a social and fiscal compact.

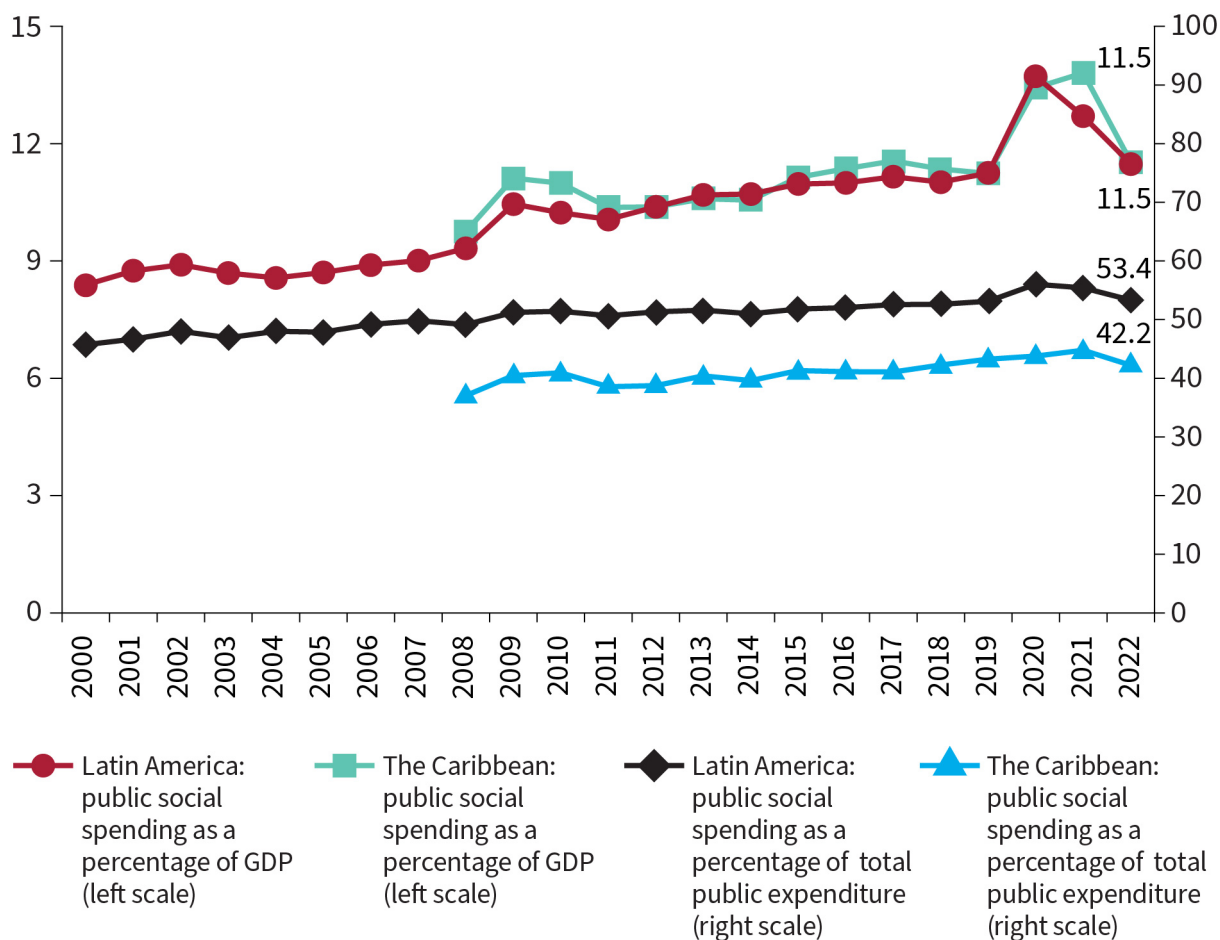
In 2022, central government social spending relative to GDP in Latin America decreased for a second straight year, following substantial growth in 2019–2020 owing to the emergency social protection and health measures implemented in response to the COVID-19 pandemic. In 2022, central government social spending represented 11.5% of GDP, 2.2 percentage points lower than in 2020. While not falling back to 2019 levels, social spending relative to GDP is only 0.3 percentage points higher than in that year. The reduction averaged 5.1% in real terms (in dollars at constant 2018 prices). In the five Caribbean countries for which information is available, the trend in central government social spending was broken in 2022, as it dropped to 11.5% of GDP from the peak of 13.8% attained in 2021 (see figure 8). In both the Latin American and the Caribbean countries, the share of social spending in total central government expenditure has decreased.

In the coming years, it will be essential to ring-fence and increase social investment, particularly given the observed trend of returning to the 2019 levels and structures of social spending, both in the functional and institutional classification and with respect to investment in labour inclusion programmes, as will be seen in section H. The current situation requires public policy actions to achieve fiscal sustainability, in order to address the consequences of the cascading crises that are unfolding, and enhance the financial sustainability of social spending to meet the challenge of achieving the Sustainable Development Goals.

Figure 8

Latin America and the Caribbean (22 countries): central government social spending, 2000–2022

(Percentages of GDP and of total public expenditure)



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

Note: Coverage in the case of the Plurinational State of Bolivia corresponds to central administration and that of Peru to general government. Data for the Plurinational State of Bolivia correspond to 2021 and for Panama they refer to 2020. Simple average of 17 Latin American countries and five Caribbean countries. Latin America includes Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia and Uruguay. The Caribbean includes Bahamas, Barbados, Guyana, Jamaica, and Trinidad and Tobago.

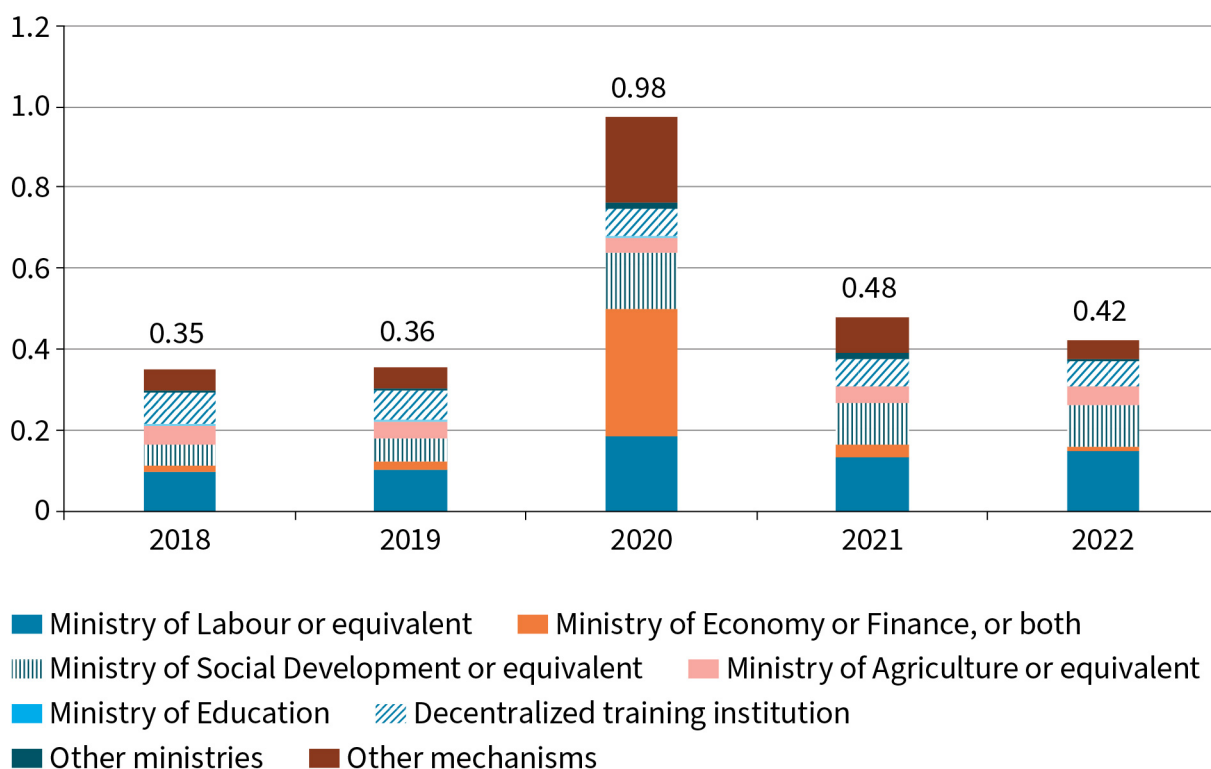
H. There is an urgent need to increase investment in labour inclusion policies with a life-cycle focus

In line with the need to redouble investment in labour inclusion policies, a programmatic analysis of public expenditure on labour policies in the region is crucial. However, as figure 9 shows, spending on these policies is not only extremely low, but has declined for the second consecutive year, dropping to 0.42% of GDP in 2022. This was 0.55 percentage points lower than in the first year of the pandemic as a result of the closure of programmes implemented in response to the health crisis. Figure 9 also shows that the institutional distribution of spending on labour inclusion policies is similar to before the COVID-19 pandemic: ministries of labour, ministries of social development and decentralized training institutions jointly account for 73% of total spending (representing 0.15%, 0.10% and 0.06% of GDP in 2022, respectively). In addition, ministries of economy or finance executed expenditure averaging the equivalent of 0.32% of GDP in 2020 to address the effects of the pandemic.

Figure 9

Latin America (15 countries):^a public spending on labour inclusion policies, by executing entity, simple average, 2018–2022

(Percentages of GDP)



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

^a The countries included are: Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru and Uruguay.

Labour inclusion policies are key to achieving full social inclusion in the region. Strengthening these policies will make it possible to reduce unemployment, increase labour participation, narrow the gender and inequality gaps that affect various population groups in this dimension, and generate effective mechanisms to support employment and protect against unemployment, including in the case of technological change (ECLAC, 2021a). Labour inclusion,

and its policies, require coordinated social and labour institutions to be strengthened, to guarantee basic levels of protection and well-being in response to labour informality and other critical challenges that hinder inclusive social development in the region.

I. Labour inclusion policies as a key axis of inclusive social development

There are various policy options and instruments that can be considered to make sustained progress in achieving labour inclusion in the region. These should aim to increase levels of labour market access under decent working conditions, paying special attention to the most vulnerable populations with a view to reducing their obstacles to labour market inclusion.

In terms of design, the rationale of these policies should be to structurally transform the barriers to labour inclusion. This means considering implementation times and a formulation aligned with the support needed by different population groups, and also close coordination with productive development policies and strategies in the countries. It is also necessary to anticipate their adaptation to the different crises that may arise, such as that generated by the COVID-19 pandemic.

During the pandemic, the countries reacted swiftly to the crisis by adopting employment and worker protection measures, adjusting pre-existing active and passive labour market policies. These adjustments included increased funding for programmes and expanded coverage, with countries announcing a variety of modifications ([ECLAC, 2021a](#) and [2022c](#)). In addition, new specific measures were created for the most vulnerable, such as informal workers ([Velásquez Pinto, 2021](#)). Although these measures were important, they were insufficient to contain the profound impacts of the pandemic.

Labour inclusion plays a key role in upholding the social and economic rights of workers and their families, including access to an adequate level of income and to social protection systems, and thus in attaining inclusive social development. A deterioration in labour inclusion entails losses that transcend labour market access of workers at a given time, which helps to explain the prolonged social crisis that the region has experienced. Accordingly, a fundamental task facing the countries is to anticipate labour inclusion policies to be able to respond to future crises.

The region must make headway in the design, expansion and coordination of active and passive labour market policies. Active policies seek to strengthen possibilities for accessing higher quality employment, with higher pay and better working conditions; and they include efforts to develop and update workers' skills and competencies ([Espejo and others, 2023](#)). These policies include increasing labour supply through technical and vocational training, along with formal education levelling and school retention, among other programmes, prioritizing population groups that face the greatest barriers to entering the labour market and accessing decent working conditions. They also include policies to stimulate the demand for labour by supporting self-employment and both direct and indirect job creation programmes.

Lastly, they include job placement policies, which connect job seekers with potential employers, and with entities that provide support and guidance services in job search and recruitment ([Abramo, Cecchini and Morales, 2019](#)). In contrast, passive labour market policies guarantee income replacement for the unemployed and include unemployment insurance, individual unemployment saving accounts, severance pay, and cash entitlements targeted to workers in the most vulnerable situations.

The success of labour inclusion policies depends on the buoyancy of the labour market, which is determined by economic growth, investment rates and the scale and impact of productive development policies to influence the pace and nature of the economic transformation. It is impossible to create a better work future without creating a better production future, and vice versa ([Salazar-Xirinachs, 2022](#)). Thus, there is a close relationship and multiple synergies between labour inclusion and productive development policies.

In this context, it is essential that the region strengthen its labour institutional framework, including the set of legal provisions related to guaranteeing rights and working conditions. However, the financial sustainability of labour inclusion policies is more challenging in the current regional scenario, characterized by low economic growth rates, high inflation and frequently changing government priorities ([Abramo, 2022](#); [Mazzucato, 2023](#)). A more efficient and effective approach by the Government would help to build trust among the various actors and make labour inclusion initiatives more sustainable ([Huepe, 2023b](#)).

Sustainable funding is a central requirement for a socio-labour institutional framework that can meet the challenges of advancing towards inclusive social development. It is therefore not enough for labour inclusion policies merely to be sustainable financially, since deficits in the other two dimensions (coverage and adequacy of entitlements), will render the system unsustainable (Arenas de Mesa, 2023). Consequently, to strengthen labour inclusion as a key development strategy, States need to invest not only in labour policies, but also in production development policies; and they need to ensure that such actions are framed within a social and fiscal compact. This will make it possible, through social dialogue, to strengthen labour institutions and achieve better pay and productivity conditions, while also reducing informality and inequality.

J. Labour inclusion is closely linked to social protection systems and requires comprehensive actions

Labour inclusion is both an objective and a component of social protection systems, since one of the functions of social protection policies is to eradicate the risk of living in poverty and to reduce inequalities ([ECLAC, 2020](#)). Labour inclusion gaps in the region influence and challenge the structural deficits of social protection systems. Low levels of social security contributions are related to the high prevalence of labour informality, which is compounded by new risks associated with the ongoing transformations in the world of work and new employment modalities. This poses major challenges in terms of the financial sustainability and segmentation of these systems. In addition, the levels of coverage and adequacy of non-contributory social protection entitlements, which are still limited, hinder guaranteed access to social protection for large groups of workers. In this context, it is crucial to strengthen comprehensive and multidimensional measures that reinforce the interactions between social protection and labour inclusion policies (Robles and others, 2023).

At least four policy areas can be identified for promotion in this context. Firstly, it is essential to strengthen mechanisms to broaden the contributory coverage of social protection systems. At the very least, this entails linking this objective with strategies to reduce labour informality, so that workers' access to social protection forms a central part of this agenda. This can be embodied in initiatives and policies that make it possible to incorporate self-employed and informal workers into social protection systems, include them in pension system reform processes, or adjust the eligibility requirements for accessing contributory social protection coverage. During the pandemic there were

some outstanding examples of this, in which some of the region's countries made the mechanisms for accessing unemployment insurance more flexible. Along the same lines, labour inclusion policies need to incorporate mechanisms that guarantee access to social protection for the most vulnerable populations, for example through direct and indirect job creation and job placement policies. It is also essential to bolster labour regulations and institutions, by reducing social security evasion and avoidance and guaranteeing appropriate working conditions for all people (Robles and others, 2023). In the case of migrant workers, documented status is a necessary but insufficient condition for their labour inclusion and social protection. Mechanisms are also needed to make social security contributions portable, and thus strengthen migrant workers' access to social security in their destination countries.

Secondly, the income protection dimension needs to be strengthened, especially in light of the challenges posed by changes in the world of work, the climate crisis, disasters and the just transition. This can be done by harmonizing cash transfer policies with existing labour inclusion policies. It can also be included in emergency response policies, both during and after the occurrence of the event (Robles and others, 2023). A complementary need is to strengthen interaction between active labour market policies and comprehensive care policies and systems, and thus help reduce gender inequalities in labour inclusion. This could include policies to make parenting compatible with paid work, and the design of job training policies that consider access to care services in their various phases.

Thirdly, training to develop skills that will enable the population to participate in the benefits of development and contribute to the leap required to transform the region's production structure remains a challenge for the countries of the region —despite progress in the education system in terms of access and coverage. It is crucial to analyse

the quality and relevance of the education provided, and to focus on competencies and skills that enable individuals to adapt both to lifelong learning and retraining processes and to an increasingly technological and changing world ([ECLAC/OEI, 2020](#); [ECLAC, 2022b](#)). It is essential to make progress in detecting, anticipating and addressing training deficits among the population, and in reducing inequality gaps.

Short technical education and vocational orientation programmes are crucial for strengthening the connection between the education sector and labour and productive development opportunities in the countries. They also support labour inclusion, facilitating the school-to-work transition. However, this type of educational offering faces major challenges in terms of coordinating with needs in the different sectors of production. In the region, it is unusual for strong relationships to be established between training centres and employers, which prevents students from being trained in the workplace and does not encourage employers to participate systematically in the design of training programme curricula. Nor are skill certification processes sufficiently developed, which are a crucial channel for promoting training pathways that recognize the multiple routes that the new generations take to learn throughout the life cycle (which includes self-directed learning, and not necessarily training in formal institutions or jobs).

To address shortcomings in conditions for accessing education and training, it is crucial to strengthen the interaction with social protection, particularly with household income support and care policies. Scholarships and food services, policies to prevent school dropout and child labour, along with care services, have been fundamental tools in supporting progression through, and permanency in, the education system. They contribute to strengthening the link between students and school, alleviate household income needs, and reduce school dropout motivated by the need to work ([Rossel and others, 2022](#); [ECLAC, 2022b](#)).

Fourthly, health is an element that conditions an individual's capacity to participate in the labour force, and is therefore closely related to labour inclusion. Individuals in poor health or with health problems face greater difficulties in finding and holding on to quality jobs, which makes it more likely that they will work in precarious employment. It is therefore essential to guarantee the right of access to timely and quality health care for the entire population ([Marinho, Dahuabe and Arenas de Mesa, 2023](#)). Similarly, working conditions are considered an important social determinant of health, because they have a direct impact on the physical and mental well-being of the population. More precarious working conditions, such as informal work, can generate higher levels of stress and cardiovascular diseases, for example, which lead to increased absenteeism and premature deaths ([Wilkinson and Marmot, 2003](#)).

A very clear demonstration of this relationship was provided during the COVID-19 pandemic. First, the health crisis triggered an economic crisis, with a profound impact on the labour market from which the region has not yet fully recovered. Second, it exposed the specific vulnerability, in terms of health, of persons who work informally, with higher levels of excess mortality occurring in countries with higher rates of labour informality ([Cid and Marinho, 2022](#)). These disparities between countries are explained both by the health inequalities associated with informality that existed before the pandemic, and by the fact that it was impossible for informal workers to respect the quarantine measures, owing to the lack of income protection and the limited coverage of social protection systems ([ECLAC, 2022c](#)).

K. Presentation and summary of the key messages of the four chapters

In *Social Panorama of Latin America and the Caribbean, 2023*, ECLAC stresses the urgent need to advance a policy agenda for labour inclusion that focuses on reducing informality and inequalities and contributes to inclusive social development in the region. To this end, it is not sufficient merely to promote higher levels of employment; it is also essential to confront the structural problems of the labour market in the region, ensuring that employment is of quality and productive, and that it provides sufficient income to lead a decent life with guaranteed social protection coverage. Labour inclusion is a cornerstone of the virtuous relationship between growth and equality. Investing in labour inclusion policies, prioritizing the most disadvantaged individuals, groups and populations, means investing in the most important asset that countries have for advancing towards inclusive social and economic development: namely their people. With these considerations in mind, the key messages of each chapter are summarized below.

As in previous editions, chapter I reviews the trend of certain indicators, including GDP per capita, employment, inflation and household income distribution. It also reports on the trends and levels of poverty and extreme poverty, highlighting improvements in these indicators in 2022, while noting that a slight increase is projected for 2023 in both cases. It also draws attention to the trend of extreme wealth and its implications in terms of income concentration in the region. Lastly, the chapter reviews recent changes that have occurred in social stratification, with a special focus on labour inclusion. It analyses labour participation based on a typology of occupational status by stratum, highlighting the insufficiency of labour income in each case.

Chapter II addresses the slow-motion labour market crisis through which the countries of Latin America and the Caribbean are living, noting that it has been aggravated by multiple factors, such as the impacts of the COVID-19 pandemic, high inflation and the economic slowdown, compounded by pre-existing problems and ongoing transformations. The chapter discusses various labour market indicators and the challenges of labour inclusion as a central axis of inclusive social development. In particular, it addresses the labour inclusion challenges among various population groups that face greater barriers, such as women, young people, Afrodescendent populations, Indigenous Peoples, persons with disabilities, and older persons. It makes an in-depth analysis of various manifestations of labour informality and its implication for the well-being of households in the region. Lastly, it highlights the role of labour inclusion policies, including active and passive policies, as well as the social institutional framework and financial sustainability in this area.

Chapter III addresses the challenges of labour inclusion for women and migrants in the region. It firstly highlights the major gender deficits and inequalities faced by the region in terms of women's labour participation. The main reasons for this situation include the unequal distribution of paid and unpaid work and the low level of access to comprehensive care policies, which operate to the detriment of women. It also addresses working conditions in education, health and domestic work —sectors related to care in which women are employed more intensively. It draws attention to labour conditions in the paid domestic work sector, which is characterized by high rates of informality and precarious working conditions. Although the rise of the platform economy could open up new opportunities, it could also generate new risks and barriers to women's inclusion in the labour market unless regulated appropriately. The chapter also notes the significant increase in intraregional migration over the last two decades and the importance of understanding this phenomenon as a contribution to both origin and destination countries. Migrants

help reduce structural shortages in the labour force and stimulate economic growth, especially when migration occurs on a documented basis and with rights protected. From this standpoint, the chapter discusses the main obstacles and challenges for inclusion of the migrant population in the labour market.

Lastly, chapter IV discusses the social institutional framework of social development policies and its links to labour inclusion and the trend of social spending in the region. The chapter recognizes progress made in all dimensions of social spending as well as its increasing importance in the countries, given its critical role as a necessary condition for generating quality social policies. The chapter emphasizes the importance of having a robust social institutional framework, with transparent governance of the decision-making process, so that the rights-based approach can be embedded in public policies. It also identifies key challenges, including the need to consolidate the legal and regulatory bases and strengthen the capacities of agencies involved in social development, investing in human, technological and financial resources and in information systems for decision-making, and consolidating monitoring and evaluation systems with greater strategic planning and foresight capacity. The chapter also reviews the trend and levels of central government social spending in the region, noting that, in 2022, there is a tendency to regress to the 2019 levels and structures of social spending, in terms of functional and institutional classification and in the types of programmes in the labour market. It highlights the significant differences that persist in spending on labour policies, both in the countries of the region and in Europe, identifying a declining trend in investment in labour inclusion policies in Latin American countries, which absorb an average of 0.42% of GDP. In conclusion, the chapter reiterates that the current situation calls for sustainable fiscal policy measures to deal with the consequences of the cascading crises that are currently unfolding, and regain the path of increasing resources to achieve the Sustainable Development Goals.

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Cueva de las Manos, Río Pinturas Canyon (Argentina)

Prehistoric rock art which bears witness to the culture of the earliest human societies in the region.

Bas-relief on the spiral tower at ECLAC headquarters in Santiago.

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This edition of the Social Panorama of Latin America and the Caribbean addresses the challenges of labour inclusion as a key axis for inclusive social development. Despite a recovery in social indicators in 2022 (reduction of poverty and inequality, recovery of employment), the region faces a double trap of low growth and high levels of poverty and inequality. Labour inclusion is key to combating poverty, reducing informality and inequality and moving towards inclusive social development. Gender gaps in labour market inclusion are driven by the unequal distribution of the burden of care work, which is largely borne by women. In the case of migrants, overqualification and discrimination also affect their labour market inclusion. The efforts made by countries in terms of investment in labour policies, which on average amount to 0.34% of GDP, are insufficient. What is needed is a shift from labour market access to labour market inclusion, ensuring access to quality employment, income above the minimum wage and to social protection, particularly for women and young people.



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