Inequalities, labour inclusion and the future of work in Latin America

Mariana Huepe
Editor

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Contents

Tables

Figures

Boxes

Diagram

Foreword

Latin America is in a development crisis, one that is not owed solely to cascading shocks that have hit the region since 2020 —the pandemic, rising inflation, high international interest rates and the economic slowdown— but rather to a series of trends and gaps that had been building up in what could be termed a "slow-motion crisis" that preceded the pandemic, affecting not only the poorest in situations of vulnerability but also the middle class. Income inequality and the weakening of social mobility and cohesion mechanisms have been and continue to be root causes of the discontent and fractures in the social compacts of many countries of the region.

Beyond the damage and the widening of various gaps caused by the succession of recent crises in the international economy and geopolitics, the deeper reality is that the region is caught in a double trap of low growth and high inequality. During the much analysed lost decade of the 1980s the region averaged annual growth of 2%. For the decade from 2014 to 2023, growth in the region will average a mere 0.9%. In other words, the decade ending in 2023 is far more lost in terms of growth than the1980s. The key question is how to avoid a third one.

While economic growth is not an end in itself, and what matters is ensuring that growth is socially inclusive and environmentally sustainable, it is equally important for it to be relatively high and sustained. Mediocre growth of 1% or less, which reflects in part the volatile patterns in which the gains of some years are lost in others, cannot create formal, high-quality employment at a sufficient rate, cannot reduce poverty and informality, does not leave much room for improving income distribution,

and cannot provide the tax revenues required for a fiscal policy capable of financing the social spending on education, health and social security needed to foster social mobility and social cohesion.

It is important, in this overall diagnosis of the relationship between growth, inequality, labour inclusion and the future of work, to highlight the fundamental role of labour markets. Labour markets can transmit and reproduce inequality, inequities and discrimination, eroding social cohesion, or they can act as main drivers of social mobility and higher income, ensure compliance with labour rights and raise standards of living, thus strengthening social cohesion. This is why labour inclusion and the promotion of dynamic labour markets are essential components of any strategy for reducing inequality and improving the future of work.

However, what must be understood is that there are two fundamental prerequisites for dynamic labour markets: on the supply side, there is a need for investment in education and vocational training to prepare the workforce for the workplace of the twenty-first century, which is marked by the digital revolution and the corresponding demand for skills in the sectors —industrial, service and agricultural— that drive the economy; and on the demand side, productive development policies that stimulate growth and effect structural change towards modern, high-productivity sectors that create decent and well-paid jobs are indispensable. Without these two elements, labour markets cannot drive social mobility or reduce inequalities.

More generally, it is clear that a robust response to the problem of inequality of income and opportunity in the region requires a policy mix that encompasses growth, taxation, social transfers, labour market institutions, education and vocational training, together with productive development policies to sustain growth and reduce structural heterogeneity across sectors and territories, allowing for the creation of more and better jobs. All of the above is key for improving social cohesion and preventing the polarization and fragmentation of social compacts.

Thus, labour inclusion is a fundamental goal of economic and social development. Through the analysis of labour inclusion processes, it is possible to identify and bring to light the obstacles that people in situations of vulnerability face in accessing decent work, with a view to developing public policies to address poverty and inequality. Such analysis provides a clearer understanding of the fact that a better future of work cannot be created without simultaneously creating a better future of production. They are the two sides of the same coin.

This publication looks at the challenges of labour inclusion in the context of the future of work for women, young people, people of African descent and Indigenous Peoples. These population groups generally face

significant barriers to sharing equitably in the benefits of development and are over-represented in low-productivity sectors and enterprises with little social value that create mostly informal jobs, thus limiting their access to social protection and sufficient income to lift themselves out of poverty.

This document, prepared by various divisions of the Economic Commission for Latin America and the Caribbean with the support of the Ford Foundation, seeks to provide public policy guidelines to underpin the recovery and transformation of the region, leaving no one behind. Specifically, it proposes a comprehensive territorially oriented strategy for addressing the challenge of labour inclusion, which combines macroeconomic and productive development measures, as well as employment, labour market and contributory and non-contributory social protection policies.

The strategy calls for coordination among various institutions and stakeholders from the public sector, private sector, academia and civil society around specific objectives and presents significant governance challenges for the States of the region. Wide-ranging agreements that place labour inclusion at the heart of economic and social development are required, with the understanding that labour markets are a central element of social mobility and cohesion in our societies.

It is hoped that this publication will serve as useful input for placing in the right perspective the linkages between economic growth, labour inclusion, education policies and social policies to help to drive the much-needed transformations in these interconnected aspects of the region's development models.

José Manuel Salazar-Xirinachs
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Introduction

Labour inclusion in the context of the future of work

Mariana Huepe

Labour inclusion is a social development objective that entails two successive recurring phases. The first phase relates to incorporation into the labour market, which can be facilitated or hindered by the presence or absence of entry barriers. The second has to do with the quality of a person's participation in the workforce, which may be limited by various factors that make it difficult to obtain decent work that provides labour income and contributory pension benefits that allow a person to remain above the poverty line. In the case of Latin America and the Caribbean, where most workers are employed in low-productivity sectors and companies in which many of the jobs are informal, the concept of labour inclusion can be used to help analyse the individual and structural processes involved in the entry by members of population groups in situations of vulnerability into the labour market and the quality of their participation in that market. This type of analysis can then provide useful inputs for the design of public policies aimed at overcoming poverty and inequality in the region (Espejo and Huepe, 2023).

The concept of decent work, which was first framed by the International Labour Organization (ILO) in 1999, refers to equality of opportunity for obtaining a productive form of employment that provides a fair income, security in the workplace, social protection, equal treatment and prospects for personal development and social integration. The concept

is also related to the need for collective bargaining mechanisms and forms of employment in which workers are free to voice their opinions, organize and take part in reaching decisions that affect their lives.

In recognition of its importance for inclusive, sustainable social and economic development, the concept of decent work has been incorporated, along with that of economic growth, into Sustainable Development Goal 8 of the 2030 Agenda. Target 8.5 focuses on labour inclusion for all but makes specific mention of certain groups in calling for the achievement of "…full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value".

The Latin American and Caribbean region is one of the most unequal in the world. The inequality characteristic of the region stems from various interconnected and mutually reinforcing factors (such as the stage in the life cycle, gender, socioeconomic level, ethnicity or racial identity, location, etc.) that pave the way for, or block access to, opportunities for fully exercising social, cultural and economic rights and for attaining well-being and autonomy (ECLAC, 2017). Employment is considered the master key for attaining greater equality (ECLAC, 2010). The world of work cannot only diminish or mitigate existing inequalities, however; via the distribution of labour income and the processes of exclusion and inclusion that underpin the workings of the labour market, it can also perpetuate or exacerbate them. In other words, entry into the workforce, in and of itself, does not help to reduce inequality; in order for it to do so, it must be coupled with decent conditions of employment (ECLAC, 2019).

This study focuses on the challenges around labour inclusion facing certain groups in the region, such as women, young people, persons of African descent and Indigenous Peoples, that are confronted with greater obstacles than others as they seek to establish themselves in the workforce. Generally speaking, these groups not only have greater difficulty in gaining entry to the labour market, which is reflected in lower labour force participation rates and/or higher unemployment levels, but the jobs that they do obtain tend to be informal ones in low-productivity companies and sectors that provide lower pay and less job security.

It is important to analyse how the technological, economic, political and demographic changes that are occurring today are influencing the availability and characteristics of employment in Latin America and how they will do so in the future. And it is especially important to determine how these changes will influence the labour inclusion of the various population groups that are disadvantaged or in situations of vulnerability. Chapter I therefore looks at some of the main global trends that may have a growing impact on the region's economies and labour markets.

It focuses, in particular, on the partial reversal of globalization in the wake of the coronavirus disease (COVID-19) pandemic; the demographic transition prompted by the ageing of the population and migration; the digitalization of the economy and the automation associated with the current technological revolution; and on climate change and the challenges surrounding the just transition. All these different trends overlap and interact, giving rise to exceedingly complex economic and labour landscapes marked by a high degree of uncertainty.

The following four chapters examine the employment situations of different groups and how their inclusion in the labour force is being affected by these various trends. Chapter II focuses on the situation of women and the disadvantages they face in the labour market, which are reflected in higher unemployment and their overrepresentation in lower-paying, more informal economic sectors. The obstacles confronting women as they seek to establish a career path have to do not only with the current sexual division of labour, whereby women shoulder more than twice as much of all domestic and caregiving work as men (ECLAC, 2022), but also with the fact that society places little value on this type of work and that the State has not done enough to bring about a more egalitarian distribution of these responsibilities. The argument is made that demographic changes and the digitalization of the economy may give rise to new forms of both labour inclusion and labour exclusion that could hinder development and deepen existing inequalities unless steps are taken to strengthen caregiving systems, provide access to inclusive forms of digitalization and promote the development of the skills that will be in growing demand in the labour market.

Chapter III explores the main obstacles to the labour inclusion of young people in Latin America and the principal challenges that they face in a context of cascading crises and rapid technological change. Various types of evidence are provided of the region's shortcomings in terms of the labour inclusion of the young population, as young people not only have difficulty gaining entry to the labour market (as demonstrated by their high unemployment rates) but also are much more likely than the adult population to find themselves in poor-quality, informal jobs. This analysis underscores the importance of meeting the challenges around labour inclusion for young people by means of a two-pronged effort to address both labour demand and labour supply. On the demand side, an effort has to be made to create decent jobs for young people both directly and indirectly by providing incentives for hiring first-time workers, introducing labour policies for the creation of protected jobs and strengthening job placement services, among other measures. On the supply side, the region's education systems have to be overhauled so that they can provide a quality education tailored to the demands and needs of its continually

changing labour markets by, among other measures, implementing dual (learn-while-you-earn) training programmes and strengthening skills-building components of school curricula, especially in terms of digital technologies and socioemotional development. Investing in the economic, labour and educational recovery and in revamping these systems while focusing on gender inequalities are essential in order to enable young generations to forge robust career paths in a context of change and uncertainty.

Chapter IV examines challenges in labour inclusion faced by people of African descent in a context of rapid technological change. The disadvantages to which the Afrodescendent population is subject in the education systems of the region, which are, in part, associated with its members' overrepresentation in poor and vulnerable sectors, then translate into obstacles to their labour inclusion that, as the demand for new types of skills grows, may become even more formidable. While the Afrodescendent population does not necessarily face substitution risks that are any greater than those confronting the non-Indigenous, non-Afrodescendent population, the new types of informality generated by the digitalization of the economy may exacerbate existing labour gaps. While the growth of the gig economy provides greater access to the labour market for groups, such as persons of African descent, that have historically been excluded from it, gig jobs are usually low-paying, informal positions that do not help to reduce the structural inequalities in the region.

Chapter V looks at how the structural discrimination affecting the Indigenous Peoples of Latin America has been heightened by the pandemic and calls for these Peoples to be regarded as strategic actors during the reactivation and transformation of the economy, especially within the context of climate change and the just transition. Because of the exclusion to which they have historically been subject, Indigenous Peoples were at a disadvantage in struggling to cope with the health crisis, and those disadvantages were compounded by the fact that the government measures taken to attend to their particular needs were few and far between, with government spending in areas relating to the collective rights of Indigenous Peoples trending downward. Furthermore, given the restrictions placed on prior consultation procedures by pandemic-related lockdowns and social distancing requirements, many regulations and standards were instituted during the pandemic that impinge upon the territorial and other rights of Indigenous Peoples. The pandemic also paralysed efforts to demarcate, title and reclaim Indigenous lands. This chapter advances the thesis that the reactivation and transformation of the region's economies

in the aftermath of the pandemic should not only guarantee the individual and collective rights of Indigenous Peoples but should also promote and assign value to the contributions that these Peoples make to the mitigation of the impacts of climate change and the conservation of biodiversity, especially since the energy transition agenda may pose threats to their habitat and way of life.

In the light of the individual, collective and structural determinants of the inclusion of population groups in situations of vulnerability, the study closes with an overview of the various ways in which the region may be able to reduce the inequalities existing in its labour markets given the differing trends that are shaping the future world of work. It outlines the following key labour inclusion policies: (i) macroeconomic policies that will spur economic growth; (ii) productive development policies, particularly ones that will heighten output-quality employment elasticity; (iii) policies on the institutional structure of labour-related mechanisms, or, in other words, regulations that govern the relationship between employers and workers and that establish the overall framework for conditions of employment; (iv) labour market policies that govern specific measures for groups in situations of vulnerability; and (v) contributory and non-contributory social protection policies. In closing, the chapter highlights the importance of ensuring access to a quality life-long education in order to ensure the labour inclusion of disadvantaged population groups and of building governments' policymaking and technical capacities for the implementation of an integrated, territorially based labour inclusion strategy, along with a cross-cutting social and political compact that will ensure the availability of the resources needed in order for that strategy to be socially and economically sustainable over time.

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Chapter I

Major global trends and their impact on labour inclusion

Jürgen Weller

Sweeping technological, economic, political and demographic changes in the labour markets of Latin America and the Caribbean are affecting job creation and the nature of work. In this context, the risk that the marked divides in the region's labour markets will be further widened is significant. These disparities have a particularly strong impact on population groups in situations of vulnerability, especially those with low levels of education, in particular women, young people, Afrodescendants, Indigenous peoples and migrants, who often face formidable hurdles when seeking decent work. This labour vulnerability holds back progress towards the Sustainable Development Goals and in particular Goal 8 (decent work for all), but also Goal 1 (no poverty), Goal 2 (zero hunger), Goal 5 (gender equality) and Goal 10 (reduced inequalities).

Social vulnerability is associated with the scarcity of different types of resources that people, households and populations need in order to cope with economic and social shocks and take advantage of opportunities (Kaztman and Filgueira, 1999). The coronavirus disease (COVID-19) pandemic has further highlighted the vulnerability of large segments of the Latin American and Caribbean population (ECLAC, 2022a). Because labour income is of such vital importance for the vast majority of households, labour-related obstacles to social inclusion are a key aspect

of that resource scarcity. Those obstacles are reflected in various types of exclusion, especially labour market entry barriers and obstacles to participation in decent work (Weller, 2009). Problems of social and labour inclusion are thus closely related to the region's high levels of inequality and the intergenerational transmission of lack of access to different kinds of resources and opportunities.

This chapter will explore a number of global trends that are influencing Latin American and Caribbean labour markets and that may have an even greater impact in the future, especially on population groups in situations of vulnerability: globalization and its partial reversal, the demographic transition, the current technological revolution, climate change, and the challenges of a just transition. The following four sections take a closer look at these trends. The chapter closes with observations on policies for addressing emerging challenges related to job creation and fostering the labour inclusion of such population groups.

A. Exhaustion and partial reversal of economic globalization

1. Rise of globalization and patterns in Latin America and the Caribbean

Beginning in the 1990s, technological advances and the entry into the world market of China and other Asian countries sparked an increase in foreign direct investment (FDI) and international goods and services trade that spurred global economic growth.[1] Politically, this process was also driven by the consolidation of the global institutional framework and the expansion of its membership. Between 1990 and 2001, Latin America and the Caribbean had one of the world's fastest growth rates for international trade in goods, with an average annual growth rate of 8.4% by volume and 8.9% by value; the region's imports expanded even faster (11.7% by volume and 11.6% by value), and incoming FDI climbed steeply, although it fluctuated in step with the ups and downs of the world economy (ECLAC, 2002).

The subregions of Latin America took differing approaches to integrating their markets into international trade flows. In the 1960s and 1970s, some of the countries in the northern subregion (Mexico and

[1] In the 1990s, the increase in global exports of goods doubled the world's economic growth rate (ECLAC, 2002), and it is estimated that the added value generated by global chains increased their contribution to world GDP from 9.5% in 1995 to 14% in 2008 (WTO and others, 2019, cited in ECLAC, 2020b, p. 93).

some Central American and Caribbean countries) began to take part in the assembly (maquila) phases of regional manufacturing value chains that began and ended in the United States. This process was supported politically by the adoption of free trade agreements that included provisions designed to strengthen the enforcement of national labour standards. Beginning in the 1990s, as China and other Asian countries entered world markets, the maquila sector went through an industrial differentiation process, moving away from a previously unified model of production processes and labour relations. The range of products that it assembled grew (ECLAC, 2018b), and a number of countries (especially Costa Rica and Mexico, as will be further discussed in the final chapter) succeeded in developing manufacturing sectors and clusters involving more sophisticated products and production processes.[2]

South America, in contrast, stepped up its participation in world markets, mainly by opening up its own markets —usually under free trade agreements— and responding to the growing demand for natural resources.

Regional service exports were also galvanized by the globalization process. This was especially true of call centres, digital services (Hernández and others, 2014) and international tourism, with the latter coming to represent a significant proportion of GDP and an important source of foreign exchange in a number of countries, particularly in the Caribbean and Central America.

2. Globalization and its impact on labour markets

The impact of globalization on labour markets in the northern part of the region has been a controversial subject. Initially, it was thought that the jobs being created through trade liberalization and the growth of FDI were of an acceptable quality, compared with other job opportunities in the region (IDB, 2003); it was also noted that most of these jobs, which involved fairly simple production processes, were being taken by low-skilled or semi-skilled young women for whom few other formal job opportunities existed (Fernández Pacheco, 2006). On the other hand, it was argued that the structural adjustment policies implemented in most of the countries of Latin America and the Caribbean in the 1980s and 1990s —of which integration into global financial and goods and service markets was a key component— adversely affected employment because, at least initially, they were spurring economic growth in less labour-intensive sectors

[2] See, for example, Salazar-Xirinachs (2022) on trends in the production of medical devices in Costa Rica (box 4 in the last chapter).

(Weller, 2000).[3] Furthermore, it was underscored that the jobs being created in these industries were often precarious and afforded fewer individual and collective labour rights (Alvarenga Jule, 2001).

As the formation of new clusters led to greater diversification of production, a trend emerged in some sectors (but not all) whereby the demand for more highly skilled workers expanded, working conditions and job quality improved and the nature of labour relations began to change (ECLAC, 2007). The greater labour intensity of the northern subregion's exports has inarguably created a considerable number of jobs for both men and women (ECLAC, 2022b). In some countries, especially in Central America and the Caribbean, the role of services exports, in particular tourism, has also become important in job creation.[4]

The growing demand for natural resources contributed to significant direct, indirect and induced job creation in the southern subregion, which along with higher labour income, provided many people, including those in situations of vulnerability, with greater access to consumer goods. Another contributing factor in that respect was lower prices for many imported consumer goods, made possible by the formation of value chains with large segments whose growth was mainly based on the extremely low wages paid in many Asian countries (Alaimo and others, 2015).

While, generally speaking, the rate of job creation was fairly modest in the 1990s and job quality was trending downward, formal job creation picked up owing to the favourable external environment of the 2000s and was coupled with relatively robust productivity gains (Weller and Kaldewei, 2014).

Despite the progress made in some countries and production activities (further information on this subject is provided in the last chapter), the region failed to substantially alter its comparative advantages during the rise of globalization, bring about significant changes in its production patterns, or realize major productivity gains based on technological advances in the production system as a whole. In addition, no significant reduction was achieved in the structural heterogeneity manifested in its segmented and highly unequal labour market.

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[3] Labour reforms intended to make the region's business enterprises more competitive by providing them with greater contractual flexibility also increased the heterogeneity of labour relations and often resulted in less job security and worse working conditions (ECLAC, 2002; Weller, 2022: chap. V).

[4] Employment in the Caribbean is heavily dependent on tourism. In eight countries of that subregion, tourism accounts for over 30% of total employment. Especially notable cases include Antigua and Barbuda, where tourism provides 90.7% of all jobs; Saint Lucia (78.1%), Saint Kitts and Nevis (59.1%) and the Bahamas (52.2%) (ECLAC, 2020c).

3. Slowdown in economic globalization

Since the late 2000s, the trends of economic globalization have lost momentum, as reflected in lower growth rates for international trade, among other manifestations, in particular since the financial and economic crisis of 2008–2009. In fact, between 2011 and 2019, the volume of Latin American and Caribbean exports edged up by an average annual rate of just 1.5%.[5] In addition to the global economic downturn and its impact on goods demand (ECLAC, 2020a, p. 25), a number of structural factors have played a part in the slowdown in global trade: technological changes have reduced the relative importance of wages as a determinant of economic competitiveness; the growth of China's production capacity has made it less reliant on imports of intermediate goods; multilateralism has weakened as tensions among some of the world's major economies have intensified; various countries have introduced national tax and other policies that promote local production at the expense of imports; and environmental considerations are leading to a preference for geographically shorter value chains (ECLAC, 2023; ECLAC, 2018a; ECLAC, 2020b).

In this context, four strategies have been identified for transforming global value chains: reshoring, nearshoring, the geographic diversification of external suppliers, and the replication or cloning of productive components of the chain in different locations, under the control of the lead company (McKinsey Global Institute, 2020; ECLAC, 2020b, p.127 et seq). While these strategies are intended to deal with risks such as disruption within or between links in a given location or during transport, they increase production costs and thus the prices of final products.

The trends that led to the adoption of these strategy shifts have gathered strength since the onset of the COVID-19 pandemic, during which the disruption of many global value chains resulted in shortages of all sorts of products on world markets. Services exports —particularly tourism— shrank even more than goods exports, in particular in Central America and the Caribbean.[6] As pandemic-related travel restrictions were gradually lifted, tourism began to rebound, but in the first half of 2022, tourism service exports were still 18% below their 2019 level. In contrast, exports of telecommunications, computer technology and information

[5] Author's calculations based on data from Economic Commission for Latin America and the Caribbean (ECLAC), *Economic Survey of Latin America and the Caribbean,* several issues [online] https://www.cepal.org/en/taxonomy/term/8122.

[6] Between the first half of 2019 and the first half of 2020, the region's goods exports fell by 16%, while its services exports plunged by 31% (ECLAC, 2023).

services were boosted by the worldwide economic reactivation and the increasing use of new technologies, outpacing 2019 levels by 39%. In terms of value, the region's total services exports were 5% below 2019 levels, while total exports were far higher than they had been in the first half of 2019 (ECLAC, 2023).

The conflict between the Russian Federation and Ukraine has also underscored the fragility of some countries' trade relations, heightening a move towards friendshoring, in a context of crisis, and leading countries to step up efforts to diversify suppliers (White and others, 2022).

The growing uncertainty regarding global economic trends triggered by both signs of slower growth and potential economic recession and various persistent crises may hamper the recovery of global investment and threaten many jobs throughout value chains.

4. New features of globalization and the outlook for employment

For South American countries, whose global market integration is mainly through natural resource exports at the beginning of global value chains, a global economic slowdown would depress demand for those products, while restructuring of chains would have limited impact. Policies aimed at diversifying suppliers could even work to their benefit if they can accommodate buyers' desire to expand the range of their natural resource suppliers. Meanwhile, the transition to more sustainable economies, which will be discussed in greater detail later in this chapter, will reduce the demand for some natural resources (such as fossil fuels) but increase the demand for others (such as green hydrogen and lithium).

Countries in the northern part of the region, such as Mexico, Costa Rica and the Dominican Republic, could benefit if the chains they participate in become more regionalized, given the growing importance of proximity to final markets (the United States, in this case) because of stability considerations and lower transport costs. This does not necessarily mean that there will be any significant increase in the demand for labour, however, since technological changes now under way could make these production activities less labour-intensive.

There is also the possibility that new, more high-tech regional chains could emerge that would require a more highly skilled workforce, but in order for these types of opportunities to be taken advantage of, productive development policies would need to be in place in strategic areas such as energy and digitalization (Schatan, 2022; ECLAC, 2020b, p. 112). The region could also capitalize upon this partial reversal of

some globalization trends to strengthen regional integration, revamp development models and increase the involvement of the various stakeholders, including governments, the private sector, civil society and academia (ECLAC, 2022c and 2021c).

These possible structural changes notwithstanding, the current global situation is not a very promising one for economic growth in the region, where labour markets and especially job opportunities for members of population groups in situations of vulnerability have been hurt by the sluggishness of the economy since the mid-2010s and, more recently, by the impact of the COVID-19 pandemic.[7] The slack economic growth seen in the second decade of this century and the early years of the third has hurt the creation of waged employment, in particular, and has obliged many members of such population groups to work in informal and precarious activities.

Meanwhile, the worldwide economic situation has fanned inflation in the region. Over the last 20 years, international value chains have played a very important role in maintaining price stability by making many products more affordable, but the current restructuring of these chains would weaken the impact of this by driving consumer prices upward (Rajan, 2022). A return to greater price stability any time soon is unlikely, and low-income groups are generally hurt the most by high inflation. An added factor is that monetary authorities are taking steps to cool domestic demand in order to prevent the various forces that spur inflation from reinforcing one another. This will further weaken economic growth and, hence, labour demand.

B. Demographic trends and their impact on labour markets

Latin American countries are undergoing a rapid demographic transition, in particular as birth rates decline and life expectancy rises, thereby speeding the ageing of the region's population. International migration is also a factor.

1. Population ageing

While the total fertility rate from 1995–2000 of 2.8 live births per woman represented a 50% drop from the rate recorded for the 1960s, the rate will have fallen to 2.0 for the period 2020–2025. This downward trend is expected to continue, with the rate projected to decline to 1.8 by 2030–2035

[7] See, for example, the statistics on regional market trends in 2020 and 2021 in *Employment Situation in Latin America and the Caribbean*, ECLAC and International Labour Organization (ILO).

and to 1.7 for the second half of this century.[8] Meanwhile, the life expectancy at birth of 70.6 years in the period 1995–2000 has increased to 76.1 years for 2020–2025 and is projected to exceed 80 years in 2045–2050.[9] Thus, the region continues to enjoy what is known as the "demographic dividend", as the dependency ratio, which had fallen below 60% at the start of this century and dropped to below 50% by 2016, is expected to hold fairly steady (at around 50%) until 2037, gradually rising to 60% once again by 2056.[10]

The rapid ageing of the region's population brought about by its decreasing birth rate and increasing life expectancy is resulting not only in a larger proportion of the population being of retirement age but also in a reconfiguration of the working-age population, which is also ageing. Only 29.4% of the working-age population was between the ages of 40 and 64 in 1984 (the low point in the data series), while this cohort represented 41.4% of that population in 2022, and is projected to rise to 50.2% by 2050.

A positive aspect of the demographic transition is that the smaller size of the cohorts entering the labour market each year may ease the pressure for new job creation. In order to take advantage of this window of opportunity, however, the quality and relevance of the education and vocational training provided by the school system will need to be improved. The job placement system will also need to be strengthened to shorten the school-to-work transition period, which is still too lengthy in the region in general (Gontero and Albornoz, 2022). It will also be important to make sure that, as these improvements are made, they are implemented in a way that will leave no one behind, especially young people living in situations of vulnerability.

Two other trends related to the ageing of the population pose major labour and social policy challenges. First of all, the increasing percentage of older persons and longer average life expectancy add complexity to the challenge of transitioning from the world of work to a decent retirement. This challenge is all the more formidable in a region where, given the size of the informal sector, a large percentage of the workforce is not covered by contributory social protection systems and is therefore subject to severe income constraints upon reaching the

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[8] Latin American and Caribbean Demographic Centre (CELADE)-Population Division of ECLAC (ECLAC, n.d.-a).

[9] These population projections will no doubt have to be recalculated once the impact of the COVID-19 pandemic has been assessed.

[10] The term "demographic dividend" refers to a dependency ratio —i.e. the ratio of the population under 15 years of age and aged 65 years and over to the population of working age (15–64 years)— that is favourable in terms of social and economic development prospects. A ratio of 2 to 1 (50%) means that, on average, every two persons of working age need to support 1 (young or older) dependent person. A favourable (i.e. low) ratio represents only the potential demographic dividend, however, since the actual dividend is determined by the supply of productive jobs.

statutory retirement age.[11] This may make it necessary for many people to continue to work after reaching that age,[12] extending the informality associated with the vulnerability of a portion of the labour force from the working-age population to older adults. In addition, it leads to increased demand for both paid and unpaid caregiving services, which further complicates the restructuring of the sexual division of labour and the implementation of a public caregiving system (see chapter II).

The second challenge has to do with the fact that, in the current context of rapid technological change, work experience tends to become less valuable, which has a greater impact on older members of the working-age population. Human capital is based on the knowledge and skills acquired by a person before and after entering the labour market by studying, receiving vocational and on-the-job training and amassing work experience, knowledge and skills that influence how much a person earns. In general, as workers grow older, work experience tends to become more influential for earnings while what was learned at school and during training becomes less so. Since the start of the century, however, the wage premium afforded by work experience has been shrinking in Latin America. For example, the premium for employed persons who potentially have between 21 and 30 years of work experience compared to between 0 and 5 years of work experience slipped from 56% in 1993 to 50% in 2004, and then declined more steeply to 33% in 2013 (Messina and Silva, 2018, pp. 21–22). This may, on the one hand, be attributable to the devaluation of some of the types of knowledge and skills acquired during working years because technological changes have rendered some skills obsolete. On the other hand, demographic shifts may have reduced wage premiums because there are now more older persons with similar work experience.

2. International mobility

Another very influential demographic factor is the international movement of persons. Latin America and the Caribbean had a positive migration balance until the mid-twentieth century but, since then, net emigration from the region has been increasing. Between 1990 and 2010,

[11] The International Labour Organization (2018b) has estimated that 53.1% of employed persons in Latin America and the Caribbean were informal workers in 2016 (41.5% in the informal or household sectors and the other 11.6% in informal jobs within the formal sector).

[12] The employment rate for older adults is largely a function of access (or lack thereof) to pension benefits provided by a contributory social protection system. Some older adults continue to work even if they do receive a pension under a contributory system, however; in many cases, this is because their pensions are too small, although, in other cases, it is a result of personal preferences. The latter is reflected in the fact that the employment rate is higher among more highly educated older adults, regardless of whether they receive a pension or not (ECLAC/ILO, 2018a).

the number of people originally from Latin America or the Caribbean residing outside the region rose each year by between 800,000 and 1 million; by 2010, there were 29.3 million persons from the region living elsewhere, as opposed to 3 million people from other regions living in Latin America and the Caribbean.[13] Intraregional migration has been growing since the beginning of this century, however. The number of Latin Americans living in a country within the region other than their country of nationality climbed from 3.8 million in 2000 to 11.3 million in 2020, with the upswing being particularly sharp in 2015–2020, mainly as a result of emigration from the Bolivarian Republic of Venezuela. This trend has boosted the percentage of intraregional immigrants among the total number of persons of a foreign nationality residing in countries of the region from 55.8% in 1990 to 76.4% in 2020.

International migrants are often highly vulnerable in transit and when they reach the country of destination owing to the weakness or absence of social networks that they have access to and the obstacles to seeking formal employment that would enable them to exercise their labour and social rights, including non-recognition of academic degrees, difficulties in obtaining decent housing and discriminatory practices (Mallett, 2018). Because of immediate needs that many migrants must find a way to meet, they usually have higher labour force participation rates and lower unemployment rates than the non-migrant population (ECLAC/ILO, 2017), but, given the context, these indicators cannot be interpreted as signs of greater labour inclusion among the migrant population. There is, however, a big difference between the nature of migrants' involvement in the labour force when newly arrived at their destination and their future prospects for a career path that would enable them to overcome the factors that render them vulnerable based on the stock of human capital, informal support from people in or from their home country or others, and the institutional structure and economic and labour forces of their host country.

During the pandemic, border closures curbed international migration, but the negative employment-related and economic impacts on people who had already migrated were severe (Carella, Frean and Velasco, 2021). Much of that impact had to do with the overrepresentation of the migrant population in the informal sector, which was hit particularly hard by the lockdowns and the closure of many companies, and with migrants' exclusion from protection measures, especially in the case of those with an irregular migration status.

[13] United Nations Department of Economic and Social Affairs. See [online] https://www.un.org/development/desa/pd/content/international-migrant-stock.

C. Technological revolution and the transformation of labour markets

1. Four decades of technological change and major labour market shifts

The technological changes associated with the fourth technological revolution are having and will continue to have a profound impact on the region's labour markets. They will destroy, transform and create jobs, and those processes will affect different members of the workforce in different ways. As during previous technological revolutions, the scope and characteristics of those impacts will be determined by the technological changes themselves (which are exogenous to the region) and by business strategies, public policies, workers' actions and the institutional environment at the national and local levels.

Three trends have emerged in technologically advanced countries, to differing extents and at different times over the past four decades, that have led to different hypotheses concerning the impact of technological change on labour markets (Autor, 2022). First, the wage gaps between people with different skill levels have been widening as new technologies primarily generate a demand for highly skilled workers, who, at least in the short run, are a relatively scarce resource.[14]

Second, technological progress tends to lead to a polarization of the occupational structure. This is presumably a consequence of the fact that new technologies act as substitutes for the types of routine manual tasks that are generally performed by workers positioned near the middle of the skills distribution curve but play a complementary role in the case of cognitive tasks. At the same time, many non-routine, manual jobs will not be affected by these technologies, and the proportion of those occupations can be expected to increase in response to the resulting productivity gains and other factors.

Third, the technological substitution of labour has not driven up unemployment rates to any significant degree. This is presumably a result, at least in part, of the fact that job losses brought about by the advent of new technologies are offset by the creation of new jobs related to those same technologies. Existing companies need to hire people who understand the new technologies so that they can cope with the challenges posed by the ensuing changes in the various markets, and the

[14] See, for example, Berman, Bound and Machin (1998). A number of other contributing factors to the widening wage gap are also identified in the literature, such as international trade, the declining power of trade unions, decreases in the real minimum wage and immigration.

development and application of those technologies leads to the creation of new businesses and jobs. In addition, the productivity gains associated with these technological changes can be expected to lead to the creation of new jobs as aggregate demand expands and new consumption patterns emerge. In all of these scenarios, a substantial percentage of the new jobs will presumably be in entirely new sorts of occupations.[15]

At the same time, many existing jobs are changing. The recognition of the fact that all occupations consist of a set of tasks requiring differing skills (Autor, 2013) has enabled more precise estimates of the effect of the technological substitution of labour and has contributed to the understanding that most jobs will be transformed in various ways. In many jobs, new technologies will take over only some of the tasks that workers perform, and those workers will continue to perform tasks and use skills for which technologies cannot be substituted. Their use of these new technologies will also make them more productive.

2. Impact of recent technological change on Latin American labour markets

While, in the 1980s and 1990s, the expectation was that trade liberalization would reduce wage inequality, the wage gap actually increased in the region. In an effort to explain why this happened, experts argued that technological changes entailed a bias towards more highly skilled work and that this bias was being intensified by liberalization policies and by some macroeconomic policies that were encouraging the importation of new technologies that generated the same bias.[16]

However, in the early 2000s, the wage gap began to shrink. The reason advanced for this turnaround was that the impact of technological changes biased towards highly skilled occupations was being lessened by the ongoing increase in educational levels and more equitable distribution of the associated benefits (López-Calva and Lustig, 2010).[17] As noted in the preceding section, a steep reduction in the work experience premium also took place during this period. This may have

[15] It has been estimated that over 60% of workers in the United States in 2018 had job titles that did not exist in 1940 (Autor, 2022).

[16] In this case as well, other factors (declining minimum wages, the waning power of trade unions and the increasing informalization of work) also played a role in expanding the wage gap. Some of these factors originated in the market liberalization reforms implemented in the region during that period.

[17] In a number of countries, some of the policies of previous decades that had contributed to wage inequality were rolled back, with minimum wage hikes and the formalization of jobs held by persons with low levels of education helping to boost the incomes of unskilled workers.

been an indirect effect of technological changes that made some of the skills acquired by older workers in the course of their careers obsolete (Messina and Silva, 2019).

For workers mainly performing routine tasks, a labour substitution effect has recently been seen in Latin America, as well as in technologically advanced countries (Gasparini and others, 2021; Brambilla and others, 2022). It has also been argued, however, that technological changes associated with the fourth industrial revolution have had and will continue to have less of an impact on Latin American labour markets than various other factors or trends (Grigera and Nava, 2021).

One contributing factor is that the implementation of technological changes is more limited in the region. First, the low-productivity segments of the production structures and labour markets of Latin America and the Caribbean are quite large. These segments are mainly driven by the needs of low-income households and, hence, by the dynamics of the labour supply. They are far removed from the technological frontier, and the jobs they create are therefore not affected by the innovations that are pushing back that frontier (Weller, Gontero and Campbell, 2019). Second, unlike in more advanced countries, a series of factors discourages the introduction of new technologies in the region, even in more competitive segments that are affected by the advance of the technological frontier. These factors include a smaller reduction in production costs (owing to lower wage levels) and lags in the development of digital infrastructure and in the acquisition of digital skills at both the management and production levels.[18]

Third is the region's position within the international division of labour and, in the context of globalization processes, the fact that a series of other factors drive the demand for relatively low-skilled labour and limit the impact of technological change on skilled job creation in developing countries (Maloney and Molina, 2016; Martins-Neto and others, 2021). As a result, while some of the export-oriented manufacturing value chains in countries in the northern part of the region do bring in new technologies, their business model is nonetheless based on the availability of mid- and low-skilled labour.

As a consequence of this more limited diffusion of technological change in the region, although the labour structure has also tended to become more polarized, this trend is weaker than in technologically more advanced countries (World Bank, 2016) and, given the impact of other factors, does not necessarily show up at all in the aggregate data.

[18] See, for example, ECLAC (2021a) concerning digital technologies in which the region is lagging behind more advanced countries.

3. Technological transformations and employment: the outlook for Latin America

(a) Technological transformations and labour market gaps

While the predominant technological innovations of recent decades continue to have a growing impact on the region, especially given the lags in their implementation, a new wave of innovations that is just beginning to emerge may soon take the region's labour markets by storm. New developments in technology that are likely to have a major impact on advanced countries' production processes include the qualitative leap now being taken by automation and virtualization technologies, massive improvements in connectivity (5G networks), data management and computing power (quantum computing), automated services, blockchain systems and clean technologies for generating and storing energy, among others (McKinsey & Company, 2021). A number of these innovations are being driven by advances in the development and application of artificial intelligence (AI).

The use of AI may alter the current technological revolution's polarizing impact because machine learning has the potential to give rise to AI systems that can perform non-routine tasks that, until now, could not be automated and therefore had to be carried out by human beings (Autor, 2022; Benhamou, 2022). New technological advances may therefore have a greater effect on highly qualified workers than has been the case until now, although it is also possible that these workers will be better able to adapt to these changes than others. It is also thought that AI may take over many non-routine manual jobs that provide employment opportunities for persons with relatively low levels of education in, for example, the transport sector (PwC, 2018; McKinsey Global Institute, 2021).

As in the case of other recent technological changes, in most of the jobs that are likely to be affected, it is probable that AI will take over only some tasks, and these jobs will probably therefore be changed but will not disappear. As is also true of other technologies, the impact of AI on production processes and working conditions will depend on how it is used. In some cases, new technologies may enrich work tasks and empower workers, while in others, the requisite knowledge may be transferred to machines, which poses the risk of devaluing some cognitive skills and degrading employment conditions (Benhamou, 2022, p. 44).

In the case of Latin America and the Caribbean, however, the expectation is that continued gradual incorporation of digital technologies will mainly affect routine tasks and that AI will probably

not have a very strong impact on labour markets in the short and medium term. In addition, the people employed in low-productivity sectors will likely not be affected directly by these technological changes because their generally poor quality jobs will not be replaced. Consequently, the percentage of workers in the region who are at high risk of technological substitution is much smaller than the percentages indicated in studies that do not apply a methodological adjustment to account for the differing probabilities that new technologies will be adopted; however, the jobs that are not at risk are the lowest-quality ones. A further consideration is that, in comparisons across countries, average substitution risk appears to be positively correlated with per capita GDP (Weller, Gontero and Campbell, 2019).[19]

Since the skills required to perform the jobs created in the context of the fourth industrial revolution continue to be biased towards high qualifications, the number of formal jobs available for people subject to technological substitution (especially those with low or intermediate skill levels) may not necessarily be sufficient.[20] Therefore, the risk of polarization in the region's labour markets can be expected to take on a different form than it does in more advanced countries, with increases in the number of high-qualification jobs, on the one hand, and in the number of mainly informal, low-productivity jobs, on the other.[21]

This gives rise to new types of labour market exclusion risk, since workers' general qualifications and digital skills influence their substitution risk and their chance of taking advantage of emerging job opportunities. Many low-skilled workers are members of population groups in situations of vulnerability, and this fact is also reflected in gaps in digital skills and access to the corresponding infrastructure. For example, wide gaps in Internet access separate differing types of households. In 2018, more than 90% of children in the bottom income quintile in El Salvador, Paraguay, Peru and the Plurinational State of Bolivia lived in households that did not have Internet access, whereas the corresponding figure ranged between 20% and 52% for children in the top income quintile (ECLAC, 2021a).

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[19] For the most part, when studies on developing countries employ methodologies designed for use in developed countries, they usually find that countries with lower per capita GDP have higher levels of substitution risk than richer countries do. See, for example, Chui, Manyika and Miremadi (2017), African Development Bank Group and others (2018), Ripani and others (2020) and Beylis and others (2020).

[20] The introduction of new production technologies in the countries of the region is not the only factor that can lead to the technological substitution of labour. In today's open economies and competitive markets, technological restructuring in other countries can undermine developing countries' competitiveness and therefore threaten jobs in those economies.

[21] It is important to remember, however that other trends, apart from technological change, can also influence the level and nature of labour demand and thus the job opportunities that are available.

Wide gaps in digital skill levels also exist in the countries of the region between, for example, young adults and older adults and between persons with different levels of education. The results of the Programme for the International Assessment of Adult Competencies (PIAAC) indicate that almost none of the adults who did not complete secondary education are able to problem-solve in digital environments, whereas 11.8% of adults who have completed tertiary education in Ecuador and 30.2% in Chile are able to do so. These gaps reflect the difficulties that many people encounter when seeking work in occupational categories requiring digital skills. The gaps between men and women are narrower, although men are in a better position than women in all the countries of the region (ECLAC, 2021e). These narrower gaps relate to access to digital technologies (specifically the Internet and mobile telephony), regarding which differences between men and women are less marked (Vaca-Trigo and Valenzuela, 2022).

The impact of technological changes in the areas of automation or technological substitution of labour do not appear to be gender-neutral, however, although risk estimates do vary in the region. For example, according to Gasparini and others (2021), ILO (2021b) and Egaña-del Sol and others (2022), women are at a greater risk of substitution than their male counterparts because more women are employed in occupations that primarily involve the performance of routine tasks. On the other hand, Brambilla and others (2022) have found that the introduction of robots in Argentina, Brazil and Mexico has had a greater impact on employment levels among men than among women, and Espíndola and Suárez (2023) have also found that men are at greater risk as a result of automation than women are and that workers with low or intermediate levels of education are at greater risk that their more highly educated counterparts. Considering that jobs in low-productivity segments are not at risk of substitution, Weller, Gontero and Campbell (2019) also find that the percentage of women at high risk of substitution is smaller than the percentage of men, because, in percentage terms, more women than men are employed in low-productivity sectors and because many women are working in areas involving human interaction, such as education, health and caregiving.

Finally, when assessing the risks posed by automation, the COVID-19 pandemic is an important consideration, since it accelerated digitalization trends in many different ways in such areas as education, health, finance, procurement and public administration, where online modes of interaction were greatly expanded in order to reduce physical proximity. It also accelerated various other labour market trends, such as the substitution of certain types of jobs, especially in trade (Weller, 2020a; McKinsey Global Institute, 2021). Larger firms also stepped up

the introduction of automation processes during the pandemic (World Economic Forum, 2020; McKinsey Global Institute, 2021), which generated a growing demand for highly qualified workers. These opposing trends at the two ends of the qualifications spectrum (the elimination of jobs in some sectors requiring fewer job skills and the growing demand for highly qualified personnel with expertise in new technologies) could heighten the bias against women's entry into the labour force on an equal footing (Vaca-Trigo and Valenzuela, 2022).

(b) Digital platforms and teleworking

Other trends that gained momentum during the pandemic include the use of digital platforms and teleworking. Some of the most important work platforms specialize in providing services. They can be divided into those in which work is web-based and performed remotely, in some cases for a global market, and those that are location-based.[22] Both types of work exist in the region, but transportation platforms and home delivery platforms, both of which are location-based, are the largest in terms of workers employed (ECLAC/ILO, 2021).

The growth of remote work through digital service platforms has been driven by the shift made by many businesses towards less in-person work in response to the social distancing measures introduced to curb the spread of the virus, uncertainty associated with the successive waves of the pandemic and the prospects for the growth of this modality around the world. Global demand for this type of work has been on the rise in recent years, although it has also been subject to fluctuations (ECLAC, 2021b, pp. 195–196).

Growth trends for location-based platforms differed markedly during the pandemic depending on whether those platforms dealt with activities requiring physical proximity, such as passenger transportation, which fell sharply, and those that provided substitutes for physical proximity, such as the delivery of different types of goods, which soared. Delivery workers (mainly migrants in many countries), in particular, performed a key role in ensuring reliable deliveries of needed supplies to households, and many of them were at a high risk of contracting the virus, especially because they were not always supplied with proper protective gear.

While the growth of the platform economy does provide more employment opportunities, especially for members of the population who have the greatest difficulty entering the labour force, these new forms of employment generally do not offer the types of conditions

[22] For a classification of the different types of platforms, see ECLAC/ILO (2021).

associated with decent work. They are often low-paid positions that provide little or no job security, access to social and employment protection or opportunities for collective bargaining or dialogue. The platform economy tends to give rise to a deterioration of working conditions and to situations in which certain segments of the population (including young people and migrants, who make up a disproportionate percentage of location-based platform workers) are obliged to accept substandard conditions of employment as the norm in the labour markets of the region (ECLAC/ILO, 2021).

The idea has been advanced that the flexibility offered by digital technologies in terms of where, when and how people can work may lower labour-market entry barriers and be attractive, in particular, for many women who have to combine paid work with unpaid domestic and caregiving work (UNDP, 2015). However, the evidence gathered thus far indicates that, with the exception of platforms offering employment in the domestic services sector, women's participation in the labour force via location-based digital platforms is quite limited in Latin America. Furthermore, the flexibility of this type of work is more apparent than real, given that many of these platforms use a system of incentives and penalties to encourage workers to make themselves available during certain hours of the day and because, for many of these workers, this form of employment is their only source of income (ECLAC/ILO, 2021). Overall, the employment conditions offered by digital platforms vary a great deal, both within and between countries (Weller, 2022, pp. 48 et seq).

Teleworking —usually for just part of the work week— has become increasingly common, particularly in developed countries. During the pandemic, it was one of the main ways in which businesses and institutions were able to keep running, and its use climbed steeply in the countries of the region during that period (ECLAC, 2021b, pp. 197–204). The opportunity to engage in this form of work has been biased, both in corporate environments (depending on the sector and size of each company) and in terms of worker characteristics, towards workers who had access to the requisite infrastructure and possessed the necessary digital skills. The fact that less educated workers, those employed in the informal sector of the economy and those at a lower socioeconomic level have been less able to transfer their work activities over to a digital environment has deepened existing social and labour-related inequalities (ECLAC, 2021b; ILO, 2021b).[23]

[23] For example, in Brazil, in May 2020, 38.3% of persons who had completed tertiary studies were working remotely, while only 0.6% of persons with incomplete primary education were doing so (ECLAC, 2021b).

The experience gained during and immediately after the pandemic appears to indicate that different businesses' specific work routines and production and human resource strategies will give rise to a wide variety of forms of telework in the coming years. Many companies are likely to use mixed systems of telework and in-person work, while others will return to full in-person working systems while permitting workers to opt for teleworking arrangements only in specific cases (ECLAC, 2021b).

D. Climate change and the transition to environmentally sustainable economies

Climate change and its consequences will have a powerful economic and social impact in the medium and long terms; some of the consequences, such as more frequent droughts and hurricanes and glacier melting, are already being seen today. The extent of this change and the nature of its impact depend in part on the containment and adaptation policies that are adopted at the global, regional, national and local levels. In the workplace, this combination of factors will affect job destruction, transformation and generation.

Some cases of job destruction are a direct result of changes in climatic conditions or other environmental factors, such as the loss of agricultural jobs due to drought and desertification, or are the result of policies promoting a sustainable economic model, as in the case of jobs related to the extraction and sale of fossil fuels and polluting industries. Others arise from changes in consumption patterns that reduce demand for certain products, such as meat.

1. The impact of climate change

Although it is difficult to accurately calculate job destruction in this context, estimates have been made, for example, of the effect of disasters caused or exacerbated by human activity.[24] For the Americas as a whole (including North America), an average of 11.3 years of working life are estimated to have been lost annually for every 1,000 people in the period 2000–2007 and 19.0 years for the period 2008–2015. This represents 1.13% and 1.90% of the work potentially performed in each year of the respective periods (ECLAC/ILO, 2018b). Owing to hurricanes in particular, Caribbean countries tend to show higher losses than Latin American countries and

[24] Estimates take into account "deaths, persons affected and damage caused by weather events (storms, fog, extreme temperatures), hydrological events (flooding, mudslides, storm surges), climate events (drought, forest fires) and biological events (insect infestations) and certain technological threats (industrial or other types of accidents)" (ECLAC/ILO, 2018b, p. 21).

are vulnerable to climate change owing to the threat posed by rising sea levels and stronger storm surges that could affect groundwater and salinize agricultural land (ECLAC/ILO, 2018b).

Climate change also affects work through rising temperatures because of its impact on productive working hours and labour productivity, even when it does not directly eliminate jobs. High temperatures affect the quality of work and potentially the health of workers in sectors such as agriculture, construction, waste management and street commerce, and climate change deepens this problem (ILO, 2019b). South Asia and West Africa are estimated to be the regions where the increase in global temperature will produce the worst job losses. The impact will be less in Central America (loss of 0.9% of working hours in 2030), South America (-0.8%) and the Caribbean (-0.6%), although it will still be much stronger than in Europe, Western and Central Asia, and North America (ILO, 2019b).

2. Transition policies and job destruction and creation

In the case of job losses resulting from the strategies necessary to mitigate the impact of climate change and the transition towards environmentally sustainable production systems, lower-income countries will likely be most affected because, among other factors, more of their employment is concentrated in areas of activity that are emissions-intensive or heavy users of fossil energy (McKinsey & Company, 2022). Specifically for Latin America and the Caribbean, Saget, Vogt-Schilb and Luu (2020) estimate that a strategy aimed at transitioning to net-zero emissions production would cost 7.5 million jobs by 2030, especially in the energy sector, fossil fuel extraction and livestock.

In terms of new job creation, some new employment contributes to the transformation towards sustainable modes of production and consumption. In the best cases, these "green jobs" generate no emissions or pollution, while the businesses providing them contribute to improving the economy's environmental sustainability. This may be by mitigating the environmental impact of the activity, contributing to preserving or restoring the environment and/or addressing climate change, for example by reducing energy consumption, making greater use of renewable sources and taking action to mitigate impact.[25] Furthermore, there is broad consensus that jobs must meet decent work criteria in order to qualify as "green jobs".

[25] A looser definition simply verifies whether the corresponding activity contributes to environmentally sustainable development, without taking into account the environmental characteristics of occupations themselves.

For example, for Argentina, Ernst, Rojo Brizuela and Epifanio (2019) analyse how many of the waged jobs registered (as a proxy for jobs that meet decent work criteria) contributed to environmental sustainability in 2015, based on activities considered green at the economic sector level. They estimate that between 5% and 7% of registered wage employment may be considered green.

Any economic activity, in addition to direct employment, generates indirect employment (through its productive chains) and induced employment (through the demand generated by income from the activity). For example, for the Province of Santa Fe in Argentina, it has been estimated that different forms of bioenergy generate 829 direct jobs, 3,617 indirect jobs and 1,731 induced jobs (FAO/ILO, 2020).

Fostering environmental sustainability, and addressing climate change specifically, requires several lines of action aimed at reducing the use of inputs in production processes and making them more sustainable. To this end, ECLAC (2020a) has highlighted the role of the energy transition, sustainable mobility and construction, the digital revolution, the bioeconomy and the circular economy, among others. In addition, the reuse, repair and recycling of products and materials must play an increasing role. All these lines of action open up new job opportunities. In some cases, these arise as certain activities gain strength and existing techniques become more broadly applied, while in others they arise as new activities are generated or existing ones are transformed by technological and operational changes. Four interrelated concepts may be identified in the context of a transition towards sustainable modes of production: the zero-emissions strategy, the circular economy, the bioeconomy and eco-innovation.

In their analysis of the labour-related impact of a successful transition to a net-zero carbon economy, Saget, Vogt-Schilb and Luu (2020) estimate that 22.5 million jobs would be created by 2030 in Latin America and the Caribbean, as a result of transformations in agriculture, renewable energy, forestry, construction and manufacturing. The simultaneous loss of 7.5 million jobs mentioned above would then yield a positive balance of 15 million jobs.

The circular economy ultimately seeks to decouple global economic development from the consumption of finite resources (Van Hoof, Núñez and De Miguel, 2022). At the heart of this approach is reduced use of these resources, as well as reuse and recycling. This refers to both household waste (organic, plastic, cardboard and paper, glass) and products such as electrical and electronic equipment, batteries and tyres. De Miguel and others (2021) estimate that this transformation would generate between 85,000 and 456,000 new jobs in Latin America and the Caribbean, depending on the scenario.

As noted earlier, in Latin America and the Caribbean, the agricultural sector would need to make a major contribution to the transition towards a zero-emissions productive structure, above all through changes in land use and farming techniques. This has to be accompanied by a profound transformation in food consumption patterns. This is the context in which the concept of bioeconomy has arisen, characterized, among others, as an economy based on the consumption and production of goods and services derived from the direct use and sustainable transformation of biological resources, including biogenic waste generated in the processes of transformation, production and consumption (Rodríguez, Mondaini and Hitschfeld, 2017). The bioeconomy covers not only the agriculture, livestock, forestry and fishing sectors, but also a large number of activities that work with inputs from this sector. For Colombia, ILO (2021a) identified 161,000 jobs in the specific activities that may be considered part of the bioeconomy.

Finally, a key factor for transforming production for environmental sustainability is eco-innovation (ECLAC, 2022d, chap. IV.C). Although regional progress has been limited thus far, for example in terms of the resources devoted to research on environmental issues and patents obtained, this field offers many options for indigenous technological development that meets the region's sustainable transformation needs.

Populations in situations of vulnerability are often harder hit by the consequences of climate change, owing to factors such as precarious housing, the deterioration of the ecosystems on which they depend, scarcity of resources to deal with the impacts and more limited access to mitigation and compensation tools (Hoffman, 2020; OECD, 2021). Women tend to be particularly affected owing to the usual bias in the division of household responsibilities (women are responsible for resources such as water, firewood and others) and because unequal asset distribution leaves them less equipped to address climate change impacts.

In terms of employment and working conditions, reference has already been made to the uneven impact of rising temperatures, which will likely most affect activities with a high proportion of workers in situations of vulnerability. Consequently, changes in rainfall and the related impact on agriculture may generate new migratory movements, especially within countries (ILO, 2019b).

The transition towards sustainable production opens job options for people of different educational levels. For example, Saget, Vogt-Schilb and Luu (2020) estimate that of the 22.5 million jobs created by 2030 in the region by a net-zero emissions strategy, 13.5 million will be in the medium-skill category, 8 million in the low-skill category and 1 million in the high-skill category, which will require training processes of varying

degrees of complexity. Given that the shortage of both technical and basic skills will persist for the green transformation of many jobs (ILO, 2019a), it is essential to strengthen these reskilling processes.

There is also quite a broad range of potential sustainable employment opportunities, for example in the bioeconomy and circular economy, that require skills that are not necessarily acquired within formal institutions, but that can nevertheless offer sustainable labour income for populations experiencing vulnerability. This is the case of Indigenous peoples' knowledge with respect to the bioeconomy in particular. These new jobs must be of adequate quality, however, in order to be considered green.

This employment restructuring could be biased against women, since it has been estimated that 80% of the jobs arising from decarbonization programmes will be in male-dominated sectors (manufacturing, construction and renewable energy) (Saget, Vogt-Schilb and Luu, 2020; ILO, 2018a). This points to the need to strengthen policies aimed at expanding women's access to sectors traditionally associated with male employment.

E. Need for comprehensive labour inclusion policies in the context of major global trends

Many of the global trends reviewed in this document intersect and affect the way different groups of workers enter the labour market, including population groups in situations of vulnerability. For example, technological change intersects with contradictory globalization trends, ageing affects the age composition of the workforce and impacts reskilling challenges, technological innovations crucial for addressing the challenges of climate change drive new business models and new work modalities, while proper social and labour regulation is essential if environmentally sustainable jobs are to be considered "green". Major policy challenges thus arise in seizing emerging employment opportunities and increasing the range of resources available to population groups in situations of vulnerability, while containing the risks of exclusion in that process (Kaztman and Filgueira, 1999).

For this, the region must benefit from changes in the global order and seize the opportunity not only to increase growth, but also to direct it by addressing contemporary challenges (such as a just transition and technological transformation) and turning them into opportunities for economic growth, increased productivity and a greater capacity to generate jobs under decent working conditions (Mazzucato, 2023).

The creation of new job opportunities related both to cross-cutting technological changes and to the just transition towards sustainable modes of production and consumption depends to a large extent on the preparation

and application of the right development strategies. This will require the design and implementation of stronger policies on both the demand and the labour supply sides. A brief review is given below of demand-side policies for promoting a productive restructuring to address the challenges of the new global context, technological transformations and the just transition. On the supply side, emphasis is placed on the policy challenges for education, training and skill-building. This review is complemented by a discussion of the policies needed to face the challenges related to ageing and international migratory movements, as well as the growing heterogeneity of labour relations, which makes it imperative to rethink labour regulations.[26]

1. Policies for restructuring production for inclusivity

(a) Policies for the new global context: productive development and a new public-private relationship for inclusive and sustainable economic growth

Boosting demand for labour will require a productive development strategy that fosters local, national and regional capacity to generate quality jobs, fostering innovations to tackle the challenges mentioned above and encouraging their application in industry and labour. Specifically, in order to take advantage of external opportunities, promote the linking of the local productive structure with international value chains and increase intraregional trade, the region's economies must be made more competitive "by creating or consolidating economic and institutional systems featuring specialized supply networks, qualified human resources and stable, easily accessible institutions" (ECLAC, 2020b, p. 130).

For this to happen, it is important to support the development of sectors and strategic companies oriented towards the global market and to promote linkages between large export companies and small and medium-sized enterprises (SMEs) with high potential for growth and job creation, as well as to promote these firms' local market linkages (Rodrik, 2022). In turn, to support the development of innovative SMEs with high potential for growth and job creation, measures must be taken to promote the development of the venture capital industry, create incentives for incubators, resolve coordination issues and strengthen educational and training policies to reduce skills mismatch between labour supply and demand, among other measures.

Although there is broad consensus on the need for greater State involvement in promoting economic growth and creating productive jobs, there is less clarity on how to accomplish this. One alternative is to learn from successful regional experiences in public-private partnerships

[26] This section refers to the policy challenges that arise from the trends analysed in this chapter. For a comprehensive vision of the policies needed, see the final chapter of this publication.

to identify the main obstacles to entrepreneurship by strategic firms and sectors, and to devise mechanisms to overcome them (Crespi, Fernández-Arias and Stein, 2014; Cornick, 2016; Rodrik, 2019). In this regard, the experience of Costa Rica with the development of the medical devices industry, of Brazil with the development of the aeronautical industry and of Chile with the growth and consolidation of the wine industry (see the conclusions of this document) are interesting regional examples from which to draw lessons for the future.

(b) Policies to support the digital transformation of companies

For the digital transformation of the region's productive sector, ECLAC (2022d) proposes fostering the uptake of advanced digital technologies in production processes and distribution channels; strengthening communications networks (5G technology); boosting the creation of digital and technology-based companies, with adequate financing mechanisms; establishing development programmes in line with local and sectoral needs and specific technological characteristics; and transforming public services to create synergies between the public and private sectors.

Special support should be afforded for the transformation of SMEs, which face resource limitations amid high uncertainty, owing to the fact that technological transformations generate high risks both for those that embrace transformation and for those who tend towards inertia, among other factors. Support for SMEs must take into account their specific needs and characteristics in order to avoid widening internal productivity gaps.

(c) Policies for a just transition

Five pillars have been identified for achieving a decarbonized economy: generating electricity from renewable sources instead of fossil fuels; using electricity instead of fossil fuels for transportation, cooking and heating; increasing public and non-motorized transportation; halting deforestation and promoting reforestation, alongside changes in nutritional patterns; and reducing waste and recycling (Saget, Vogt-Schilb and Luu, 2020). All these efforts should be supported by promoting eco-innovation.

Public policy can make multiple contributions to driving these transformations at the sectoral level, ranging from support measures to incentives, rewards or punishments, with varying degrees of strictness or leniency. These measures include subsidies and taxes, norms and standards, environmental labelling, industrial standards, green public procurement, the establishment of producer responsibilities, awareness and training campaigns, the promotion of voluntary agreements, the support of financing, research and development, and information and technological diffusion (ECLAC, 2022d).

As in the case of technological transformation, the review of emerging job opportunities in this context points to the need for policies that boost labour demand while also broadening women's access to sectors that have traditionally been male-dominated.

2. Education, training and skill-building for productive transformation and labour inclusion

Even assuming major advances in the productive transition, its potential for economic growth and job creation will be underutilized unless mismatches between skills supply and demand are resolved (Gontero and Novella, 2021). On the labour supply side, external and internal gaps in digital skills must be reduced, first to enable the region's labour force to take full advantage of the productive potential of new technologies and benefit from their workplace impacts, and second to afford population groups in situations of vulnerability better access to new opportunities. As a first step, this requires ensuring generalized access to new technologies and making determined efforts to close digital gaps.

Preparing people to seize the opportunities offered by new technologies poses major challenges for both the education system and the professional vocational and training system. It is generally recognized that courses in areas such as science, technology, engineering and mathematics (STEM) and their respective foundations at the primary and secondary educational levels are key to managing new technologies, and that training in these areas must be improved. Particular efforts should be made to eliminate gender biases in these disciplines. Specifically, given the key role of STEM education in acquiring the knowledge and skills needed for occupations that will be increasingly valued in the labour market, it is important to end women's underrepresentation in these areas to prevent the application of new technologies from deepening existing gender gaps (Muñoz Rojas, 2021). This means the implementation of gender-oriented policies not only in tertiary education, but also at the primary and secondary levels (especially in technical and vocational education) (Sevilla, 2021).

A key point in this respect is the shift in skills demand driven by technological transformations. In first place is the ability to handle new technologies, both hardware and software. However, the key skills for the labour markets of the future have been found to be much broader. ECLAC and the Organization of Ibero-American States for Education, Science and Culture (OEI) (2020) summarized the results of a series of global surveys, identifying 10 of these skills: learning capacity, adaptability, collaboration, verbal and written communication, creativity

and innovation, problem-solving and decision-making, critical thinking, information and data management, leadership and, lastly, technology and computational thinking.

Indeed, labour markets are increasingly valuing a mix of interpersonal skills and cognitive skills, as well as technical and vocational skills. This can offer a channel for entry to the skilled labour market for many members of households in situations of vulnerability (Girsberger, Rinawi and Krapf, 2018).

Ensuring the labour inclusion of people in situations of vulnerability is a major challenge, given that many decent employment opportunities require skills that are distributed very unequally among the population, reflecting the socioeconomic inequalities characteristic of the region. Unless digital literacy can be expanded and access can be increased to opportunities to develop the skills most in demand and valued amid the productive transformations ongoing now and in the future, there is a risk that a new segmentation will occur, whereby part of the population will have access to technological jobs of acceptable quality, while others will perform only less skilled tasks. Stronger affirmative action measures should therefore be taken to support access by populations to the mechanisms to acquire in-demand skills and competencies.

In view of the demographic, technological and climatic trends described, tools for workforce (re)training must be strengthened to enable adults to acquire the skills these transformations demand, within a lifelong learning approach. In many cases, the training could and should be undertaken within companies, which would facilitate the acquisition of new skills and competencies in demand in the labour market. For this, companies would have to be able to rely upon adequate teaching mechanisms, for which they will require institutional support from public or mixed institutions, or from sectoral associations. Involving workers' organizations in identifying demand and training mechanisms may help to make training processes more effective, as seen, for example, in skills certification systems. In this context, it is important to avoid inequality in access to (re)training opportunities, including as regards qualifications, gender and age (Flores-Lima, González-Velosa and Rosas-Shady, 2014; Training and Labour Intermediation System Review Commission, 2011; Chacaltana, 2005).

Mechanisms are also required to retrain people who lose their jobs as a result of technological transformations and just transition measures. This may involve identifying occupations that have a task structure similar to the jobs destroyed, to facilitate targeted training for the new tasks (World Economic Forum, 2018; Velardez, 2021). In many cases, especially for people in situations of vulnerability, this would require financial support to participate in (re)training and reintegration processes. This could also ease social acceptance of just transition measures that

phase out unsustainable jobs, in particular (ECLAC/ILO, 2018b). It is also important to consider that losses tend to be concentrated by sector and/or location and that new jobs may arise not only in other sectors but also in other locations (McKinsey & Company, 2022; OECD, 2021). This means that policies to finance and organize the transition must be flexible in order to adapt and respond to the specific needs of workers at risk of job loss, by assuring them of reintegration opportunities.

This may also be relevant for workers who may not have lost their job, but who need to acquire new skills during the transition to new technologies, especially in the context of sustainable work processes.[27] All these challenges underscore the need to adjust the supply of vocational education and training systems to meet the needs of workers with different skill levels (ILO, 2019b). This will require additional investment, curricular review and retraining of teaching staff. Amid rapidly changing skill demand, it becomes increasingly important to adopt a modular approach, whereby new skills and competences can be acquired at any time within an integrated vocational education and training system, to support an upward career path. Given that skill demand is constantly undergoing processes of change, an agile and effective system is also needed to identify this demand, both now and in the near future (Gontero and Albornoz, 2019).

3. Policies to strengthen the resources of groups in situations of vulnerability

The trends reviewed in this chapter often create special challenges for population groups in situations of vulnerability, either because they are more likely to lose sources of income (for example, owing to climate change) or because they lack the resources to take advantage of emerging opportunities (such as digital skills). Specific public policy actions are needed to ensure that no one is left behind in these transformations.

In particular, a just transition towards sustainable economies also implies that its costs are not borne mainly by population groups in situations of vulnerability. Rather, these populations should be supported in order to build their resilience and adaptive capacity. This refers not only to people who will lose their jobs but also to households in situations of vulnerability that could, for example, suffer from rises in the prices of basic goods and services.

Other challenges arise in the context of population ageing in the region and international migration.

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[27] ILO (2019a) has estimated the main skills needed in two occupations of various skills levels in two scenarios, energy sustainability and circular economy.

(a) Strengthening social protection, health and care mechanisms

Population ageing in Latin America and the Caribbean in a context of persistent labour informality makes it likely that increasing numbers of older persons will be forced to remain active in the labour market after the official retirement age, in order to generate income to subsist. This presents significant social protection challenges, which could be addressed by the following policies:

- Expand labour formality to foster access to contributory social protection.
- Reform pension systems, with adequate coverage and sufficiency and financial sustainability (Arenas de Mesa, 2019).
- Tackle the gender inequalities characteristic of pension systems, arising from the predominant sexual division of labour.
- Adapt retirement schemes to facilitate voluntary continuation in the labour market for older persons, even if they are receiving pensions.
- Strengthen non-contributory pension systems, and in general terms, non-contributory policies within social protection systems, for those who have not accumulated (sufficient) rights within a contributory system.

Ageing creates major challenges not only for pension systems, but also for other social and fiscal policy areas. Given that older persons generally exhibit higher demand for health services, higher numbers in this age group in proportion to the total population call for greater and more robust expansion of the physical infrastructure and human resources of health systems. Another factor is that the model of multigenerational households is becoming increasingly irrelevant because of smaller family sizes and the increasing geographical mobility of working-age people. Accordingly, care services need to be strengthened (that is, greater investment in infrastructure, human resources and the implementation of universal health systems), with a gender approach, and a particular focus on long-term care services for dependent or partially self-sufficient older persons.

(b) Policies to foster safe, informed and orderly migration

The Montevideo Consensus on Population and Development calls for protecting the human rights of all migrants, avoiding any form of criminalization and guaranteeing access to basic social services, with special attention to population groups in situation of high vulnerability (Martínez Pizarro and Cano Christiny, 2022).

This calls for the implementation of policies to promote safe, informed, orderly and regular migration, in line with a global perspective in terms of management and governance. Among other measures, beyond facilitating migrants' entry into employment, expedited mechanisms are needed for regularization of migratory status, better cross-border integration of educational systems (recognition of qualifications and skills) and social security (portability of acquired rights), lower-cost mechanisms for migrants to transfer remittances home and, in general, guaranteed access to basic rights regardless of immigration status at any given time.

In general, there is a need to combat xenophobia and racism, because ethnic and racial status often intersects with migration issues. Action must be taken to turn the focus towards the cultural, social, economic and demographic contributions that migration makes to society, and to create spaces for genuine coming together by migrants and locals in neighbourhoods, schools and workplaces, promoting interculturality in educational arenas and in public discourse and the media (Martínez Pizarro and Cano Christiny, 2022; Rangel, 2020).

4. The challenges of regulation for labour inclusion

The workforce's lack of access to labour and social rights has historically been related to labour informality originating in the informal sector. However, it has been increasingly recognized that labour informality has multiple origins, that it also occurs in the formal sector, and that it is a wide-ranging phenomenon that requires a broad range of tools targeted to the specific nature of each situation of informality, in order to support a transition to formality (Salazar-Xirinachs and Chacaltana, 2018).

The development and uptake of new technologies has given rise to new modalities of labour relations that present new challenges for labour regulations in terms of ensuring access to these rights. New business models, especially digital platforms, are the most striking case of the need to review social and labour legislation. Although they include some guidelines that make them attractive to many workers, some aspects clearly indicate precarious working conditions (ECLAC/ILO, 2021).

Several Latin American countries have taken measures to secure social security coverage and other social benefits for platform workers (ILO, 2021b). However, any regulation of this type of work runs into the problem not only of major differences between platforms that offer digital services to a global market and those that handle locally executed services (which implies that the "territory" of regulation is necessarily different), but also heterogeneity across types of platforms and the interests and preferences of their workers. Nevertheless, the quality of employment in

these jobs varied widely, not only between but also within countries, which indicates that regulatory options do exist to counteract precariousness without necessarily rendering the business model unfeasible, and also that even in a common regulatory framework, there is space for business decisions that can improve the quality of employment on gig platforms.[28]

In this regard, it is important to give gig workers the opportunity to organize and negotiate so that they can meaningfully take part in the decisions that impact their working conditions. For example, there are various initiatives for gig worker cooperatives that aim to boost worker involvement in defining the characteristics of the relationship between the digital platform as a mechanism for assigning work and the workers (Carnegie, 2022).

With regard to working conditions in formal companies with "standard" labour relations, the impact of the introduction and application of new technologies has been found to depend not only on the institutional framework of the labour market, but also on strategic decisions by companies on aspects such as long- or short-term visions, job stability, or high turnover and approaches focused on high or low skills (Waldman-Brown, 2022).

This underlines the fact that labour market transformations are not determined by technology alone. Rather, both the development of the technologies themselves and the way in which they are implemented and used in the business environment are influenced by institutions, regulations, negotiations and policies, although the space for these may be limited by certain characteristics of technologies.[29]

In many cases, there is a learning process to discovering how to leverage the potential of new technologies in a fair way so that the needs of both companies and workers are met, in which it is possible to make mistakes and learn from them. Workers must be given more opportunities to participate in learning processes to ensure that the potential of technologies is optimized through an approach in which all stakeholders are valued (Villa Fombuena, 2021). In addition to an adequate legal framework, remote work in particular requires participatory processes to determine modalities that benefit both firms and workers (Villasmil, Bueno and Montt, 2022). Importantly, this new way of working must not be allowed to exacerbate the unequal sexual division of labour, such that women are performing flexible work while also performing care work.

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[28] Studies by Fairwork (2021) on the quality of gig work point to large differences between and within countries.

[29] In this respect, see, for example, Aghion, Antonin and Bunel (2019), Acemoglu (2021) and Weller (2020b).

The key challenge in this context is to develop labour institutional frameworks capable of meeting a threefold objective: promoting the efficient functioning of the labour market, balancing the bargaining power of the main actors and promoting labour inclusion with decent jobs for population groups in situations of vulnerability (Eichhorst and others, 2019). In this context, policies on employment, labour and the labour market must interact and be coordinated with other public policies, especially in productive development, education and social protection.

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Chapter II

The structural challenges of gender inequality and women's autonomy in the workplace of the future

Camila Baron
Lucía Scuro

Introduction

The Latin American and Caribbean region is facing a series of cascading crises (ECLAC, 2022b). Economic, social and environmental conditions in the region are deteriorating as a result of the multiple, interrelated crises occurring at the international level in the health, care, energy, food and financial sectors. These crises are curbing economic growth and quality job creation and hampering efforts to combat poverty and inequality (ECLAC/UN-Women, 2023). These processes, which are having an adverse impact on the entire population, demonstrate the unsustainability of the prevailing development model, whose economic and social structures are not up to the task of overcoming the various challenges posed by these crises.

Global climate change, biodiversity loss, desertification and the hefty public debts of many countries in the region are all deepening the care crisis, which is having a particularly strong impact in terms

of gender equality and the ability of women, adolescents and girls, in all their diversity, to exercise their rights and their autonomy. The care crisis, which is associated with conditions that make it impossible for people to exercise their rights to provide care, be cared for and care for themselves, has been brought about by the changes taking place in labour markets, the shortage of care services and infrastructure, and the growing demand for care being generated by changing demographic and epidemiological trends. In the existing patriarchal and extractivist production system (ECLAC, 2022b), the assumption is that people must work full time, with no recognition of people's need to take care of themselves or to care for other members of their household. The institutional structure of the labour market favours long workdays and rewards uninterrupted career paths, leaving men and women with little time for caregiving or self-care.

During the pandemic, an unprecedented number of women had to leave the labour market, thereby reducing women's labour force participation rate to what it had been 18 years ago. The various sectors of the care economy (health, education and paid domestic work) were hit especially hard by the pandemic. The consequences in terms of overwork and stress for workers in the health sector (where women make up over 70% of the workforce), who were in the frontlines of the battle against the pandemic, were severe. In education, where, here again, a large majority of employees are women, employment levels were not seriously affected but the teaching profession underwent a radical change. Meanwhile, job losses among women employed in the domestic service sector were huge, with employment levels falling to half of what they had been in some countries. Employment levels have been rising again over the last two years, but the improvement has been slow and uneven, and more men than women have been finding work in this sector again. What is more, a majority of the jobs being recovered are informal in nature (ECLAC, 2021a).

In addition to the structural crises referred to above, rising food and energy prices are already having a negative impact on the region. Steeply increasing inflation and the downward adjustment of economic growth expectations are setting the stage for increasing labour informality, shrinking labour force participation rates and climbing unemployment levels, all of which affect women to a disproportionate extent.

The four structural factors giving rise to gender inequality in the labour market are having a serious impact in terms of women's autonomy. These factors are: socioeconomic inequality and the persistence of poverty, as women participate less than men in the labour market, are paid less than

men and are overrepresented in poor households; discriminatory, violent patriarchal cultural patterns; the sexual division of labour and the unjust way in which society organizes caregiving tasks; and the concentration of power and the hierarchical structure found in the public arena, where women are underrepresented at decision-making levels in managerial, political and economic circles (ECLAC, 2022b).

To understand how these structural challenges are manifested now and what form they will take in the future, consideration needs to be given not only to paid employment in the labour market but also to unpaid and caregiving work performed primarily in the home, since the two forms of labour are interlinked and complementary. The sexual division of labour, where women shoulder the bulk of domestic and caregiving tasks, has a direct impact on their ability to enter the labour market, continue their educations and advance in their careers, all of which has implications for their access to social security and incomes of their own. The labour market also tends to reproduce the sexual division of labour seen at the household and community levels, since women make up the majority in care-related sectors. What is more, the laws and regulations in place to protect women holding jobs in the formal sector tend to focus on the rights and obligations of those who are mothers while overlooking those with other types of caregiving responsibilities and disregarding the need to promote co-responsibility.

Section A of this chapter describes the main characteristics of the labour market for women: the past regression and stagnation of women's labour force participation, on the one hand, and the horizontal segmentation and overrepresentation of women in informal forms of employment, on the other. Section B looks at how the four structural challenges associated with gender inequality are reflected with particular clarity in the care-related sectors of the economy (education, health and domestic service). Section C discusses some of the risks, challenges and opportunities that will be found in the workplaces of the future, while section D outlines a number of public policy proposals for closing gender gaps and enabling women to participate fully in the labour market at a time of such rapid change.

A. Women in the labour market

The increase in women's participation in the labour markets of Latin America and the Caribbean has been one of the major changes seen in recent decades. Economic growth in the region between 2002 and 2012 was

coupled with a reduction in poverty and an increase in women's economic autonomy. The statistics regarding these trends do not, however, reflect the generally poor quality of women's conditions of employment or the major obstacles hindering their inclusion in the labour market. Not only are women concentrated in poorly paid sectors of the economy, but their total workdays (paid plus unpaid work) have become much longer. Moreover, even during times of economic growth, the percentage of women in poor households[1] has remained higher than the percentage of men in such households in all the countries of the region (ECLAC, 2022b).

During the coronavirus disease (COVID-19) pandemic, the upward trend in women's labour force participation came to a halt, while the employment gap between men and women remained in evidence: women's unemployment rate has always been higher than men's, but the gap widened further in 2020. Estimates for 2022 point to unemployment rates of 6.1% for men and 9.0% for women, and that 2.9 percentage point differential is projected to remain in 2023. Women's labour force participation rate has made a partial recovery, climbing from 47.9% in 2021 to 51.0% in 2022, and is projected to reach 51.5% in 2023, but that will still be slightly below its pre-pandemic level of 51.8%. Thus, the gap between women and men in this respect remains, since the rate for men has been estimated at 74.8% for 2022 (ECLAC, 2022b). The structural nature of these inequalities is rooted in the sexual division of labour and the unjust way in which society organizes caregiving work.

1. The past regression and stagnation of women's participation in the labour force

Women's labour force participation rate in the region has been edging up over the last 20 years, although that slight upward trend has slowed during the past decade. The rate peaked in 2019 at 51.8%, which, as noted above, is still far lower than the male rate (75.5% in that year) (see figure 1).

The crisis triggered by the COVID-19 pandemic caused so many women to leave the labour market that the female participation rate regressed to where it had been 18 years before. The rate for both men and women began to rebound somewhat in 2021, but the recovery has been slow and uneven (see section C.1). The halting nature of this recovery

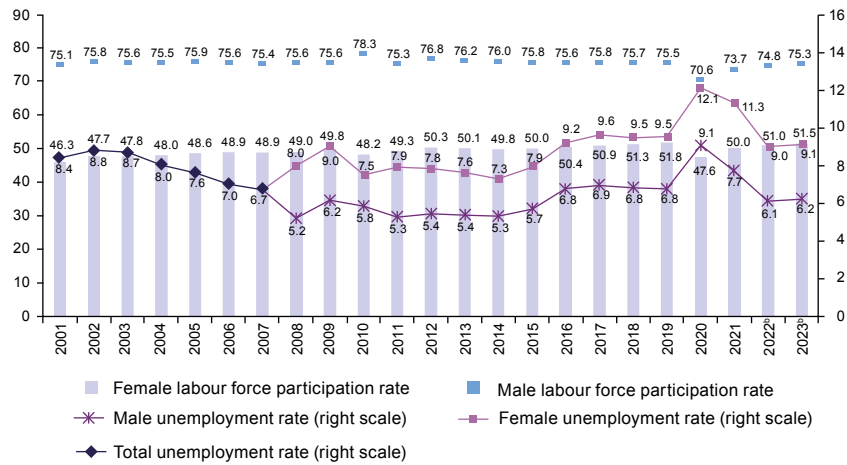
[1] See Gender Equality Observatory for Latin America and the Caribbean, "Feminity index of poor households" [online] https://oig.cepal.org/en/indicators/feminity-index-poor-households.

could be a sign that a new type of equilibrium is taking shape "in which persistent restrictions mean fewer people, especially women, decide to participate in the labour market" (ECLAC, 2022c, p. 71).

Figure 1

Latin America and the Caribbean (weighted average for 24 countries):[a] labour force participation and unemployment rates, by sex, 2001–2023[b]

(Percentages)



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

[a] Argentina, Bahamas, Barbados, Belize, Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Plurinational State of Bolivia, Trinidad and Tobago, and Uruguay. The figures for 2019 do not include the Bolivarian Republic of Venezuela.

[b] The figures for 2022 are estimates from the *Preliminary Overview of the Economies of Latin America and the Caribbean* of ECLAC for that year. The 2023 figures are projections taken from ECLAC, *Preliminary Overview of the Economies of Latin America and the Caribbean, 2022*.

The drop in employment levels has been especially steep in the case of lower-income households. A comparison of the employment rates for the different income quintiles in 2020 reveals a significant gap between the levels for women in the fifth and first quintiles: while the employment rate was 58.0% for the former, it was only 29.1% for the latter (ECLAC, 2022e). Job losses among less educated women have also been greater than among men with their same level of education and than among more educated women (ECLAC, 2022e).

Gaps in labour force participation rates and unemployment levels are not attributable entirely to market dynamics. Part of the explanation also lies in the division of labour within the home (the unequal distribution of unpaid and caregiving work, which has also been exacerbated by pandemic-related crises).

The participation rates for men and for women had not yet returned to their pre-pandemic levels by the close of the first quarter of 2022, and the recovery of the rate for women is lagging behind the upturn in the rate for men. The gender gap in participation rates narrowed during the period when the most stringent mobility restrictions were in place, but it widened again when those restrictions were eased in 2021. As an average for the region as a whole, the gap was 22.3% in the fourth quarter of 2019 and 22.8% in the first quarter of 2022. This same pattern is seen when comparing employment rates, with the rate for the first quarter of 2022 lagging further behind the rate for the last quarter of 2019 in the case of women than of men (ECLAC, 2022c) (see figure 1).

2. Horizontal gender segmentation and overrepresentation in informal employment

Women are concentrated in certain sectors of the economy, in many of which there are a large number of part-time and relatively low-wage jobs. Women predominate in occupations requiring fewer qualifications, and pay levels tend to be lower in occupational categories in which more women are employed. This is what is known as horizontal gender segmentation.

Nearly one out of every three women, but only one out of every five men, in the region is employed in the sector of commerce, hotels and restaurants. This, together with agriculture and domestic service (where 9 out of 10 employees are women), is one of the lowest-paid occupational groups of all. It is also one of the sectors that was hit the hardest by lockdowns and social distancing measures during the pandemic.

Women are also overrepresented in sectors of activity where informal employment is the most prevalent. In the sector of commerce, hotels and restaurants, which is the largest employer of women, only one out of three employed women pays into or is covered by the social security system. In the manufacturing sector, which is the second-largest employer of women in the region, less than half of the women employees pay into or are covered by the social security system, whereas 63.7% of male workers in that sector have social security coverage. In fact, in almost all sectors of employment, the differential between women's and men's social security coverage is substantial (see figure 2).

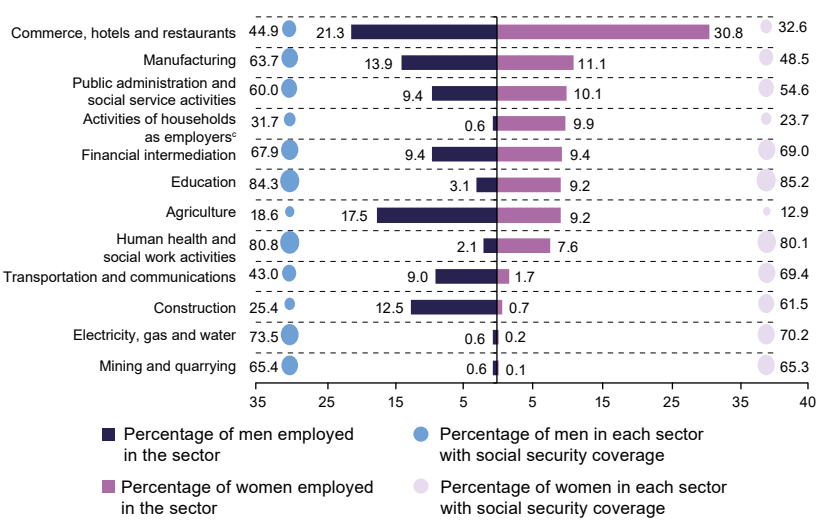
Gender inequalities are also reflected in income levels. Wages are generally low in the sectors employing the most women, such as commerce, hotels and restaurants; manufacturing; and paid domestic service. In other sectors traditionally associated with women, such as education or health care and social work, large wage gaps exist

between men and women. For example, in the fields of health care and social work, women earn 60% of what men earn (see figure 3). In 9 of the 12 occupational categories analysed, men out-earn women, while the three occupational categories where the wage gap favours women are precisely the three ones in which the fewest women are employed; this is attributable in part to the fact that the women working in those sectors tend to hold more highly qualified positions (see figure 3) (Vaca-Trigo, 2019). In some countries, the gap is wider when the members of the corresponding households include children under 5 years of age (ECLAC, 2021b), which underscores the impact of the unequal distribution of caregiving tasks on women's participation in the labour force, income levels and economic autonomy.

Figure 2

Latin America (14 countries):[a] distribution of the employed population by sector of economic activity[b] and by percentage of workers with social security coverage, by sector and sex, around 2021

(Percentages)



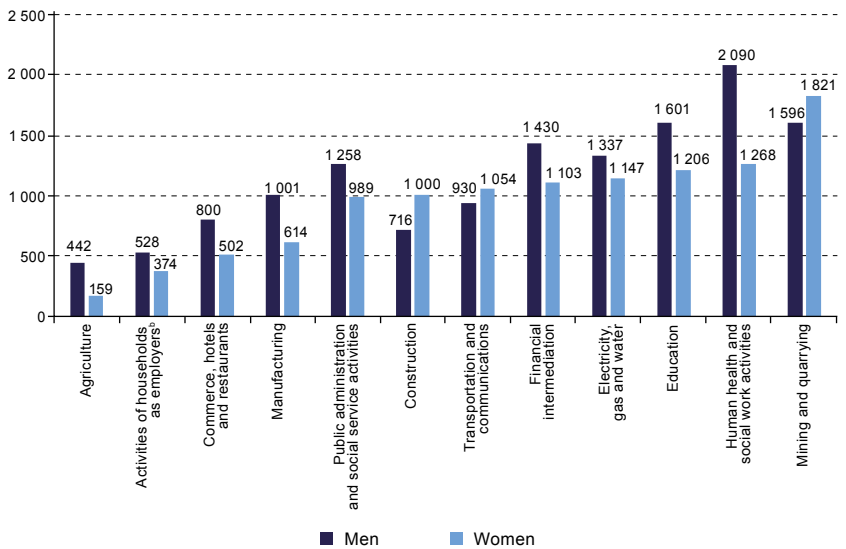
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of the Household Survey Data Bank (BADEHOG).

[a] Weighted average of Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Peru, Panama, Plurinational State of Bolivia and Uruguay. The data are for 2021, except in the cases of Chile, Mexico, El Salvador and the Plurinational State of Bolivia, where the data are for 2020, and Honduras, where the data correspond to 2019.

[b] The 12 categories used here are taken from the International Standard Industrial Classification of All Economic Activities (ISIC), revision 4. The category of financial intermediation shown here groups together the ISIC revision 4 sections of "financial and insurance activities", "real estate activities", "professional, scientific and technical activities" and "administrative and support service activities".

[c] Undifferentiated goods- and services-producing activities of households for own use.

Figure 3
Latin America (14 countries):[a] average wage levels, by sector of economic activity and sex, around 2021
(Purchasing power parity (PPP) dollars)



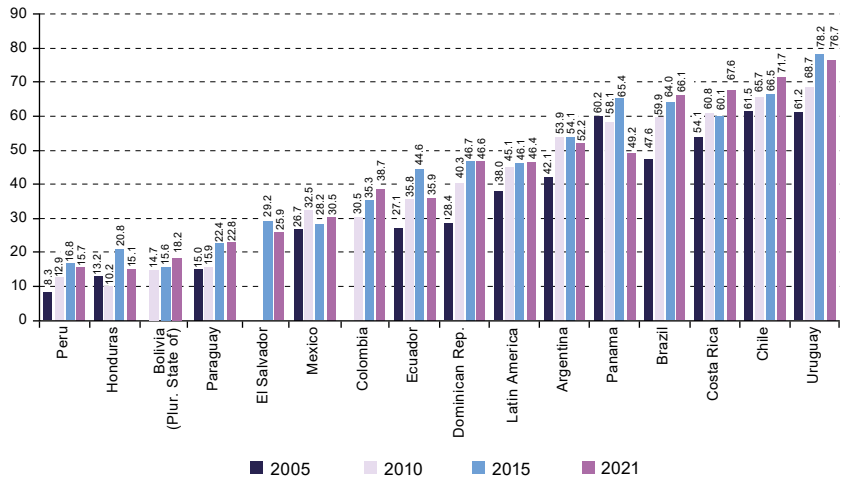
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of the Household Survey Data Bank (BADEHOG).

[a] Weighted average of Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Honduras, Mexico, Peru, Panama, Plurinational State of Bolivia and Uruguay. The data are for 2021, except in the cases of Chile, Mexico, El Salvador and the Plurinational State of Bolivia, where the data are for 2020, and Honduras, where the data correspond to 2019.

[b] Undifferentiated goods- and services-producing activities of households for own use.

The explanation for the significant gap between women's and men's levels of labour inclusion necessarily involves a consideration of the need to reconcile working life with caregiving responsibilities. Without appropriate caregiving systems suited to the needs of the various groups making up the population and unless responsibilities are shared within the household, the traditional sexual division of labour, in which women shoulder the bulk of domestic and caregiving tasks, limits their ability to seek full-time employment. This interferes with their chances of finding good-quality jobs and of securing retirement benefits under a contributory pension system, all of which has negative implications for their economic autonomy during old age. Less than 47% of working women in the region are covered by a social security system, and that figure has hardly changed at all in more than a decade. The numbers vary widely across the different countries but, in most, not even half of the women in the workforce have such coverage (see figure 4).

Figure 4
Latin America (15 countries): social security system coverage rates for employed women, around 2005, 2015 and 2021



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

Note: The weighted averages for Latin America are based on the available data for the year in question. The weighted average for 2005 reflects the data for 12 countries: Argentina, Brazil, Chile, Costa Rica, Dominican Republic, Ecuador, Honduras, Mexico (2006), Panama, Paraguay, Peru and Uruguay. The averages for 2015 and 2021 correspond to 15 countries: Argentina, Brazil, Chile (2020), Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador (2020), Honduras (2019), Mexico (2020), Panama, Paraguay, Peru, Plurinational State of Bolivia (2020) and Uruguay.

This gives rise to an alarming vicious circle of time poverty and monetary poverty driven by the way in which women enter and participate in the labour market. With an economic model that places priority on productivity and does not provide economic rewards for caregiving, the conditions under which women take part in the labour market do not necessarily offer them a way to escape poverty in the medium or long terms.

The labour market perpetuates stereotypes that lie at the root of women's overrepresentation in caregiving sectors (teaching, healthcare, social welfare and domestic service) —which is an extension in a labour-market setting of the prevailing sexual division of labour and the roles assigned to women as caregivers— and women's underrepresentation in sectors such as energy, information and communications, water supply, and mining and quarrying. These latter, male-dominated, sectors have the highest indices of formal employment, and jobs in these sectors tend to be highly paid. They are also sectors with strong growth prospects for the

coming years. Labour laws and regulations may also perpetuate existing inequalities. Laws on rights and obligations pertaining to childcare have focused on women rather than promoting shared responsibility. The lack of laws conveying maternity-related labour rights to women in the informal sector of the economy and women working in domestic service jobs is a cause of particular concern (ECLAC, 2022b).

B. Structural challenges of gender inequality in the care economy

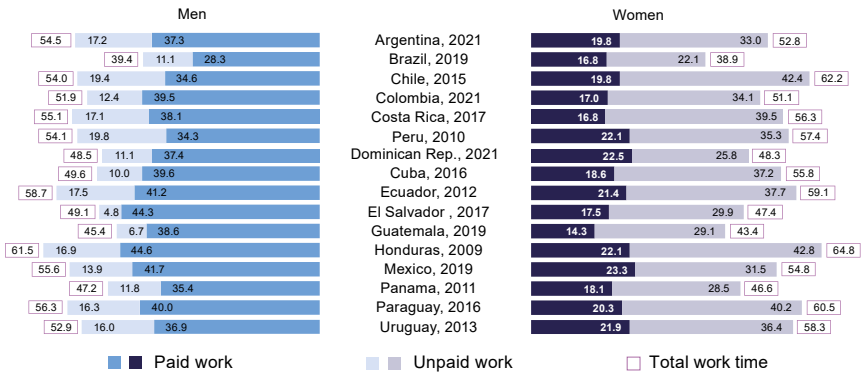
The four structural challenges of gender inequality are reflected especially clearly in the care-related sectors of the economy: education, health care and domestic service employment. First of all, they mirror the sexual division of labour and the assignment of domestic and caregiving tasks to women even in the context of paid employment. Second, patriarchal cultural patterns, the concentration of power in the hands of men, and women's limited access to decision-making positions also carry over into those sectors even though they are highly feminized. The shortcomings of public policies on care-related matters makes these challenges all the more formidable.

1. The distribution of unpaid domestic and caregiving tasks

Historically, increases in women's labour force participation have not been accompanied by increases in men's participation in unpaid caregiving work, partly because the prevailing economic model does not place value on essential life-sustaining activities, such as, in particular, caregiving. As a result, women end up shouldering an excessive burden in terms of total working time, which is, in turn, a contributing factor to occupational segregation and the wage gap (Vaca-Trigo, 2019).

In Latin America, women spend between 22 and 43 hours a week performing unpaid domestic and caregiving work, which is more than double the amount of time spent by men on such tasks (between 10 and nearly 20 hours per week) (see figure 5). In half of the countries that have compiled time-use data (8 out of 16), the statistics show that this results in women bearing a larger total workload than men do. When the scope of the data is restricted to the employed population between 20 and 69 years of age, then the total workload of women is greater (by between 2.4 and 20.8 hours per week) than that of men in all the countries (ECLAC, 2022b).

Figure 5
Latin America (16 countries): average amount of time spent by persons aged 15 or over performing paid and unpaid work, by sex and country, latest available period
(Average number of hours per week)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of the Repository of Information on Time Use in Latin America and the Caribbean.

This excessive burden of unpaid domestic and caregiving work is one of the main barriers to women's full participation in the labour market. Time-use surveys show up the inverse relationship between the time spent by men and women performing paid and unpaid work. Most of the people performing caregiving tasks are of working age and, in households with children under 15 years of age, approximately 60% of the women report that they do not participate in the labour market because of their family responsibilities. In households without children in that age group, the corresponding figure is 18% (ECLAC, 2021b).

The unequal distribution of domestic and caregiving tasks also powers the vicious circle of time poverty and income poverty. Since the State does not provide sufficient resources to cover the population's caregiving needs, households that can afford to pay for caregiving services do so, while poorer households rely on women to perform that work without pay, which limits their access to the labour market and thus deepens existing socioeconomic inequalities.

An analysis of time-use statistics by age group shows how the gap between boys and girls begins to become apparent very early on. Information for nine different countries of the region reflects similar trends: more boys take part in paid work, while girls spend much more time on domestic and caregiving tasks. Child, early and forced marriages and unions also increase the number of hours of unpaid domestic and

caregiving work carried out by girls. In some countries, such as Guatemala, Mexico and Colombia, the amount of time spent by girls and female adolescents who are married or in a union performing unpaid work is equivalent to the length of the work week established by law (Working group of the Joint Inter-Agency Programme to End Child Marriage and Early Unions in Latin America and the Caribbean, 2022).

This early manifestation of the sexual division of labour is then carried over into adult life (ECLAC, 2022b). Time-use surveys shed light on the excessive burden of unpaid work borne by women and the long hours devoted by both men and women to paid work. The organization and duration of the workday, combined with long commute times, place women in a very difficult situation, and this is especially true for women in poorer households that are unable to externalize the cost of care by paying for caregiving services in the market.

Although the care crisis precedes the many different crises triggered by the COVID-19 pandemic, the convergence of these processes has given rise to an unprecedented excess unpaid workload for women. First of all, the necessity of shifting much of the work involved in providing domestic services to the home, and primarily to the women within the home, drastically increased the burden of unpaid work. In addition, the amount of paid work to be done increased in care-related sectors such as health and education, where women are overrepresented, at the same time as working conditions deteriorated (see section B.2). The most dramatic impacts of all were seen during the early stages of the pandemic as schools closed their doors and the pressure on health-care systems soared.

Rapid gender assessment surveys conducted by the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women) in Chile, Colombia and Mexico in the second half of 2020 indicate that the increase in the amount of time spent preparing meals, cleaning and playing with children was greater for women than for men. The National Time Use Survey of Colombia, which compared the periods January–April 2017, September–December 2020 and January–April 2021, indicates that women have been spending more time during the day performing unpaid work and that the percentage of women engaged in activities related to supplying food, house cleaning and maintenance has been rising. According to the COVID-19 Rapid Assessment carried out by the United Nations Children's Fund (UNICEF) in Argentina in April and May 2021, 54% of the women respondents reported having a heavier workload since the start of the pandemic (ECLAC, 2022e).

Women between the ages of 20 and 59 in households in which there are children under 5 years of age, who had the lowest pre-pandemic employment levels of all, were also the group for which employment rates fell the most as a consequence of the crisis (ECLAC, 2022b). The

long-standing biases relating to the care economy have thus been exacerbated by this unprecedented regression in women's labour force participation rates and conditions of employment. This makes it all the more important to ensure that policies to support the recovery from the pandemic are designed to reverse these trends. In the absence of a gender perspective, and depending on the sectors that are given priority, there is a risk that otherwise those policies could intensify existing inequalities.

2. The sectors of the care economy

The education, health-care and paid domestic service sectors are considered to be part of the care economy not only because of the type of work performed by persons employed in those sectors but also because of the impact they have on households' caregiving workload. Women are in the majority in these sectors, as well as being the main caregivers in the home, and the sexual division of labour seen in households is therefore carried over into the market.

In Latin America, 70.0% of the workforce in the education sector, 73.5% of the persons employed in the health-care sector and 92.8% of domestic service workers are women, but few women are in senior management positions. This vertical segregation reflects the difficulties faced by women seeking opportunities for professional advancement and more highly paid jobs in which they would have more decision-making power (Vaca-Trigo, 2019, p. 25). An intersectional analysis indicates that Afrodescendent and Indigenous women have the lowest pay levels of all in each of the three sectors of the care economy (ECLAC, 2022b).

When the COVID-19 pandemic began, people working in the care economy found themselves in the front lines in the battle against the virus, where they had to work long or unpredictable hours, ran a high risk of contracting the disease and had to deal with the stress and fatigue caused by the difficult conditions in which they were working.

The most dramatic impact on employment levels was seen for women working in private households, where the employment rate plunged by nearly 20.0% between 2019 and 2020 (ECLAC, 2022e). The quality of employment was also adversely affected, with total earnings for female domestic workers falling by 22.4% between 2019 and 2021. Employment levels in the health-care sector rose, but only slightly (see table 1).

One of the serious after-effects of the crisis has been the impoverishment of women employed in the care economy. The percentage of employed women living in poverty rose in all sectors of the economy between 2019 and 2021, but the increase was particularly alarming for female domestic service workers. In 2019, 20.7% of women in this sector were

already poor, but by 2021 that figure had climbed to 23.5% (see table 1). This is one of the sectors in which informal employment is the most prevalent (only 24.6% of women employees in this sector have social security coverage), and it is also one in which the relative numbers of women of African descent and migrant women are the greatest (ECLAC, 2019).

Table 1
Latin America (9 countries):[a] characteristics of sectors of the care economy, weighted averages, around 2019–2021
(Percentages)

Economic sector	2021		2019	Changes between 2019 and 2021	
	Percentage of women employees in the sector	Percentage of women employees living in poverty	Percentage of women employees living in poverty	Female employment levels	Total earnings of women employees
Education	69.9	4.4	3.0	-9.34	-6.45
Health care	73.5	4.3	3.2	2.50	1.41
Private households	92.8	23.5	20.7	-16.42	-22.37
Total[b]	41.9	13.7	11.9	-6.28	-6.98

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Household Survey Data Bank (BADEHOG).
[a] Weighted average for Argentina, Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, Panama, Peru and Uruguay.
[b] 21 sectors of economic activity as defined in the International Standard Industrial Classification of All Economic Activities (ISIC), revision 4.

The issue of labour inclusion in a market that does not acknowledge the essential nature of caregiving tasks is particularly problematic for working-age women, since they are the main caregivers and often have very long workdays. It is also a problem for women over 65 years of age, for whom caregiving responsibilities are combined, in many cases, with the lack of an income of their own. The lack of sufficient comprehensive care policies and of labour laws that recognize and uphold the right to labour inclusion of all workers, both male and female, undermines the sustainability of life in equality in the short, medium and long terms.

C. Risks, challenges and opportunities in the future world of work

The COVID-19 crisis has made the risks and challenges faced by women in the labour market much more apparent. The unequal recovery of female employment rates has underscored the crisis in the care economy and the relationship between the sexual division of labour in the home and the possibility of obtaining work in the labour market. This situation will be exacerbated by emerging demographic shifts, which are likely to

result in a greater direct demand for care services at the same time that the expansion of the economically active population reduces the number of potential caregivers (Scuro, Alemany and Coello Cremades, 2022). In order to turn this situation around, changes will have to be made in paid and unpaid workloads, and investments will need to be made in order to open up opportunities for new job creation in care-related activities.

The rapid digitalization triggered by the pandemic also poses various challenges in terms of women's labour inclusion: the effects of automation and jobs losses; the creation of new types of largely benefit-less jobs, such as those making up the gig economy; and the persistence of the digital gaps that result in the exclusion of many people from employment in innovative sectors of the economy. According to data compiled by ECLAC (2022a), 26.7% of the jobs held by women are at a medium or high risk of technological substitution and another 13.7% are at a low level of substitution risk.

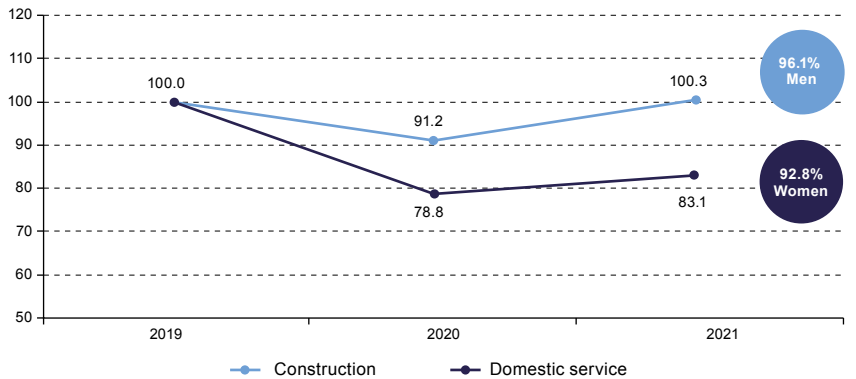
1. Gender inequalities in the recovery

As in the case of the effects of the crisis, the recovery and its beneficial impacts are not equitably distributed across countries or economic sectors or between men and women. The economic recovery is proceeding more slowly in feminized sectors of activity, and the improvement in the different labour indicators is exhibiting an intersectoral dimension, given that sectors employing more women, such as domestic work, services, tourism and commerce, are taking longer to rally (ECLAC, 2022b). Moreover, there is also an intrasectoral gender bias, with female employment being slower to rebound than male employment (Maurizio, 2022).

This type of inequality is clear to see, for example, in the contrast between the rapid recovery of the highly masculinized and highly paid construction sector and the slower improvement in the highly feminized, poorly paid domestic service sector, where a large percentage of women workers lack social protection. In 2021, employment levels in the construction industry were higher than they had been in 2019, whereas employment in the domestic service sector was only 83.1% of its pre-pandemic level (see figure 6).

Tourism, where women make up a large part of the workforce, is another sector that was hit hard by the COVID-19 pandemic, especially in the Caribbean. Despite the promising recovery being made by international trade, the tourism sector, which is an important direct and indirect employer for women, is taking longer to regain its pre-pandemic levels (ECLAC, 2021b). At the same time, employment levels appear to be set to rise in some high-qualifications service sectors in which women are in the minority (ECLAC, 2022d).

Figure 6
Latin America (8 countries): employment levels in the construction and domestic service sectors, 2019–2021
(Index: 2019 = 100)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of the Household Survey Data Bank (BADEHOG).
Note: Weighted averages for Argentina, Brazil, Colombia, Costa Rica, Dominican Republic, Ecuador, Peru and Uruguay. The figures in the circles indicate the percentages of men and women in the construction and domestic service sectors, respectively, in 2021.

One feature of this crisis that sets it apart from earlier crises is that the record decrease in women's labour force participation rate has gone hand in hand with an increase in their unpaid and caregiving workloads. This represents an additional obstacle for women wishing to return to good-quality jobs in the labour market. In all probability, unless labour policies are introduced that are specifically focused on closing intersectional gender gaps, the structural differentials that have been reinforced by the crisis will only heighten the gender inequalities characteristic of the region's labour markets. An important consideration in this respect is that the decline in women's employment levels were especially steep among low-income households.

Although the worst of the COVID-19 pandemic has passed, its persistent socioeconomic impacts are being exacerbated by new global challenges arising as a result of the war between the Russian Federation and Ukraine. Heightened uncertainty and its impacts on investment and rising energy and food prices, especially at a time when economic activity is slackening, are strong drivers of inequality and particularly gender inequality (ECLAC, 2022c). This, in turn, is perpetuating and, in some cases, intensifying existing structural challenges.

Gender inequalities are not only reflected in the recovery but also in new, emerging challenges. The rising cost of living is being felt worldwide and is having a disproportionate impact on women, who are overrepresented in the poor, unemployed and low-income segments of the population. Public

policies need to be focused, in particular, on single-parent households headed by women (who are both the breadwinners and caregivers for their households), where higher food prices have an especially strong impact since, for these households, the money spent on food represents a much higher percentage of total expenditure.

2. Demographic changes and their impact on the world of work

Two of the main features of the demographic transition in Latin America and the Caribbean are the sharp decrease in the fertility rate and, at least until 2030, the fact that such a large proportion of the population is of working age (15 to 64 years). As the transition proceeds, however, as noted in chapter I, the populations of all the countries are ageing, although at differing rates (ECLAC, 2019).

A great deal of attention has been devoted to the demographic dividend and to the window of opportunity opening up for countries whose populations are ageing more slowly, since this means that, for the time being, they will have relatively large working-age populations. This also means, however, that they will have a large number of adolescents and young adults entering the labour market and their reproductive stage in life at a time marked by high levels of poverty and unemployment (Schiel, Leibbrandt and Lam, 2014 cited in ECLAC, 2022b) and wide gender gaps. In addition, the members of that working-age population are also the main potential caregivers. When analysing the demographic transition, consideration should therefore also be given to the reduction in the amount of available time for performing domestic and caregiving tasks and the increasing demand for care and its costs as the population grows older. The current model for the labour market, which is based on full-time employment, does not make provision for the demand pressure on the care sector and the consequences in terms of the dual workloads that are borne primarily by women (ECLAC, 2022b).

The existing social protection and labour rights systems were developed at a time when most households were composed of a single breadwinner and the demand for caregiving was generated primarily by children. In a few years, however, there will be countries in which the demand for caregiving services for older adults will outstrip the need for childcare. The other countries in the region will witness the same shift at different points in the twenty-first century (ECLAC, 2022b). The workday, both for men and women, must be regulated in order to make allowance for the caregiving tasks —concerning children, older family members and persons outside the household— that they need to perform. In addition, while this demand will create new jobs, regulations and

investments will be needed in order to ensure that these new jobs will be covered by social protection measures and will afford decent conditions of employment.

3. The challenge of the digital transformation

The crisis has accelerated the pace of the digital transformation, not only of the way that people work, but in all other spheres of life as well. The benefits of that transformation are not evenly distributed, however, and, without policies for promoting access to the associated technologies, inclusive digitalization and skills development, there is a risk that new forms of exclusion will emerge and that existing ones will be intensified.

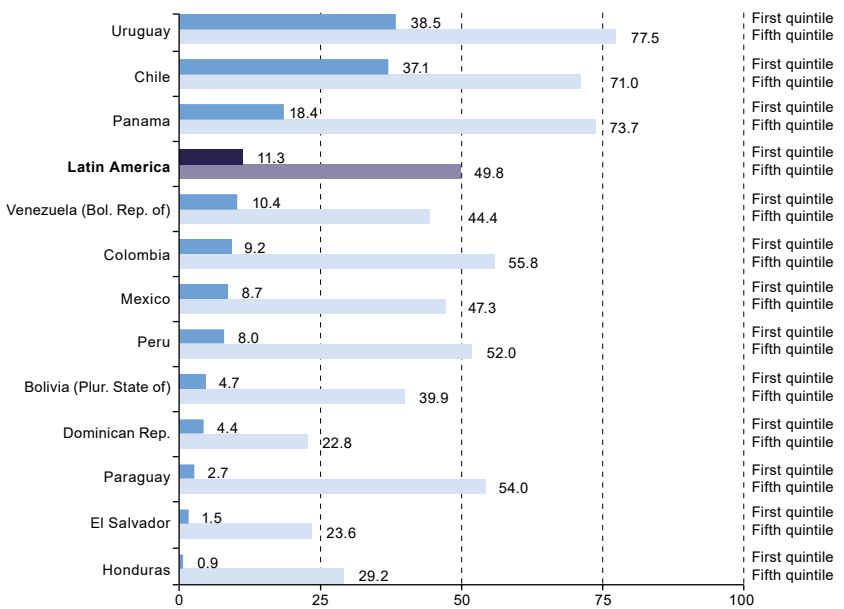
In recent decades, connectivity and digital skills have become essential tools for the development and exercise of personal autonomy, and these tools became all the more important during the period when mobility restrictions were in place. This holds true both in relation to paid employment (in which processes of automation, remote work, outsourcing and platform work have come to play important roles) and unpaid work and caregiving (where connectivity and digital skills are now involved in the provision of learning support, remote health monitoring for older adults and the online processing of many of the tasks involved in running a home). These changes have different effects on different social groups and often reinforce underlying forms of exclusion and gender biases. In the countries for which the relevant information is available, less than half of the population has the necessary digital skills. The percentage of people reporting that they are capable of performing more complex digital tasks such as programming, configuring software or hardware or using spreadsheet formulas is even lower (less than 9%). The gender gap in the possession of these types of skills is even wider and is reinforced by the perception that women are less well versed in science and mathematics (Muñoz Rojas, 2019).

In Latin America and the Caribbean, 1 out of every 2 homes has no Internet access, and 7 out of every 10 households lack access to a computer, and women are overrepresented in these homes. The digital gender gap, understood as the gap in effective connectivity and digital skills, intersects with other inequalities and forms of discrimination because the distribution of access to technologies and the skills needed to use them reflects the structural challenges of gender inequality in society (Vaca-Trigo and Valenzuela, 2022), putting poor, Indigenous, Afrodescendent and rural women at a disadvantage.

An analysis of households headed by women, disaggregated by income quintile, shows up alarmingly wide gaps. While, in the fifth quintile, 1 out of every 2 female-headed households has effective

connectivity (access to a computer plus an Internet connection), this is true of only 1 out of every 10 such households in the first quintile. There are also sharp differences across countries. Whereas, in countries such as Uruguay, 38.5% of female-headed households in the bottom income quintile have effective connectivity, this is true of only 0.9% of such households in Honduras and of 1.5% of them in El Salvador (see figure 7).

Figure 7
Latin America and the Caribbean (12 countries): percentage of households headed by women with effective connectivity, by quintile, latest available year
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of the Household Survey Data Bank (BADEHOG).
Note: The latest year for which data were available was 2021 for Colombia, the Dominican Republic, Panama, Peru Paraguay and Uruguay; 2020 for Mexico and the Plurinational State of Bolivia; 2019 for El Salvador and Honduras; 2017 for Chile; and 2014 for the Bolivarian Republic of Venezuela.

The expansion of the digital economy opens up new job opportunities but can also put up new barriers to entry into the labour market. While this is generating a greater demand for skilled personnel in the areas of science, technology, engineering and mathematics (STEM careers) and for information and communications technology (ICT) specialists, it is still the case that relatively few women participate in these booming technological sectors, careers and activities (Bércovich and Muñoz, 2022).

New forms of work, and especially flexible working arrangements involving platform work or teleworking, have been given a boost by the

pandemic and the digitalization process. These arrangements may make it possible to reconcile employment with other activities such as caregiving, but they have some downsides for women as well benefits, since women may encounter higher access barriers to certain types of employment in these areas and, when they do gain access, their paid and unpaid workloads may overlap, giving rise to higher levels of stress and fatigue. In addition, such arrangements may curtail women's involvement in networks and other connections outside the home. According to the evidence gathered in a study in Argentina, men who were teleworking reported that they had more time to take care of personal or family matters than men who were working on-site did, but women teleworkers found that they had no such advantage (Ottaviano, 2020).

As mentioned in chapter I, while the platform economy has helped to reduce unemployment and underemployment, it also poses challenges in terms of labour and tax laws and employment protection. Some recent studies have pointed to a lack of job security, substandard working conditions and limited skills acquisition opportunities as problems associated with these new types of working arrangements (Madariaga and others, 2019). Most platform employers see themselves as intermediaries between supply and demand and, as such, maintain that there is no employment relationship with their gig workers. Consequently, many digital platform workers lack the right to form or join unions, the right to strike or the right to collective bargaining, nor do they have paid time off, sick leave, health insurance, maternity benefits or unemployment insurance. Furthermore, by their very nature, these types of jobs provide no assurance of a steady income, training opportunities or possibilities of career advancement (Vaca-Trigo, 2019).

If these new forms of work are to help drive a sustainable development process with equality, they must therefore be coupled with policies to promote the sharing of responsibilities in and outside the home. Studies have also drawn attention to the ramifications of the automation of various processes that goes along with the digital transformation. While some experts contend that this could have a particularly strong impact on women because they are overrepresented in manual occupations involving the performance of low value-added, repetitive tasks (Vaca-Trigo and Valenzuela, 2022), it is also true that women make up a majority in other service sectors involving human interaction. Activities such as education, health care and paid caregiving work are also being altered by digitalization but are highly unlikely to be completely automated. Some experts argue that, on the contrary, they may be valued more in the future if an effort is made to professionalize these activities and improve the attendant working conditions.

D. Public policies with equality for the future world of work

Labour markets in Latin America and the Caribbean are both based on and perpetuate a rigid sexual division of labour. Given the existing inequalities in labour inclusion and the distribution of unpaid work, the cascading crises affecting the region are having a disproportionate impact on women. The post-pandemic recovery in employment is progressing slower for women than for men, while the slowdown in growth and fiscal constraints are making it more difficult to prevent some of the gains made in terms of women's economic autonomy from being lost.

Proactive policies to prevent the reproduction of long-standing gender inequalities are needed in order to support women's economic autonomy. Measures that will modify the length and rigidity of the workday would help to move the economy in the right direction. Five guideposts for paths that can provide a way of overcoming the structural challenges of gender inequality in the future world of work are set out below.

1. A paradigm shift: the care society

The non-recognition of the social and economic value of the domestic and caregiving work carried out in households and in the workplace, most of which is performed by women, has profound implications for women's lives, incomes and autonomy.

The Regional Gender Agenda and especially the Buenos Aires Commitment (ECLAC, 2022a) call for a paradigm shift that would usher in a production style and a way of organizing society in which the sustainability of people's lives and of the planet would be the core elements in the effort to create a care society within a framework of sustainable development with gender equality. This will entail acknowledging the link between the labour market and life- and economy-sustaining unpaid and care work (ECLAC, 2022b). In terms of the production structure, this will involve orienting society towards knowledge-intensive sectors and towards quality employment and economic opportunities for women in low-carbon, environmentally sound activities.

2. Promoting a recovery coupled with gender equality

Some of the sectors in which the recovery is lagging the most are highly feminized ones. Against the current backdrop of rising inflation and the downward adjustment of economic growth prospects, it is important to seek out strategies for powering the recovery, productive development and employment with a gender perspective that will not replicate androcentric

biases. At the same time, remote working arrangements and increased outsourcing are posing new challenges. Although the level of informality in the region has not increased since the outbreak of the pandemic, current statistics point to a significant deterioration in working conditions in Latin America and the Caribbean, especially in the case of low-income, poorly educated women. Guidelines need to be put in place for the creation of decent work and the provision of access to decent forms of employment based on incentives for the formalization of all workers.

Access to better working conditions is another of the key components of a more robust social protection system that will shield the workforce from future crises. This is particularly important in the context of an economic recovery, where the more informal sectors of the economy tend to lag far behind. When crisis situations persist, it is also important to expand unemployment insurance coverage for own-account and independent workers, which is another sector in which women are overrepresented.

3. Prioritizing investment and improving working conditions in the care economy

The demographic and epidemiological transition now taking place in the region will bring about a sharp increase in the demand for caregiving services. Unless affirmative action labour policies and comprehensive care systems are put in place, women's participation in the labour force —not only in the care economy but in the labour market as a whole— may decline even further. The various sectors of the care economy, which are already highly feminized and whose economic and social value goes largely unrecognized, have been particularly hard hit by the pandemic, and this is especially the case for paid domestic work. These kinds of tasks need to be accorded greater social and monetary recognition, and accomplishing this will entail increasing the "skills, professionalization, certification, formalization and status of those … who are employed in the care economy" (ECLAC, 2022b, p. 159). The sector of paid domestic service merits special attention. In that sector, the introduction of formalization, upgrading and certification mechanisms is vital in order to provide workers with social security coverage and to strengthen social and labour protection laws.

Priority needs to be placed on investment in the care economy in order to create and protect jobs in that sector and to help the people working in that economy and all those who benefit from the services it provides. In addition to playing a pivotal role in life-sustaining activities, investment in the care economy has a strong potential for boosting household incomes and helping to close gender gaps.

Calculations carried out by UN-Women and ECLAC indicate that the establishment of a childcare system in Mexico would raise the

gross value of annual output by an average of 1.77% and lead to a total increase in average annual employment levels of 3.9% over the 2019 rate. The investment would amount to 1.16% of GDP and would generate additional tax revenues in the form of social security contributions and taxes of 0.29% of GDP. Since the existing childcare system in Mexico costs the government the equivalent of approximately 0.45% of GDP, the additional funding, averaged over a five-year period, would come to 0.58% of GDP. This example highlights the potential for investment in the care economy to function as a driver of growth (Scuro, Alemany and Coello Cremades, 2022b).

In the current context of fiscal constraints, high inflation, sluggish economic growth and steeply rising debt levels, an innovative and responsible approach has to be taken to the financing of care programmes and policies using a range of different sources in order to ensure their progressiveness and sustainability. In designing models for funding care systems in the countries of the region, a number of different options will need to be analysed in order to ensure a diversified combination of such sources as social insurance, budgetary resources drawn from general revenues, excise taxes and direct payments by households (Scuro, Alemany and Coello Cremades, 2022b).

4. A labour market that promotes gender equality

Labour inclusion policies can alter the unequal sexual division of labour and help to change cultural patterns whereby men and women are each associated with certain tasks and sectors. These policies should include incentives that modify the way the labour markets works by, for example, offering benefits to employers who hire women in traditionally masculinized sectors and promoting the entry of men into historically feminized activities (ECLAC, 2022b). Measures of the latter sort are particularly important to help meet rising demand in sectors of the care economy.

Maternity, paternity and parental leave is another area that offers an opportunity to help reverse discriminatory patterns of inequality. Key policies in this connection include the introduction of mandatory parental leave and the establishment of incentives for its use, information campaigns concerning men's role as caregivers and explicit protection measures for men who take paternity leave, regulations that set a ceiling on the number of hours that can be worked per day and measures to protect the jobs of all persons who have dependents in their charge. It is also important to continue improving the compilation of labour statistics with a gender perspective so that policymakers can track how much progress is being made in the implementation of such policies.

5. Inclusive digitalization for sustainable development with gender equality

Inclusive digitalization with a gender perspective will bring advances in terms of access to and the use and ownership of digital technologies, as well as their creation and development. Providing women with greater access to effective connectivity and to affordable computer hardware is a necessary step, but it will not be enough. Effective connectivity is provided by the combination of Internet access with access to the use of digital technologies that will enable users to develop both generic digital skills (digital literacy, information management, digital communications and collaboration, the creation of digital content, digital security and privacy, knowledge about digital human rights and their exercise) and higher-level digital skills (specialized skills employed in ICT occupations and professions) (Bércovich and Muñoz, 2022). Thus, measures to ensure effective connectivity must be paired with the promotion of STEM and ICT education and training for women in order to enable them to overcome the entry barriers of these sectors of production.

It is also important to foster a sense of ownership of these technologies in order to build people's confidence and improve the way that they use them in their daily lives. Women, in particular, should be encouraged to undertake STEM studies and embark on STEM career paths in order to ensure their full participation in the continued development of science and technology. And, in order for this to be accomplished, steps must be taken to do away with the factors that hinder access to digital technologies, effective connectivity and opportunities to acquire digital skills (Bércovich and Muñoz, 2022; Vaca-Trigo and Valenzuela, 2022). As things stand now, the lack of effective connectivity is interfering not only with people's ability to develop job skills but also with their exercise of their basic rights, such as the right to access to information.

ECLAC has called for the promotion of inclusive digital transformation processes involving such initiatives as the basic digital basket[2] for the households of the region, which is intended to ensure their effective connectivity and their members' ability to acquire the skills needed to use these technologies, and the Regional Alliance for Women's Digitalization in Latin America and the Caribbean (ECLAC, 2021b). The courses of action that it is recommending in order to prevent new digital technologies from heightening pre-existing inequalities include expanding the coverage and increasing the quality of the network, especially in

[2] The basic digital basket includes a laptop computer, a smart phone, a tablet and the necessary support measures to ensure effective connectivity.

underserved areas; helping women and girls to gain confidence in the use of digital technologies and improve their digital security; and disseminating information about the involvement of women in all their diversity in innovation and digital transformation (ECLAC, 2023).

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Chapter III

Challenges and recommendations for the labour inclusion of young people in Latin America

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Youth is a very important phase of the life cycle, as it shapes aspects that will affect adult life, such as inclusion in the labour market. Labour inclusion, meaning access to employment in decent working conditions, is essential for social inclusion and the achievement of a more equitable society (ECLAC, 2017). There is good reason for employment to be considered "the master key to equality" because, together with education, it is the main mechanism for fostering social inclusion, overcoming poverty, and ensuring access to social protection and independent living, especially for those in situations of disadvantage (ECLAC, 2016).

Thus, the transition from the education system to the labour market largely defines a person's future employment trajectory (in terms of income, job quality and professional development possibilities), and is a key point in the transition to adulthood and in the reproduction of (dis)advantages of origin (Abramo and Ullmann, 2017; Miranda and Corica, 2018; ECLAC, 2017, 2019 and 2016; Cavero and Ruiz, 2016). It is a fundamental milestone in the life cycle and contributes greatly to young people's emancipation and autonomy (Filgueira, 1998).

The youth of Latin America and the Caribbean enjoy a number of advantages compared to previous generations, such as their level of qualification and use of technologies. This offers countries both a valuable resource for development and the potential to leverage the demographic dividend and improve productivity (Gontero, 2023). However, the labour inclusion of young people —especially women— is placed in jeopardy by the structural problems of inequality and poverty and by the consequences of the successive crises faced in recent years (Morales and van Hemelryck, 2022). Considering that the recovery of employment has been slow and concentrated in low-quality and informal jobs (ECLAC, 2023), Latin America has moved away from the Goals set for 2030 that seek to guarantee labour inclusion through decent work for all, and especially for young people.

Against this backdrop, the present chapter offers an analysis of the main challenges and obstacles for labour inclusion of the youth population in Latin America, in the context of the post-pandemic recovery and considering some of the main trends shaping the future of work in the region. The chapter has four sections. The first provides a diagnosis of the labour inclusion of young people in Latin America, with an account of the main indicators from household and employment surveys in the region. The second section analyses the transition from the education system to the labour market, a key process in the intergenerational reproduction of poverty and inequality. The third section focuses on the growing gap between the skills and abilities required by the labour market and those in supply, in the context of the fourth digital revolution. The fourth and final section puts forward policy proposals to facilitate and achieve labour inclusion for the youth of Latin America and the Caribbean.

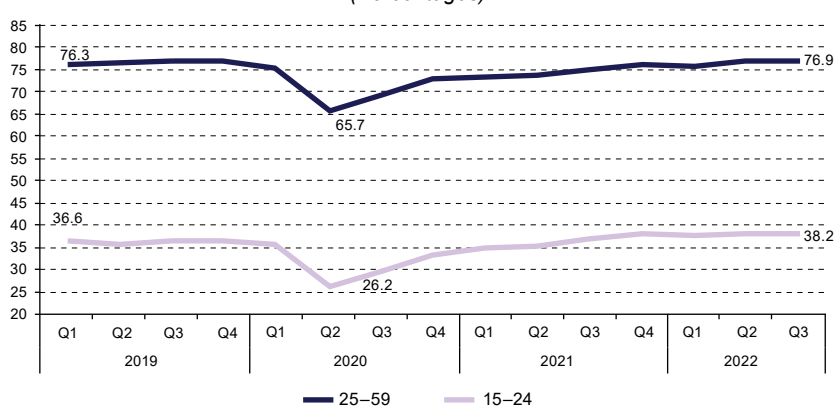
A. Patterns of labour inclusion of young people in Latin America in the post-pandemic period

Young people in Latin America face particularly challenging contexts for entering the labour market and building a successful career path (Gontero and Albornoz, 2022; Chacaltana and Dasgupta, 2021; ECLAC, 2021; ECLAC/ILO, 2017; Gontero and Weller, 2015, Weller, 2007). These difficulties became more evident during the COVID-19 pandemic and the social and health crisis that ensued in early 2020 (ECLAC, 2021). The restrictions on movement applied during the early months of the pandemic meant that many young people were deprived of spaces for socialization and were unable to exercise their right to education and training. For young people entering the labour market for the first time, the lack of vacancies reduced the options available, making their first steps into the labour market harder

and undermining hopes and expectations for many. A recent survey of young Latin Americans shows that their main concerns are their financial, personal or family situation, finding a job after the pandemic and being able to continue their education (Working Group on Youth of the Regional Collaborative Platform for Latin America and the Caribbean, 2022).

Young people who were already working experienced reductions in hours, layoffs and job losses, which increased their economic vulnerability (ILO, 2022). During this period, young people aged 15–24 in Latin America experienced proportionally greater job losses than adults above that age. Comparison of the second quarters of 2019 and 2020 shows a 26% fall in the employment rate among people aged 15–24, compared with 13.6% for the group aged 25–59 (see figure 8). This implies a loss of around 9.8 million youth employment positions during the period of most stringent health-related restrictions and lockdowns. In general, young workers tend to be more heavily affected at times of crisis. Faced with falling demand and the need to cut staff, firms often hold on to more experienced, better-trained or more productive employees and cut positions for less senior workers who are cheaper to dismiss (ILO, 2020). In the case of the crisis caused by the pandemic, other factors also had an impact, such as the large presence of young people in informal employment and their overrepresentation in occupations that were badly affected by lockdowns, such as restaurants, hotels and the retail sector (ECLAC, 2021; ILO, 2020).

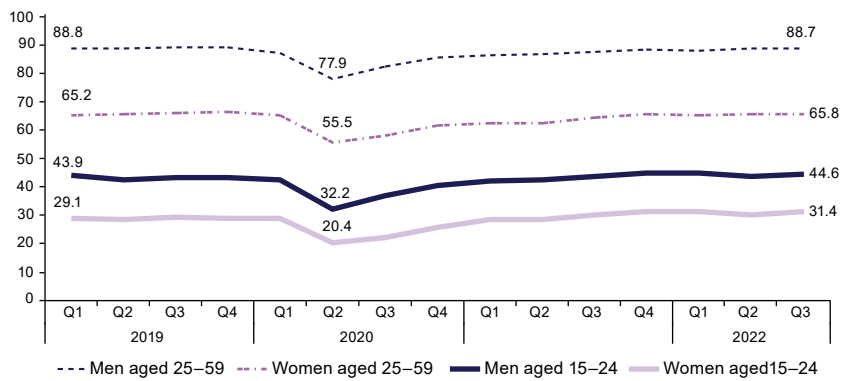
Figure 8
Latin America (13 countries): employment rate of young people (aged 15–24) and adults (aged 25–59), first quarter of 2019 to third quarter of 2022
(Percentages)



Source: Prepared by the authors, on the basis of countries' official statistics.
Note: Includes Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Jamaica, Mexico, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

The greatest employment impacts are seen in the second half of 2020: the female youth employment rate fell to 20.4%, the lowest levels for this age group; while the male youth employment rate came down to 32.2% (see figure 9). The pattern of this indicator clearly shows a gender gap in the regional labour markets from an early age. The rate of female employment in the 15–24 age group remains some 13.5 percentage points below the equivalent male rate. This gap rises to 23 percentage points among adults aged 25–59.

Figure 9
Latin America (13 countries): employment rate of young people (aged 15–24) and adults (aged 25–59), by sex, first quarter of 2019 to third quarter of 2022
(Percentages)

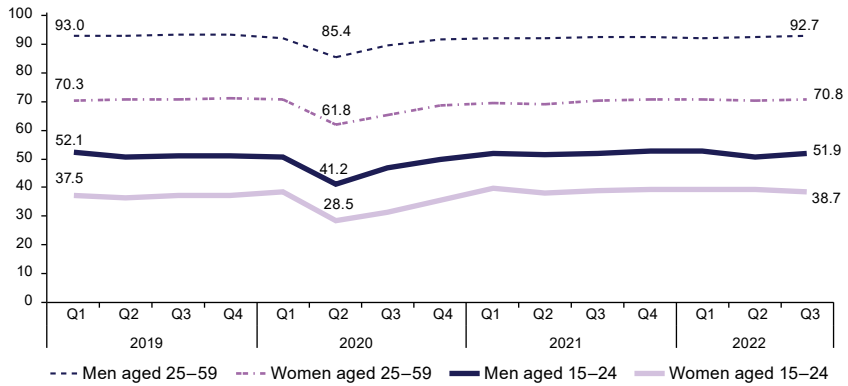


Source: Prepared by the authors, on the basis of countries' official statistics.
Note: Includes Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Jamaica, Mexico, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

This sharp contraction in the youth employment rate was accompanied by a fall in the participation rate among both age groups. Some workers who lost their jobs remained economically active (seeking work), but others withdrew from the labour market, because of the socio-health threat, discouragement after firm closures, or to take on increased domestic and care work amid lockdowns.

Although during the worst months of the pandemic, youth and adult participation rates showed relatively similar contractions in absolute terms, proportionally speaking the labour supply contracted much more sharply among young people and mainly among women (see figure 10). Average participation in the adult group went from 82% in the second quarter of 2019 to 73% in the second quarter of 2020, while participation by the 15–24 age group fell from 44% to 35% in the same period. At the same time, labour participation by women aged 15–24 was over 10 percentage points lower during this period than the rate for men of the same age.

Figure 10
Latin America (13 countries): participation rate of young people (aged 15–24) and adults (aged 25–59), by sex, first quarter of 2019 – third quarter of 2022
(Percentages)



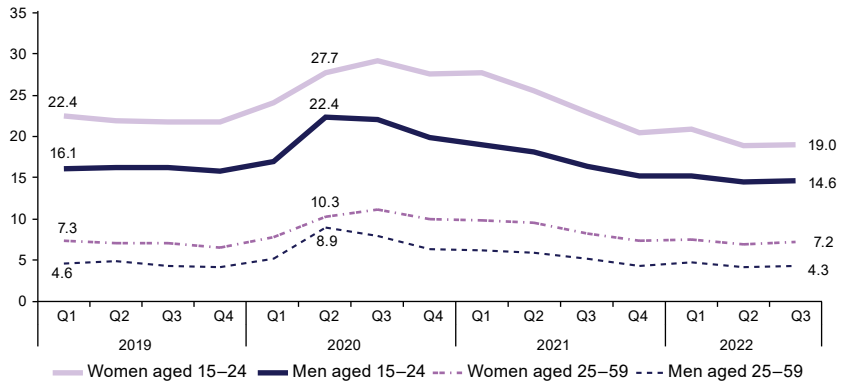
Source: Prepared by the authors, on the basis of countries' official statistics.
Note: Includes Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Jamaica, Mexico, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

Thus, like the employment indicator, labour participation also shows a significant gender gap. Several factors are at play in the relatively low engagement in paid work by young and adult women. These include educational level, marital status, dependent children in the home, and the organization of domestic and care tasks within the household (Marshall, 2011; Yeung and Yang, 2020; ECLAC/ILO, 2019).

One indicator that testifies to the difficulties young Latin Americans experience in entering the labour market is the unemployment rate, which measures the proportion of young people who are available for and actively seeking work. In most countries in the region, the youth unemployment rate is as much as three times higher than the adult rate. In 2019, the average figure for 13 Latin American countries showed that 18.7% of young people between the ages of 15 and 24 were unemployed, compared to 5.9% for adults. Inequalities by sex are evident in this indicator too: in the same year and for the same group of countries, the youth unemployment rate was 22.4% for women and 16.1% for men, a difference of almost 6 percentage points. For the same year, the adult unemployment figures were 4.6% for men, against 7.3% for women.

Unemployment rose among both age groups during the pandemic. Although the abovementioned contraction in labour participation partially attenuated the fall in employment, the unemployment rate rose sharply for young people (see figure 11). In the worst months of the pandemic, close to one in three young women participating in the labour market was unemployed.

Figure 11
Latin America (13 countries): unemployment rate of young people (aged 15–24) and adults (aged 25–59), by sex, first quarter of 2019 to third quarter of 2022
(Percentages)



Source: Prepared by the authors, on the basis of countries' official statistics.
Note: Includes Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Jamaica, Mexico, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

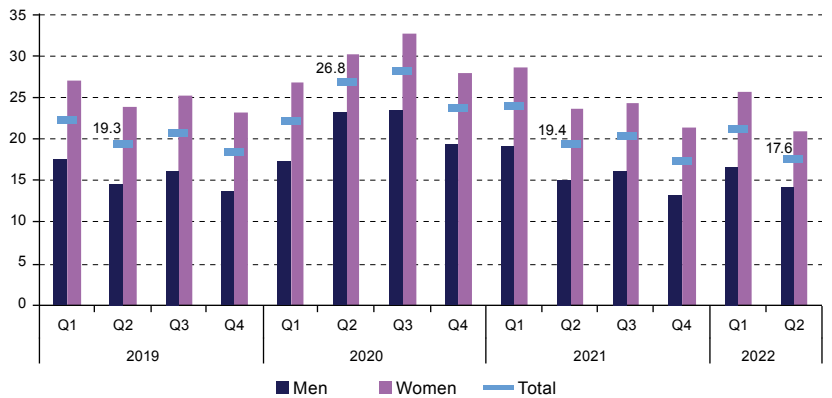
As movement restrictions were lifted, workers returned to the labour market, so the participation rate gradually increased from the third quarter of 2020. Similarly, the employment rate increased and thereby reducing unemployment rates. By the end of 2022, the main labour indicators appear to have reached pre-crisis levels, with even the youth unemployment rate at around 2 percentage points below pre-pandemic levels.

Although these trends show a recovery in labour indicators, the long-term impact of this crisis on youth labour inclusion is still unknown. As noted earlier, in this period youth access to both training and employment was limited, increasing the already high rates of labour inactivity at a crucial time of life. With lockdowns and higher numbers of people staying at home as a result, more work was needed for households to function and perform reproductive tasks, so that a significant proportion of this group was devoted exclusively to care and domestic tasks.

Latin America has a relatively high proportion of young people who are not in education or employment. In 2019, around 21% of young people between the ages of 15 and 24 were not in the education system or in paid work in the labour market. In 2020, the number of young people in this situation rose sharply to 30% of women and 23% of men (see figure 12). This phenomenon occurred among young people worldwide: the proportion of young people outside the education system and the labour market reached an estimated 23.3%, the highest

level in 15 years (ILO, 2022). The proportion of young people outside education and paid employment gradually declined in the following quarters, returning to the already high pre-crisis levels.

Figure 12
Latin America (13 countries): young people (aged 15–24) and adults (aged 25–59) not in education or employment, by sex, first quarter of 2019 – third quarter of 2022
(Percentages)



Source: Prepared by the authors, on the basis of countries' official statistics.
Note: Includes Argentina, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Jamaica, Mexico, Paraguay, Peru, Plurinational State of Bolivia and Uruguay.

This proportion is much higher among women and one of the main reasons for this is the inequitable sexual division of domestic and care tasks within households and communities. A youth survey conducted in the region showed the perception that the number of hours devoted to domestic and care work increased during the pandemic, mainly among women, indicating that COVID-19 had a clear differentiated impact by sex (Working Group on Youth of the Regional Collaborative Platform for Latin America and the Caribbean, 2022).

Although this may be a temporary situation, the time in which skills or work experience are not being acquired will likely have an adverse impact on the future position of young people in paid activities. From a policy point of view, it is important to create mechanisms to help reconcile care, study and work activities so that young people can maintain a smooth and coordinated link with the labour market.

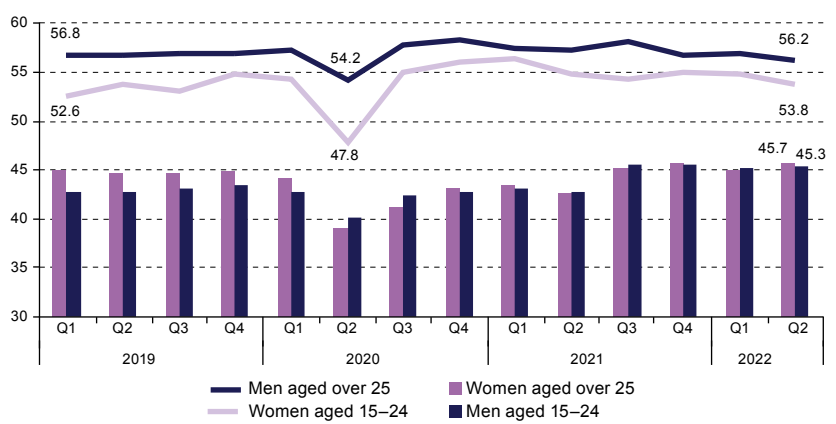
The crisis period has highlighted the need to identify the elements that shape access to opportunities and the protection mechanisms needed to support effective action towards productive and satisfactory labour and social inclusion for young people. One of these elements is stronger mechanisms to ensure access to formal jobs. In general,

young people in the region are employed in greater proportion in the informal sector, which perpetuates their vulnerability in terms of social protection, labour rights and decent work conditions (Espejo and Espíndola, 2016; Hlasny and AlAzzawi, 2022; Sánchez Bárcenas, Robles Ortiz and Vargas Urista, 2022).

According to the latest statistics available, the informality rate is approximately 55% among young people aged 15–24 and around 45% of adults aged 25–59 (ECLAC, 2023). At the same time, while in the younger age group informality is higher for men than for women, the reverse is true in the older age group (see figure 13).

With regard to the evolution of informality, informal workers were heavily affected during the pandemic, and many had to withdraw from the labour market (ECLAC, 2022). This led to a fall in the informality rate in this period, although not for good reasons. On average, women in informal employment were the most affected, so informality rates fell markedly during 2020 among both women in both age groups examined. However, with the return of workers to the labour market, informality rates began to rise again, to levels similar to those before the pandemic (see figure 13).

Figure 13
Latin America (8 countries): youth and adult informal employment rate, by sex, first quarter of 2019 – second quarter of 2022
(Percentages)



Source: Prepared by the authors, on the basis of data from International Labour Organization (ILO), ILOSTAT [online database] https://ilostat.ilo.org/.
Note: Includes Argentina, Brazil, Chile, Costa Rica, Dominican Republic, Mexico, Peru and Uruguay.

In short, the recovery occurring in terms of both economic growth and job creation still seems to be particularly fragile and uncertain for young people. Support for this group remains very important given

uncertainty about the risks of long-term negative effects on this generation (the "lockdown generation"), which could jeopardize their future career paths and personal life options (Chacaltana and others, 2021).

B. Challenges of the school-work transition for young people in the region

The transition from the education system to the labour market is a key milestone in the life cycle and contributes greatly to the processes of youth emancipation and autonomy (Espejo and Espíndola, 2016; Filgueira, 1998). The transition processes and the events that mark the passage from one stage to the next also play a key role in the construction of people's identity, contributing to the acquisition of new skills, changes in self-representation and in relationships with the milieu, as well as to new forms of positioning in the social order (Sepúlveda, 2017).

In Latin America, the notion of this transition as a journey with a beginning and an end fails to capture its complexity. First, because education and work are not necessarily successive or exclusive stages of life, but can overlap and combine in multiple ways (Abramo and others, 2021). Second, because of the diversity of aspects that affect the transition and the multiple ways in which different groups of young people may be restricted by their context, owing to their ethnicity or race, gender, migrant status or disability status, among others.

The duration of the transition varies according to the point of arrival (entry to the labour market or labour inclusion).[1] Studies for Latin America show that the transition is longer than in developed countries, partly because young people stop attending educational establishments, at least exclusively, at earlier ages. Although this could reflect the particular context of the region and the difficulties that young people face in joining the labour market, it is important to consider how the transition could be shortened to the extent possible, to avoid long periods of inactivity that negatively impact future labour inclusion. It must also be considered that delayed labour market entry may be voluntary, for example, if someone is waiting for a job that satisfies them or meets their expectations or level of training (Gontero, 2023; ECLAC/ILO, 2017).

In this sense, prolonged transitions may carry a series of costs that could affect people's future job opportunities, since long periods of unemployment, lower wages or entry to low-quality jobs can reduce

[1] If the point of arrival is considered to be entry to first employment (regardless of its characteristics), then the transition is shorter than if it is considered to be access to first employment under decent work conditions (ECLAC/ILO, 2017; Manacorda and others, 2017).

the knowledge and skills acquired during the education stage, as well as their job expectations. In addition, lengthy transitions associated with discouragement, care needs or other involuntary factors can also expose people to situations of risk (ECLAC/ILO, 2017; Gontero, 2023; Viollaz, 2014). However, not all short transitions occur under desirable circumstances, such as when they arise from an immediate need to generate income. Extremely short transitions may be related to difficulties in finding employment under decent working conditions, which may also be associated with greater precariousness, job instability, and periods of unemployment in the future and in the long term (Manacorda and others, 2017).

The School-to-Work Transition Survey (SWTS) is longitudinal survey specially designed by the International Labour Organization (ILO) to broaden knowledge and analysis of this stage.[2] This survey results point to the mixed and uneven realities in the region. They show that by the age of 30 only half of young people have completed the transition in Brazil and Peru (see figure 14). In the other 8 countries for which information is available, the proportion was under 40%, and as low as 20% of all young people in Guatemala and the Dominican Republic. The variety of situations is also mirrored in the category of young people who have not yet started the transition; here, Chile and Guatemala stand out, as this is the situation of half of young people aged 15–30 in these countries.

The ILO SWTS Survey also provided evidence of gender inequalities in school-to-work transitions. It showed how paternity and maternity increase gender gaps, pushing men towards the labour market and women towards domestic and unpaid care work within the household. The results also show that the transition is longer and more uncertain for women. In all the countries included in the survey, a higher proportion of men than women had completed the transition, with gaps ranging from 11.8 percentage points in Colombia to 28.6 percentage points in El Salvador. These differences are related to the higher percentage of young women compared to young men who were either seeking employment or outside the labour market (Abramo and others, 2021).

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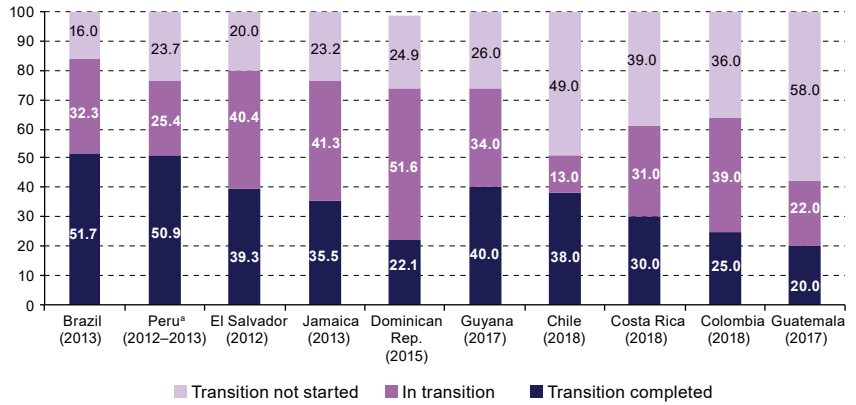
[2] In Latin America and the Caribbean, the survey was conducted in 10 countries: Brazil (2013), Chile (2018), Colombia (2015 and 2018), Costa Rica (2018), El Salvador (2012), Guatemala (2017), Guyana (2017), Jamaica (2013), Peru (urban areas, 2012–2013) and the Dominican Republic (2015). This survey identifies three gradients in the transition from the education system to the labour market. First, those who have not yet started the transition are: those in school and not economically active; those economically inactive who are not in school or seeking work. Second, those in transition and seeking work; those who are self-employed or in a temporary job they are not satisfied with; or they are economically inactive, are not in school but intend to seek a job at some point. Lastly, those who have completed the transition are those who have a written contract, are satisfied with stable/temporary employment or are self-employed.

Figure 14
Latin America (10 countries): distribution of the youth population by stage of transition (different years)
(Percentages)



Source: S. Gontero, "Off to a good start? Inequalities and policy options for facilitating school-to-work transition among youth", *Project Documents* (LC/TS.2023/40), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2023, on the basis of data from International Labour Organization (ILO), School-to-Work Transition Survey (SWTS).

[a] Urban data.

In sum, the analyses presented show that, despite the particularities of the different countries, the transition from the education system to the labour market continues to play a key part in the intergenerational reproduction of poverty and inequality. This calls for urgent action. A successful transition between school and work requires reducing the uncertainty of this period and supporting young people in acquiring relevant experience for building a quicker upward career path (ECLAC/ILO, 2017).

In this regard, the analysis of school-to-work transitions must consider four key aspects (Abramo and others, 2021). First, in Latin America transitions must be treated in a non-linear and integrated manner, considering not only aspects such as education and employment, but also the influence of family life. Second, transitions are conditioned by the matrix of social inequality (whose axes are gender, ethnicity or race, territory, socioeconomic level and age, among others). Third, young people must be treated as subjects of rights, that is, as bearers not only of the right to education and decent work, but also of rights such as health, social protection and participation in society, among others. Finally, institutional elements must also be considered, among them family support, its link with public policies and, especially, with social protection models.

C. Acquisition of skills for the future of work

Within the framework of the digital transformation and the sustainable development model, there is a growing gap between the skills and abilities required by the present and future labour market, and those offered by workers. This is all the more relevant for young people, who face greater obstacles to labour inclusion than more mature adults.

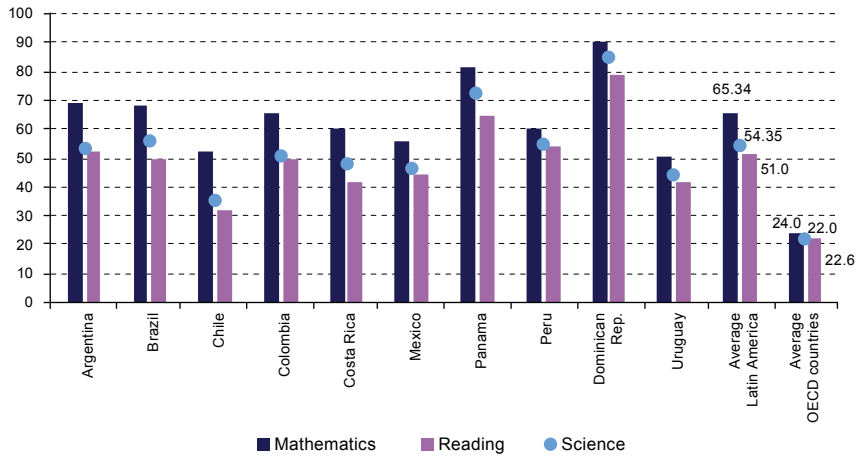
Indeed, according to ECLAC/OEI (2020), education today is not preparing students for tomorrow's job market. This is evident in a review of the various international standardized tests, which show that Latin America's young people lack the cognitive skills in mathematics, language, and science to perform adequately in a constantly changing labour market (ECLAC, 2022; ECLAC/OEI, 2020; OECD, 2019; UNESCO, 2021; Huepe, Palma and Trucco, 2023). There are major flaws in educational and training systems, in particular, in relation to the relevance of the knowledge and skills being taught.

Regarding the learning of 15-year-old students, the PISA[3] 2018 mathematics and reading tests show the low level of performance of Latin American students compared to the countries of the Organisation for Economic Co-operation and Development (OECD). The 2018 PISA results show that, on average, while in OECD countries fewer than 25% of 15-year-old students lack the minimum skills in mathematics, reading and science, in Latin America, 65% of students fall short of the minimum level in mathematics, and just over half come below the minimum level in either reading or science (see figure 15).

In relation to digital skills, the pandemic showed that young people in the region did not have the skills for distance education and/or to perform ICT-enabled remote work, in addition to low levels of effective connectivity (i.e. Internet access and suitable devices for its use) (ECLAC, 2022; ECLAC/OEI, 2020; Huepe, Palma and Trucco, 2023; Rieble-Ausbourg and Viteri, 2020). Despite the belief that children and adolescents are "digital natives" (Prensky, 2001), that is, they are innate experts in digital technologies and can perform different activities at the same (multitasking) (Kirschner and de Bruyckere, 2017), recent studies point to the association between (dis)advantages of origin and access to the Internet and digital skills, highlighting the centrality of education systems in promoting the development of these skills and compensating for the gaps (Livingstone and others, 2017; ECLAC/OEI, 2020).

[3] The Programme for International Student Assessment (PISA) measures the ability of 15-year-olds to use their knowledge and skills in reading, mathematics and science to face real-life challenges.

Figure 15
Latin America (10 countries) and OECD average: students aged 15 years who do not meet the minimum level of knowledge in mathematics, reading and science in Latin America (PISA, 2018)
(Percentages)

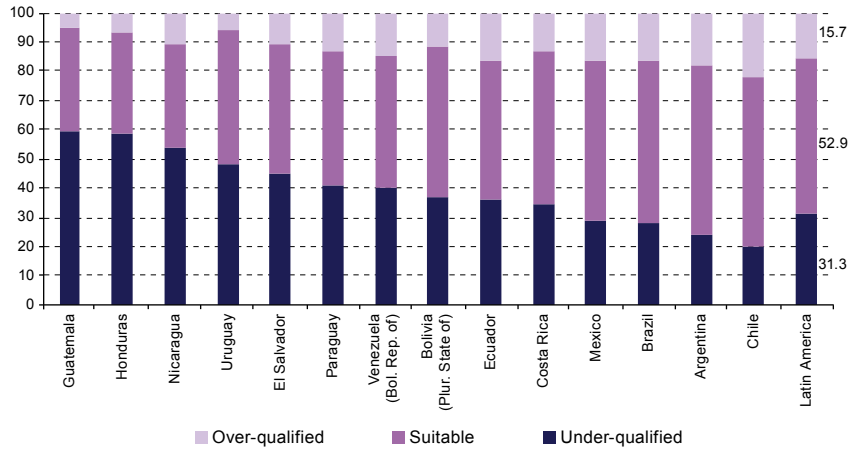


Source: Prepared by the authors, on the basis of Organisation for Economic Co-operation and Development (OECD), Programme for International Student Assessment (PISA) 2018 survey in Economic Commission for Latin America and the Caribbean (ECLAC)/Organization of Ibero-American States for Education, Science and Culture (OEI), "Educación, juventud y trabajo: habilidades y competencias necesarias en un contexto cambiante", *Project Documents* (LC/TS.2020/116), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2020.

As a result, it can come as no surprise that just over half of workers in Latin America lack the educational level required by their job (according to the International Standard Classification of Occupations, ISCO), although with major differences between countries. For example, in Honduras and Guatemala, almost 60% of workers have a lower level of education than is required for the job in which they are employed; Nicaragua, Uruguay, El Salvador and Paraguay also have high percentages of under-skilled workers. In Chile and Argentina, one in five workers have an educational level higher or lower than their job requires (see figure 16).

Inequity in the quality of the education system is reflected not only in the unequal development of cognitive and digital skills, but also in the socio-emotional skills that will be increasingly in demand in the future, amid automation and technological substitution. A study of employers found that they consider young people to lack the socio-emotional skills that are required as a complement to cognitive skills in employment (these include perseverance, self-regulation, leadership, teamwork, responsibility, emotional stability, empathy and decision-making) (Franco and Ñopo, 2018; Novella and others, 2018).

Figure 16
Latin America (14 countries): proportion of workers with a suitable level of education, under-qualified or over-qualified, around 2019
(Percentages)



Source: S. Gontero and R. Novella, "El futuro del trabajo y los desajustes de habilidades en América Latina", *Project Documents* (LC/TS.2021/206), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2021.

Finally, access to quality education and completion of at least the secondary level is essential for integration into the labour market, although it does not guarantee employment under decent working conditions. This is not only because young people do not necessarily acquire the minimum or sufficient skills, but also because the skills they acquire do not match those needed by the labour market today in the context of the fourth technological revolution (ECLAC/OEI, 2020; Gontero and Novella, 2021). The mismatch between young people's expectations and the opportunities offered by the labour market can generate frustration and discouragement, affecting mental health, well-being and development through education and employment.

D. Youth labour inclusion programmes: challenges and opportunities

The evidence presented reflects the region's debt in relation to youth labour inclusion. Young people not only face difficulties in entering the labour market (low participation rates and high unemployment rates). When they do, they find access to low-quality and informal jobs compared to the adult population. In terms of the intersection of the axes of inequality, those who are most disadvantaged are young women, as well as rural youth, those with a lower socioeconomic level, members of Indigenous Peoples and

Afrodescendent populations (Gontero and Albornoz, 2022; Holz, Huepe and Rangel, 2022).

Latin America has a long history of public employment programmes for young people, with efforts on the supply side (training, education levelling) and the demand side (promotion of independent work, apprenticeship contracts, direct and indirect employment generation), as well as labour intermediation services (ECLAC/ILO, 2014). In general, benefits have focused on vocational training, followed by intermediation services and, to a lesser extent, employment subsidies and enterprise support programmes (Gontero and Weller, 2015). Among the first (training and work experience), the most common are dual training programmes that provide vocational training to young people within the workplace (Soto de la Rosa, Gutiérrez and Lamotte, 2021). Notably, the success of these schemes depends on endogenous aspects (of design and implementation), as well as exogenous elements (national and local economic context, characteristics of the productive structure and the national and local labour market, among others) (Gontero, 2023; Gontero and Weller, 2015). If they are to be successful, therefore, labour inclusion programmes require an enabling economic environment (Romero-Abreu Kaup and Weller, 2006).

The second type of measures in place that are very useful for young people are labour intermediation services. These are available in all countries and their main purpose is to better link up the supply of jobs, the technical and vocational training system and enterprise support schemes. In addition to helping people find employment, these services can also serve as a gateway to the full range of employment programmes available. These types of programmes tend to be divided into two main categories: face-to-face intermediation services, which are operated by local governments, and online systems that are developed or financed by Ministries of Labour.

In third place are programmes that provide incentives or subsidies for youth employment, mainly aimed at those over the age of 18 who have either complete or incomplete secondary education. The main objective of subsidies is to provide incentives for firms to hire young people, so that they can combine work with training. In this type of initiative, the private sector (firms) provides the positions and undertakes the hiring processes, while the hiring costs are shared between the private sector and the State. In general, employment subsidy programmes may consist of a direct cash transfer to the company or worker, or tax relief for firms who hire young people.

Finally, although less common in the region, are enterprise incentive programmes for unemployed or young people in situations of vulnerability. There are examples in the region of incentives for microenterprise start-ups (such as schemes that include seed capital, technical assistance and training) as well as programmes for agricultural workers (provision of land and legalization of land titles, financing of production and capital, among others) (Tromben, Villanueva and Caillaux, 2023).

These important efforts notwithstanding, the measures taken will not be enough to support labour participation unless they are accompanied by a gender-sensitive care system, whereby States, treating care as a right, guarantee quality services to support families (INMUJERES/UN-Women, 2021). Given the significant gender gaps in youth labour participation set forth in this chapter, policies supporting youth labour inclusion must be accompanied by policies to redistribute household care burdens if they are to contribute to successful employment trajectories under equal conditions.

In view of the variety of factors influencing the issues around young people's labour inclusion, comprehensive policies are needed to encompass aspects of culture (gender stereotypes and racial discrimination), education (fostering the skills and abilities needed for the fourth industrial revolution and the labour market of the future), labour (affirmative action, incentives for hiring young people, with specific quotas for women and young people in situations of vulnerability; subsidies to hire young people including social security) and finance (cash support to promote training, food or transportation). Based on the analysis of 95 labour-related programmes in the region, Morales and van Hemelryck (2022, p. 87) conclude that, given the heterogeneity of factors that affect young people's labour inclusion, it is necessary to devise universal programmes that are sensitive to the differences of each group and their specific support needs (see table 2). Today, most of the countries in the region have youth employment programmes of one type or another and it will be crucial in the coming years to continue developing mechanisms to assess the impact of the different types of measure (Gontero, 2023).

This chapter has set forth the recent dynamics of youth employment in Latin America, together with the main challenges for young people's employability and training in the region in a context of multiple crises (social/health, care, climate and economic, among others). The State and the private sector must be encouraged to participate and coordinate to create decent employment and ongoing training to enable young people to develop their talents and use their abilities in a rapidly changing world. One of the main lessons is thus the importance of strengthening young people's relationship with digital technologies.

Table 2
Characteristics of labour programmes with an inclusive perspective in Latin America and recommendations for their implementation and/or design

Inclusive labour programmes	Recommendations
Gender-sensitive labour inclusion programmes These foster women's economic autonomy and participation, guarantee people's right to care and universalize the coverage of care services.	Create programmes aimed especially at young women including strategies to reconcile unpaid (domestic and care) work with the hours that they will have to devote to the programme, either in training or work.
	Promote experience-sharing with programmes providing childcare services, as well as subsidies to cover the cost of outsourcing childcare.
	Strengthen measures to combat precarious conditions in care economy jobs, improve their working conditions and bring them into the formal economy.
	Promote jobs with equal conditions, in settings free of discrimination, violence and harassment.
Difference-sensitive labour inclusion programmes These pay particular attention to rural, indigenous and Afrodescendent youth populations, as well as young persons with disabilities, and migrants.	Establish and strengthen an inclusive perspective in education and training services to avoid the loss of human capital.
	Strengthen labour intermediation services aimed at improving job placement prospects and actions to support the range of employment on offer, through calls aimed especially at these groups and/or quotas.
	Promote dialogue between the parties involved in the employment nexus, generate and disseminate information on the benefits of labour inclusion and diversity.

Source: Prepared by the authors, on the basis of B. Morales and T. van Hemelryck, "Inclusión laboral de las personas jóvenes en América Latina y el Caribe en tiempos de crisis: desafíos de igualdad para las políticas públicas", *Project Documents* (LC/TS.2022/34), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2022.

On the one hand, the role of technology in education should be strengthened, by adopting devices and platforms for distance education, and through training in the skills and technological resources specific to each productive sector. In turn, technological and technical training must not neglect the gender gaps reflected in women's underrepresentation in science, technology, engineering and mathematics, given the importance of these for addressing crises and countries' development (Bello, 2020). Action in this area must begin at an early age, eradicating biases and stereotypes at school and at home, and continue throughout the professional cycle (with ongoing support and training for women). As noted in this chapter, all these measures must be accompanied by action to prevent violence and to reconcile family responsibilities and provide caregiving support to foster smooth (re)entry to the labour market for young women.

On the other hand, the uptake of new technologies can also stimulate the productive sector towards digitization and innovation. In particular, young people must be included in the creation of solutions, design, the development of platforms and systems, process restructuring and the generation of science- and technology-based start-ups. However, it is important not to overlook the digital gaps affecting young people who

are in situations of vulnerability, from low-income households or areas with insufficient coverage. For an inclusive recovery and with a view to the sustainable future of work, countries should create decent employment opportunities taking into account the care perspective, strengthen training, and invest in adaptive technologies and digital infrastructure in areas with poor connectivity.

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Chapter IV

Challenges and recommendations for labour inclusion of the Afrodescendent population

Mariana Huepe

Introduction

Members of the Afrodescendent population in Latin America, which represents more than a fifth of the region's total population,[1] encounter different forms of racism, discrimination, prejudice and stereotypes that have historically hindered their inclusion in the labour market. The Economic Commission for Latin America and the Caribbean (ECLAC) identifies ethnicity and race as one of the axes of the matrix of social inequality in Latin America,[2] which intersects with other axes, such as socioeconomic situation, gender, age and geographic area, to form hard cores of exclusion and vulnerability (ECLAC, 2016).

The origins of ethnic and racial inequalities in the region date back to the conquest and colonization of the American continent by European nations after its discovery in 1492. The European conquerors imposed the idea of race and coined categories such as "Indian", "black", "white" and "mestizo", as identities that contributed to the construction of a social hierarchy

[1] This figure is a moderate estimate, as some countries in the region do not yet have figures to quantify the Afrodescendent percentage of the population (ECLAC/UNFPA, 2020).

[2] Although the concepts of race and ethnicity are understood to be social constructs not based in biology, these concepts do exist in the real world, since they structure social, economic and power relations in societies. Thus, in line with ECLAC/UNFPA (2020), the present study uses the expression "ethnic and racial" to refer to the reality of Afrodescendent people and communities in Latin America, considering both phenotypic characteristics and traits of identity, cultural and territory.

that supported subjugation and colonial domination. Thus, enslaved Afrodescendants and their descendants were absorbed into the social structure of the region in inferior positions that they still have difficulty in leaving behind today owing to multiple barriers and deep inequalities. Overall, structural racism is a device of domination that justifies the inequality and exclusion of certain groups and the privileges of others (ECLAC/UNFPA, 2020, p. 26).

What gives these axes the power to structure social inequalities is their constitutive and determining weight in the process of production (ECLAC, 2016). In this regard, social and economic inequality is strongly linked to the region's production matrix and structural heterogeneity, in other words, to the simultaneous existence of high- and low-productivity jobs within countries, territories, economic sectors and companies.

The outbreak of COVID-19 and the different measures taken to control the spread of the virus deepened some of the gaps and inequalities typical of the labour markets, while also accelerating the digitalization processes associated with the fourth technological revolution. This chapter analyses and discusses the impact of the pandemic and of technological transformations on the employment conditions of Afrodescendent workers, with a view to the design and implementation of strategies that will serve both to remedy negative impacts and to take advantage of new opportunities to improve the general well-being of the population and reduce historical inequalities and exclusions.

After this introduction, the chapter is organized as follows. The first section presents some of the ethnic and racial inequalities that affect the labour inclusion of the Afrodescendent population in the region, while the second section analyses the potential impact on labour inclusion —in other words, the labour market position and conditions of employment of the Afrodescendent population— of technological change associated with the fourth technological revolution (especially the effects of automation and the digitalization of the economy). Lastly, the third section concludes with some public policy guidelines.

A. Ethnic and racial inequalities in the labour inclusion of the Afrodescendent population

This section offers some data that illustrate the ethnic and racial inequalities faced by the region's Afrodescendent population. The main information sources are household surveys that have one or more questions on ethnic or racial self-identification and are available in the ECLAC Household Survey Data Bank (BADEHOG). Specifically, this section presents indicators on employment access and quality by ethnicity/racial identity and sex in the period 2019–2021 in six countries: Brazil, Colombia, Ecuador, Panama, Peru and Uruguay (see table 3 for more information about the proportion of the Afrodescendent population in relation to the total population in these and other countries of the region).

Table 3

Latin America (20 countries): Afrodescendent and Indigenous population, by latest census and estimates for 2020

(Thousands of persons and percentages)

Country and year of census	Afrodescendent population surveyed	Indigenous population surveyed	Percentage of Afrodescendent population	Percentage of indigenous population	Estimated total population, 2020	Estimated Afrodescendent population, 2020	Estimated Indigenous population, 2020
Argentina, 2010	149.6	955.0	0.4	2.4	45 195.8	168.5	1.084.7
Bolivia (Plurinational State of), 2012	23.3	4 176.6	0.2	41.5	11 673.0	27.1	4 844.3
Brazil, 2010	971 711.6	896.9	50.9	0.5	212 559.4	108 278.4	1 062.8
Chile, 2017	9.9	2 175.9	0.1	12.4	19 116.2	11.5	2 370.4
Colombia, 2018	4 671.2	1 905.6	9.3	4.4	50 882.9	4 752.5	2 238.8
Costa Rica, 2011	334.4	104.1	7.8	2.4	5 094.1	396.0	122.3
Cuba, 2012	4 006.9	-	35.9	-	11 326.6	4 064.1	-
Ecuador, 2010	1 041.6	1 018.2	7.2	7.0	17 643.1	1 268.8	1 235.0
El Salvador, 2007	7.4	13.3	0.1	0.2	6 486.2	8.4	13.0
Guatemala, 2018	47.2	6 491.2	0.3	43.6	17 915.6	57.3	7 811.2
Honduras, 2013	115.8	646.2	1.4	7.8	9 904.6	138.1	772.6
Mexico, 2015	1 381.9	25 694.9	1.2	21.5	128 932.8	1 490.5	27 720.6
Nicaragua, 2005	23.9	321.8	0.5	6.3	6 624.6	30.8	417.3
Panama, 2010	300.6	417.6	8.8	12.3	4 314.8	380.8	530.7
Paraguay, 2012	3.9	117.2	0.1	1.8	7 132.5	4.3	128.4
Peru, 2017	1 049.9	7 628.3	3.6	26.0	32 971.8	1 178.1	8 572.7
Uruguay, 2011	149.7	76.5	4.6	2.4	3 473.7	159.9	83.4
Venezuela (Bolivarian Republic of), 2011	936.8	724.6	3.4	2.7	28 435.9	978.3	767.8
Estimates on the basis of other sources							
Dominican Republic	-	-	8.6	-	10 847.9	932.9	-
Haiti	-	-	95.5	-	11 402.5	10 889.4	-
Total	-	-	21.1	9.8	641 934.0	135 635.2	59 775.9

Source: R. Holz, M. Huepe and M. Rangel, "El futuro del trabajo y la población afrodescendiente en América Latina en el marco del COVID-19 y la recuperación transformadora con igualdad", *Project Documents* (LC/TS.2022/81), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2022.

Unfortunately, the Afrodescendent population in Latin America suffers from a statistical invisibility that itself stems from structural and institutional racism, which has only recently begun to be tackled with the inclusion of self-identification questions in some censuses and surveys (ECLAC/UNFPA, 2020). The data presented in this chapter should be treated with caution, since the Afrodescendent population is not necessarily represented in the statistics from the region's household surveys. Although the sampling for Brazil's household survey does represent the Afrodescendent population well, owing to its magnitude and proportion, this does not necessarily occur in the other countries, whose sample sizes are generally more limited.

However, despite issues of statistical representativeness that somewhat constrain disaggregated analysis, and although the analyses in this section are based on only six countries, the overall picture presented coincides with previous diagnoses that have included other data sources and more countries (see, for example, ECLAC/UNFPA, 2020; ECLAC, 2017 and 2018a).[3]

1. Some indicators of inequalities in labour market integration

In general, prior to the pandemic, labour participation rates for the Afrodescendent population in the six countries analysed were quite similar to those of non-Afrodescendants, and gender gaps were more obvious than racial or ethnic gaps (see figure 17). This said, however, male Afrodescendent labour market participation rates stand out in Peru and Panama, as they are considerably higher than the equivalent rates for non-Afrodescendent, non-Indigenous men, with a gap of 5.5 and 3.8 percentage points, respectively. In the case of female labour market participation, Panama stands out, with rates for Afrodescendent women exceeding the rates for non-Afrodescendent, non-Indigenous women by 4.9 percentage points.

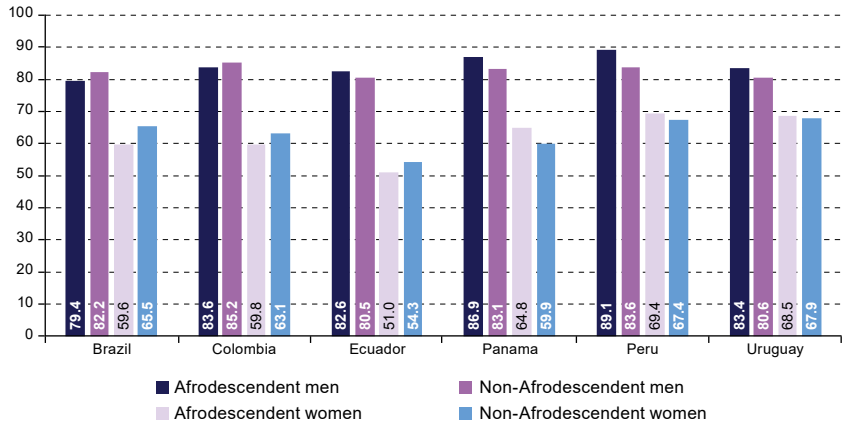
Comparison of unemployment rates between the two population groups clearly shows that the Afrodescendent population faces greater obstacles to entering employment than the non-Afrodescendent or non-Indigenous population, especially in the case of women (see figure 18), which is evidence of how the axes of the social inequality matrix (in this case gender and ethnicity and racial identity) combine to deepen exclusion. In all the countries (except Peru, possibly owing to sample representation issues), Afrodescendent women have higher unemployment rates than both male Afrodescendants and non-Afrodescendent women. In Ecuador and Brazil, particularly, the unemployment rate for Afrodescendent women is 6.0 and 5.9 percentage points, respectively, higher than the rate for non-Afrodescendent, non-Indigenous women.

[3] An important point to note is that because Indigenous Peoples also suffer racism, racial discrimination, xenophobia and related forms of intolerance, the comparative analysis of the situation of the Afrodescendent population in this document is always given in relation to the population that is neither Indigenous nor Afrodescendent. However, for ease of reading, the control group in the text does not always refer to the non-Afrodescendent, non-Indigenous population in full.

Figure 17

Latin America (6 countries): participation rates for the population aged 15–64, by ethnicity/racial identity and sex, around 2019

(Percentages)



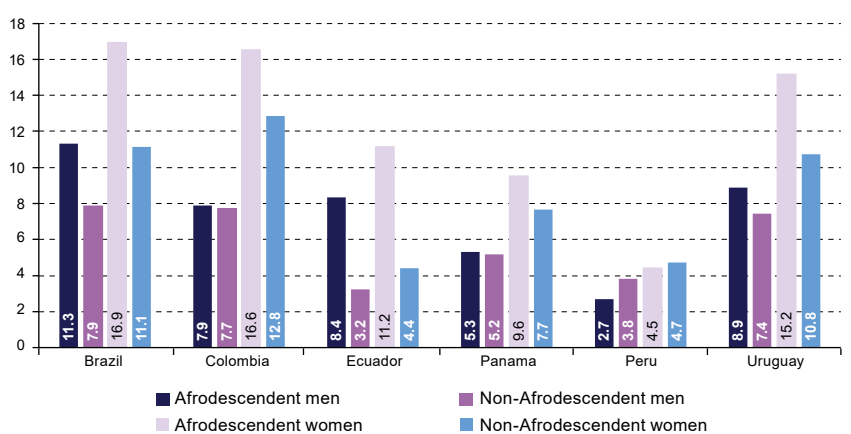
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Household Survey Data Bank (BADEHOG).

Note: The Afrodescendent population does not include those self-identifying as Indigenous or cases where ethnicity or racial identity is unknown. The data for Colombia refer to 2018 rather than 2019.

Figure 18

Latin America (6 countries): unemployment rate in the population aged 15–64, by ethnicity/racial identity and sex, around 2019

(Percentages)



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

Note: The Afrodescendent population does not include those self-identifying as Indigenous or cases where ethnicity or racial identity is unknown. The data for Colombia refer to 2018 rather than 2019.

2. Some indicators of inequalities in employment quality

In order to analyse the characteristics of the labour inclusion of the Afrodescendent population in the region, examination of inequalities in access to the labour market should be complemented with indicators related to the quality of the employment this group is able to access. This section looks at three indicators of quality: (i) position in the occupational structure, (ii) income level, and (iii) pension system contribution or affiliation (as a proxy for access to social security).

(a) Position in the occupational structure

Different studies have shown that Afrodescendent workers in the region are disproportionately represented in low-productivity jobs (see figure 19); in other words, in jobs that require a low level of skill that is not necessarily consistent with their level of education.

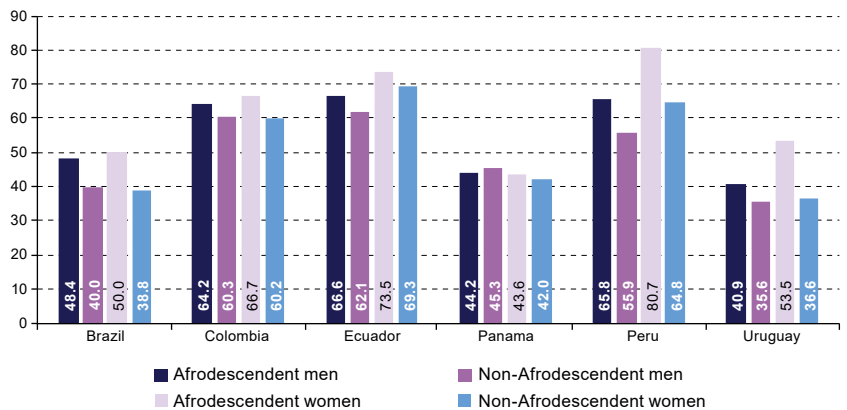
ECLAC classifies as low-productivity jobs those performed by employers in firms with up to five workers, own-account (or self-employed) workers without professional or technical qualifications, workers in domestic employment, and wage earners in microenterprises. Figure 19 shows the percentage of employed Afrodescendants and non-Afrodescendants in low-productivity jobs, by sex, in the six countries for which information is available for 2019. It shows that, except in Panama, Afrodescendent workers are more highly represented in this type of employment, with the gap by ethnicity or racial identity largest in Brazil, Peru and Uruguay, especially among women. This shows, once again, how the axes of inequality intersect to create hard cores of exclusion and vulnerability.

Although the Afrodescendent population is overrepresented in low-productivity jobs in most countries, the type of employment in which the population is concentrated differs from country to another. For example, in Ecuador and Uruguay, the overrepresentation of employed Afrodescendent men compared to non-Afrodescendent men in low-productivity jobs mainly reflects their greater proportion in unskilled wage employment in microenterprises; while, in Peru, it reflects their greater weight in unskilled self-employment in the agriculture, livestock or related sectors. Likewise, comparison of the distribution of Afrodescendent and non-Afrodescendent employed men in different low-productivity jobs in Brazil shows that non-professional wage earners in microenterprises and self-employed workers are more highly represented among the first group.

Among female Afrodescendent workers in Brazil, overrepresentation in low-productivity jobs in relation to non-Afrodescendent women is explained mainly by their greater numbers in domestic employment; in Peru it reflects their higher concentration in self-employment in the

agriculture and livestock sectors (similarly to Afro-Peruvian men). In the case of Uruguay, overrepresentation of female Afrodescendent workers in low-productivity employment is attributable to their higher concentration in self-employment in the retail and services sector, as well as in domestic employment.

Figure 19
Latin America (6 countries): employed persons (aged 15 or over) in low-productivity jobs, by ethnicity/racial identity and sex, around 2019
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Household Survey Data Bank (BADEHOG).
Note: The Afrodescendent population does not include those self-identifying as Indigenous or cases where ethnicity or racial identity is unknown. The data for Colombia refer to 2018 rather than 2019.

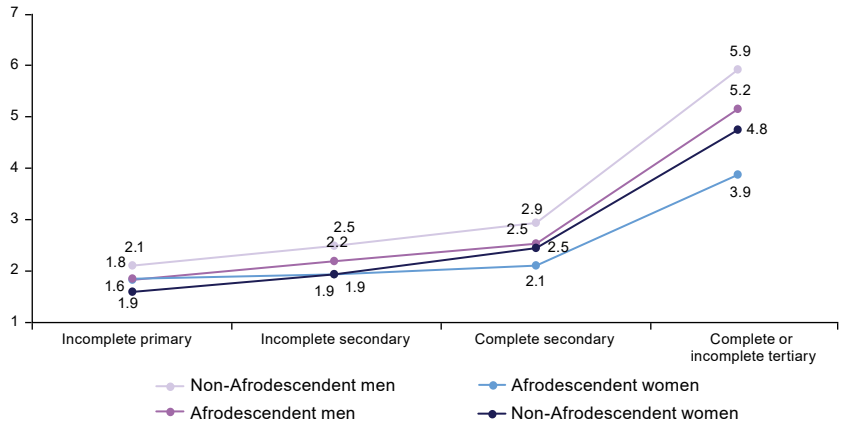
(b) Level of income

Generally speaking, in all the countries for which information is available, the employed Afrodescendent population earns lower average labour income than the non-Afrodescendent, non-Indigenous employed population, even after controlling for educational level (see figure 20). Some of the reasons for this income gap are the different characteristics of the work performed by Afrodescendants in the occupational structure, the shorter average working day of employed Afrodescendants (especially in the case of women) (Holz, Huepe and Rangel, 2022, figure 11), and social norms, discrimination and barriers that limit the access of Afrodescendants to more senior, higher-paying positions (horizontal and vertical discrimination). Figure 20 also shows how women, and especially Afrodescendent women, obtain lower levels of income than men at the same educational level. Both the gender gap and the gap between Afrodescendent and non-Afrodescendent women widen as years of schooling increase.

Figure 20

Latin America (6 countries): average hourly labour income of the employed population aged 15 and over, by ethnicity/racial identity, sex and years of schooling, 2021

(Income expressed as multiples of the poverty line)



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

Note: The Afrodescendent population does not include those self-identifying as Indigenous or cases where ethnicity or racial identity is unknown. The data for Colombia refer to 2018 rather than 2019.

(c) Access to social security and other employment related entitlements

On average, employed Afrodescendants show lower rates of affiliation and contribution to social security systems than non-Afrodescendants; that is, they are overrepresented in the informal economy (by both sector and firm). As a result, they have less access to fundamental labour rights (such as the right to physical integrity in the workplace, maternity leave and freedom of association, among others) and to contributory benefits such as health insurance, unemployment insurance and old age pensions, among other entitlements that are associated with formal employment.

Because members of the Afrodescendent population in the region experience systematic exclusion and discrimination that affect the nature of their position in the labour market, it follows that they face greater obstacles to accessing social security. Over the past decade, until the COVID-19 pandemic, the region recorded progress in affiliation rates and in the proportion of people who had access to pensions after the age of 65. This partly reflected improvements in certain labour indicators (such as lower unemployment and rises in rates of formalization and in the proportion of wage workers in national labour markets), broadened coverage of the contributory social security system to sectors that had formerly been excluded (such as domestic workers and the self-employed) and greater coverage of non-contributory pensions (Abramo, Cecchini and

Morales, 2019; Arenas de Mesa, 2019; ECLAC, 2018b). However, many of these advances masked different sorts of inequality and have, in any case, been reversed by the pandemic.

Afrodescendants show lower levels social security affiliation or contribution than non- Afrodescendants in all the countries for which information is available (except for employed men in Panama). The largest gaps by ethnicity and racial identity occur in Peru (where the gap is 15 percentage points), and in Brazil and Uruguay (gaps of close to 13 percentage points). The lack of protection of employed Afrodescendants in Peru is particularly worrying not only because of the magnitude of the ethnic/racial gap, but also because contribution levels are very low: in 2021, only 26% of employed Afrodescendants were affiliated or contributing to a pension system (compared to 40% of non-Afrodescendants), and this percentage fell below 20% for employed Afrodescendent women (see table 4).

Table 4
Latin America (6 countries): employed population aged 15 and over affiliated or contributing to a pension system, by ethnicity/racial identity and sex, 2021
(Percentages)

Country	Population		Percentage contributing/affiliated
Brazil	Total	Afrodescendants	57.9
		Non-Afrodescendants	71.7
	Men	Afrodescendants	56.6
		Non-Afrodescendants	70.8
	Women	Afrodescendants	59.8
		Non-Afrodescendants	72.9
Colombia	Total	Afrodescendants	29.3
		Non-Afrodescendants	38.2
	Men	Afrodescendants	28.7
		Non-Afrodescendants	36.9
	Women	Afrodescendants	30.1
		Non-Afrodescendants	40.1
Ecuador	Total	Afrodescendants	32.1
		Non-Afrodescendants	38.2
	Men	Afrodescendants	31.2
		Non-Afrodescendants	38.3
	Women	Afrodescendants	33.3
		Non-Afrodescendants	38.2
Panama	Total	Afrodescendants	49.4
		Non-Afrodescendants	46.4
	Men	Afrodescendants	46.7
		Non-Afrodescendants	42.2
	Women	Afrodescendants	53.4
		Non-Afrodescendants	52.6

Country	Population		Percentage contributing/affiliated
Peru	Total	Afrodescendants	26.0
		Non-Afrodescendants	40.3
	Men	Afrodescendants	31.3
		Non-Afrodescendants	45.1
	Women	Afrodescendants	19.5
		Non-Afrodescendants	34.5
Uruguay	Total	Afrodescendants	65.0
		Non-Afrodescendants	76.6
	Men	Afrodescendants	69.0
		Non-Afrodescendants	75.6
	Women	Afrodescendants	60.0
		Non-Afrodescendants	77.7

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Household Survey Data Bank (BADEHOG).
Note: The Afrodescendent population does not include those self-identifying as Indigenous or cases where ethnicity or racial identity is unknown. The data for Colombia refer to 2018 rather than 2019.

B. Technological change and the future of work for Afrodescendants

As mentioned in chapter I, the region's labour markets are undergoing major transformations, mainly related to technological and macroeconomic changes and shifts in the organization of international trade, as well as those arising from the climate and biodiversity crisis and various demographic trends, including population ageing and the sharp rise in migratory flows. This section analyses the impact of technological changes related to the fourth technological revolution on the labour inclusion of the Afrodescendent population in Latin America.

This section focuses on the new skills that will be increasingly in demand in the labour market amid processes of technological substitution or automation, and the expansion of atypical jobs associated with the digitalization of the economy.

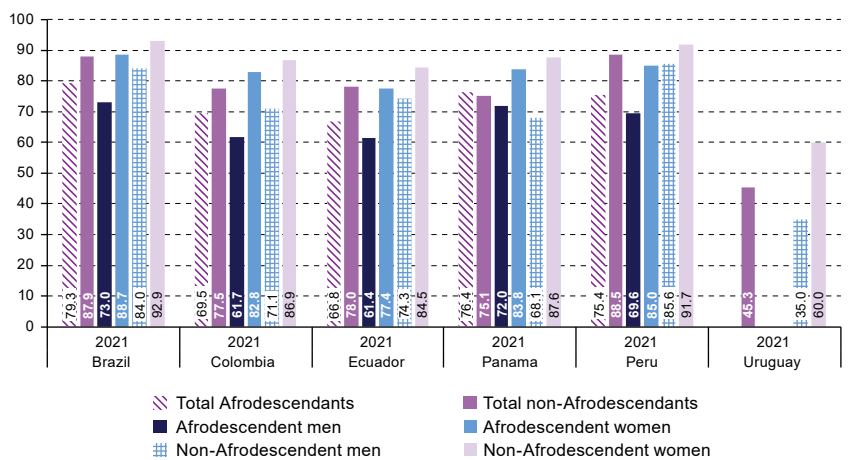
1. New skills in demand in the labour market and educational gaps that increase the exclusion of the Afrodescendent population

In recent decades, education systems in Latin America have made major progress in expanding the guarantee of the right to education for the Afrodescendent population, especially with regard to coverage at the primary level (ECLAC, 2022). However, by secondary school and as the level of education rises, lags and gaps in access and quality become more systematic in the region, underpinning the reproduction

of structural inequalities to the detriment of the Afrodescendent population (ECLAC, 2022; ECLAC/FILAC, 2020; ECLAC/UNFPA, 2020; Corbetta and others, 2018).

In 2021, the percentage of young Afrodescendants between the ages of 20 and 24 completing high school (except in Panama) was considerably lower than the percentage of non-indigenous, non-Afrodescendants of the same age. The equality challenge was especially large in Peru and Ecuador, with gaps of 13.1 percentage points and 11.2 percentage points, respectively (see figure 21). Analysis of these gaps by sex shows that these two countries also show the greatest differences in percentage points, to the detriment of both men and women of African descent. However, the percentage-point difference between Afrodescendent women and non-Afrodescendent, non-indigenous women is smaller in absolute terms than the difference in the male population.

Figure 21
Latin America (6 countries): young people aged 20–24 having completed upper secondary education, by ethnicity/racial identity, 2021
(Percentages)



Source: Prepared by the author, on the basis of Economic Commission for Latin America and the Caribbean (ECLAC), *Social Panorama of Latin America and the Caribbean, 2022* (LC/PUB.2022/15-P), Santiago, 2022, on the basis of Household Survey Data Bank (BADEHOG).
Note: The Afrodescendent population does not include those self-identifying as Indigenous or cases where ethnicity or racial identity is unknown. In the case of Uruguay, the graph does not show percentages for those populations for which the sample size is too small.

Inequalities in access and completion at the secondary and higher levels are compounded by learning gaps for Indigenous Peoples and Afrodescendent communities. Among other things, these gaps are related to educational content and methodologies that are not culturally relevant, and deficits in teacher training, provision of inputs and infrastructure

endowments, owing to the fact that Afrodescendent students are concentrated in more vulnerable environments, which also influences the lack of digital connectivity and equipment in the schools where they learn (ECLAC, 2022).

The COVID-19 pandemic unveiled and deepened these inequalities, as it showed that not all students had the resources and skills to manage distance learning processes in the same way. The increase in educational gaps as a result of the pandemic left the Afrodescendent population at a greater disadvantage than the non-indigenous, non-Afrodescendent population, given its overrepresentation in settings of poverty and vulnerability in which many lacked the necessary conditions for distance learning.

Unless measures are taken that recognize and seek to remedy the greater obstacles faced by the Afrodescendent population in accessing quality education throughout their lives, as well as the unequal impact that COVID-19 had on education systems, the pandemic will leave a permanent scar on the educational and work trajectories of an entire generation of children and adolescents that will further deepen present and future gaps, especially considering the labour demands arising from technological change (Huepe, Palma and Trucco, 2023). This is in addition to the broader challenge of relevance facing the region's education systems in terms of responding adequately to the demand for skills in the labour markets.

Today more than ever, investment is urgently needed in inclusive, good-quality and relevant education to support the development of the skills that will be increasingly in demand in the labour market and to enable everyone to reach their potential, leaving no one behind.

2. Risk of automation or technological substitution

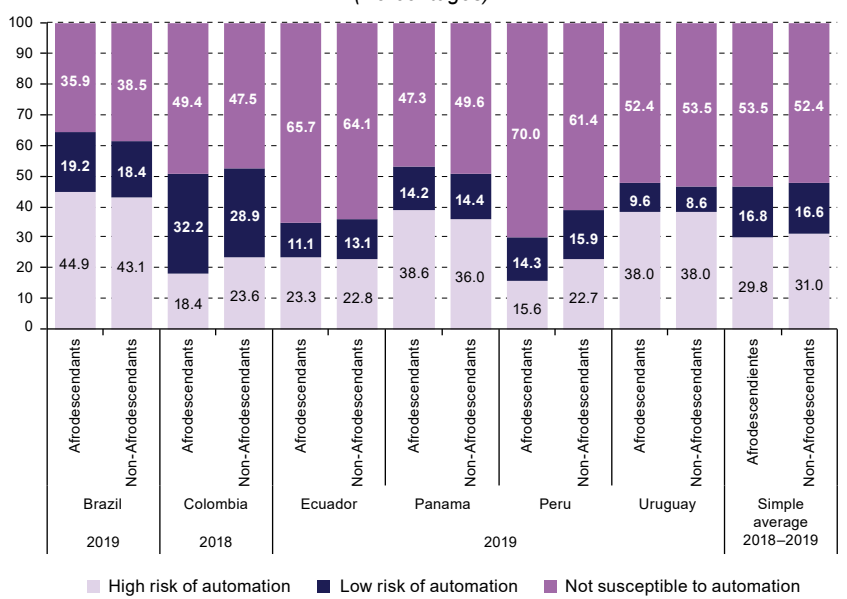
This section elaborates on the estimates presented in ECLAC/OEI (2020), by segmenting the risk of automation by ethnicity or racial identity. In this approach, the probabilities of automation of occupations are estimated according to the skills they require. A rating is given to a job's substitutability by technology according to the skills required to perform the related tasks, then task substitution risk is combined with occupation substitution risk following the Frey and Osborne (2017) methodology, in order to compute the risk of job automation in the region. Under the assumption that low-productivity sectors face more limitations in adopting technological innovations, jobs concentrated in these sectors are classified as having a low probability of automation.[4]

A first look at the countries where a segmented analysis can be performed by ethnicity/racial identity shows quite similar probabilities of automation between Afrodescendent and non-Afrodescendent employed workers. In the simple average of the countries, 46.6% of Afrodescendent

[4] For further details, see methodological annex in ECLAC/OEI (2020).

workers and 47.6% of non-Afrodescendent workers are seen to be in occupations that are potentially susceptible to automation (including high and low risk of automation). The risk profile between ethnic/racial groups is quite similar even in the comparison of percentages of employed people with a high risk of automation: the estimates indicate a high risk of automation for 28.8% of employed Afrodescendants, and for 31.05% of employed non-Afrodescendants (see figure 22). In other words, although the Afrodescendent population is generally overrepresented in occupational categories considered to be of low productivity (those that demand lower skills and report lower income, and that are assumed to have less probability of automation), their risk of substitution is not necessarily any lower in occupations at high risk of automation.

Figure 22
Latin America (6 countries): employed persons aged 15 and over by risk of job automation and ethnicity/racial identity, around 2019
(Percentages)



Source: R. Holz, M. Huepe and M. Rangel, "El futuro del trabajo y la población afrodescendiente en América Latina en el marco del COVID-19 y la recuperación transformadora con igualdad", *Project Documents* (LC/TS.2022/81), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2022, figure 17, on the basis of data from Household Survey Data Bank (BADEHOG) and the Programme for the International Assessment of Adult Competencies (PIAAC) survey.
Note: The Afrodescendent population does not include those self-identifying as Indigenous or cases where ethnicity or racial identity is unknown.

The results shown in figure 22 indicate that the estimated risk of automation varies more between countries than between Afrodescendent and non- Afrodescendent workers within the same country. For example,

in Brazil, 44.9% of employed Afrodescendants and 43.1% of the non- Afrodescendent, non-indigenous employed present a high risk of automation; while, in Colombia, Ecuador and Peru, these percentages are significantly lower for both population groups. This said, in the comparison of the employed with low risk of automation, Brazil, Panama and Colombia show the highest percentages of technological substitution for both Afrodescendants and non-Afrodescendants.

Lastly, after controlling for workers' sex, age and income in the estimates, it becomes apparent that these variables play a greater role in accounting for a given worker's automation risk than their ethnicity or racial identity (see Holz, Huepe and Rangel, 2022, for more information on these estimates).

3. Digitalization and new types of informality

The changes in the labour market associated with the fourth technological revolution have resulted in the emergence of new, non-traditional forms of employment. These new forms of work include the platform jobs that make up what has become known as the gig economy. The increasing use of digital technologies (laptops, tablets, smart phones, etc.) by the general population —a process that was accelerated by the pandemic— has set the stage for the use of digital platforms to link up the supply of a wide range of services with the demand for those services. These platforms deal with everything from meal delivery and passenger transportation services to all sorts of tasks that can be performed remotely, such as accounting, engineering and consulting services of various sorts.

ECLAC/ILO (2021) divide platform jobs into those providing services for the global market and those catering to a local market, with the former being associated with better conditions of employment. Work performed for the global market usually requires specialized skills and is generally more highly paid than platform work serving a local market (ECLAC/ILO, 2019, 2021).[5]

People must have both effective connectivity (broadband Internet access plus access to the requisite hardware) and digital skills in order to enjoy the benefits afforded by the technological revolution and, in particular, the booming gig economy. Latin America has made great strides during the last two decades in terms of access to the Internet and to devices, but there are still large gaps and striking inequalities in terms of

[5] Despite the diversity of these new forms of employment, they all share a high degree of job insecurity and fail to afford certain basic rights, since platform workers are either not covered by social security systems at all or are only partially covered (Goldin, 2020; ILO, 2016). In addition, most of these workers have less access to training, to participation in trade unions and to opportunities for career advancement.

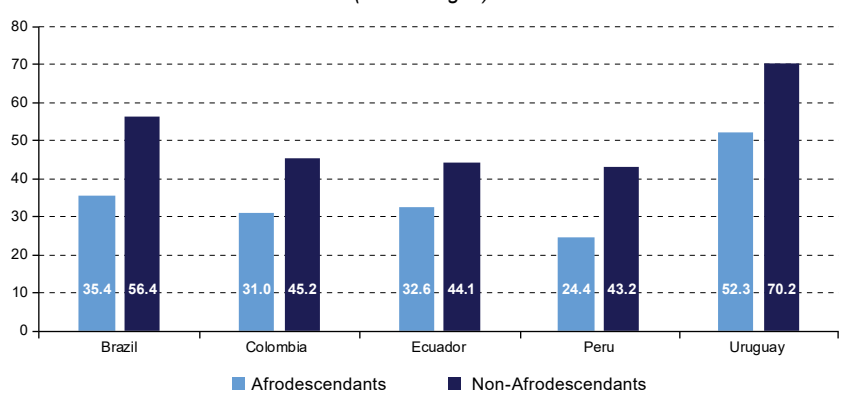
household connectivity and the possession of the necessary digital skills. Together with the other structural axes of the social inequality matrix in Latin America (ECLAC, 2016), ethnic and racial inequalities are a significant variable when seeking to account for the different manifestations of the digital divide existing in the region.

In 2018, in the six countries for which the relevant information is available, the percentage of the Afrodescendent population aged 15 or over that had Internet access in the home was considerably lower than the percentage of the non-Afrodescendent, non-Indigenous population that did (see figure 23). In all the countries, ethnic/racial gaps in access amount to over 10 percentage points, and the gap is even greater in Brazil, where it comes to over 20 percentage points, and Peru, where only one fourth of the Afrodescendent population has broadband Internet access in the home. (These data do not include Internet access via mobile phones.) These inequalities in effective connectivity (broadband Internet access plus access to the requisite hardware) work to the detriment of the Afrodescendent population in the region, as they hinder the access of this segment of the population to the potential benefits of the technological revolution.

Figure 23

Latin America (5 countries): percentage of the population aged 15 or over that has Internet access in the home, by ethnicity/racial identity, around 2018

(Percentages)



Source: R. Holz, M. Huepe and M. Rangel, "El futuro del trabajo y la población afrodescendiente en América Latina en el marco del COVID-19 y la recuperación transformadora con igualdad", *Project Documents* (LC/TS.2022/81), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2022, on the basis of the Household Survey Data Bank (BADEHOG).

Note: The figures on the Afrodescendent population do not cover persons who self-identify as Indigenous or those whose ethnicity status/racial identity is not specified. The data for Brazil, Colombia, Peru and Uruguay are for 2018, while the statistics for Ecuador date from 2017. In Ecuador, the survey question regarding ethnic/racial self-identification applies only to persons over 5 years of age, while, in Peru, the question is asked only for those over 14 years.

The platform jobs in local markets generally do not require advanced digital skills or the types of devices needed to perform complex tasks (such as tablets or computers); most of them require nothing more than a mobile phone, which has played an essential role in increasing Internet access in the region. Since they create a demand mainly for low-skilled workers and do not require broadband Internet access, these local platform jobs lower labour-market entry barriers and can thus be attractive options for segments of the population that have greater difficulty gaining access to the labour market, such as the Afrodescendent population. Unfortunately, it is not possible to identify which jobs are being generated by the gig economy on the basis of household survey results, and it is therefore difficult to estimate the importance of that economy as an employer and even more difficult to estimate its importance as an employer of members of Latin America's Afrodescendent population (ECLAC/ILO, 2021).

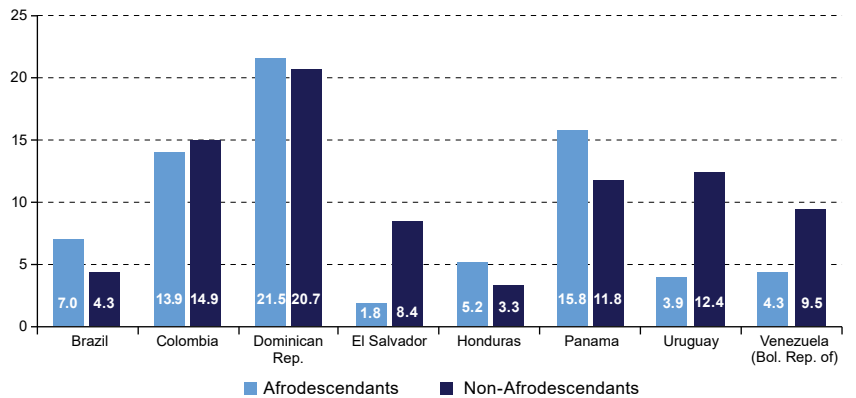
Some information can be obtained at the regional and national levels, however, from alternative sources. The Latinobarómetro survey (2018), for example, contains questions about the use of digital platforms such as Uber or Cabify as a means of earning an income. The results of that survey point to such a high degree of variability across countries, however, that no general conclusion can be reached that would be valid at a regionwide level concerning how the percentage of employed Afrodescendants who use these platforms compares with the percentage of persons in non-Afrodescendent, non-Indigenous groups who do so. In some countries, such as Brazil, Dominican Republic, Honduras and Panama, Afrodescendants report a more frequent use of platform work for income generation, while, in others, such as the Bolivarian Republic of Venezuela, Colombia, El Salvador and Uruguay, non-Afrodescendent and non-Indigenous persons report a higher level of use (see figure 24).

Brazil has more and better data on the situation of the Afrodescendent population than any other country in the region thanks chiefly to the fact that its administrative records and surveys include self-identification questions and that this segment of the population represents a significant percentage of the country's total population (and therefore provides a more representative sample) (see table 3). The results of the Latinobarómetro survey shown in figure 24 are in line with the national data. The survey conducted in 2019 by the Associação Brasileira do Setor de Bicicletas (Aliança Bike) (Alessi, 2019)[6] concerning the employment status of bicycle delivery persons indicates that a majority of these workers are young (18–22 years) Afrodescendent males; 57% of the respondents said that they work every day of the week, and 75% said that

[6] See [online] https://brasil.elpais.com/brasil/2019/08/06/politica/1565115205_330204.html.

they stay signed on to the app for up to 12 hours in a row. Their average monthly income of 992 reais (US$ 198)[7] was a little less than the minimum wage in Brazil in 2019.[8]

Figure 24
Latin America (8 countries): persons who have used a digital platform to generate income, by ethnicity/racial identity, 2018
(Percentages)



Source: R. Holz, M. Huepe and M. Rangel, "El futuro del trabajo y la población afrodescendiente en América Latina en el marco del COVID-19 y la recuperación transformadora con igualdad", *Project Documents* (LC/TS.2022/81), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2022, on the basis of the Household Survey Data Bank (BADEHOG).
Note: Persons who self-identified as mulatto or black are classified as Afrodescendants. The category "Non- Afrodescendent population" does not include Indigenous persons.

A study by the Central Única dos Trabalhadores (National Trade Union Federation) and the International Labour Organization (ILO) found that 68% of the platform-based delivery people in the two cities of Brasilia and Recife were Afrodescendants. The study's findings also indicate that these persons' work weeks are almost always excessive (six or seven days a week) and often take over leisure time or time that would be spent on other activities as a consequence of the systems used by employers to penalize workers who sign off from the app (CUT/IOS/ILO, 2021). In both of these cities, the average earnings per hour of persons using motorcycles or bicycles as delivery vehicles were below the minimum wage (far below in the case of Recife). On average, they earned 1,172 reais per month (approximately US$ 234), which works out to a net gain of 5 reais per hour (about US$ 1). What is more, since some workers have difficulty determining what their working expenses (petrol, Internet fees and the cost of meals while they are out working) add up to and calculating the difference between gross and net earnings, in some cases their net labour

[7] Based on an exchange rate of 5 reais to the dollar.
[8] The minimum wage in Brazil in 2019 was 998 reais (approximately US$ 200).

income is actually negative. To supplement their incomes, some delivery persons have other jobs on the side, such as doing freelance deliveries for restaurants or working as gardeners or carpenters on the weekends.

While the respondents appreciate the flexibility and autonomy that platform work gives them, they are aware that their working conditions are quite poor. In addition to being exposed to the sun and rain, they have to cope with chaotic, dangerous traffic day in and day out and with the time pressure involved in trying to make the deliveries as quickly as possible. In addition, they have no appropriate place to rest or wait, since they have no assured access to toilets or water or to a place to eat, for example. Many also encounter persons who treat them badly, humiliate them and/or discriminate against them on a daily basis (for example, guards who prevent them from using elevators or who block their access to commercial zones) (see box 1). These difficulties are compounded by risks related to a lack of security (assaults), a lack of labour rights (minimum wage, paid rest periods and sick leave, and social security coverage) and the offensive behaviour to which they are exposed if they are late with a delivery or some other problem arises.

Box 1
Are digital platforms racially neutral?

A number of international studies have raised the possibility that transportation platforms may amplify ethnic/racial injustices. They therefore call into question the gig economy's neutrality in that regard.

In the United States, 16% of adults have earned money via a digital platform at some point in time and, within that group, an estimated 30% are of Hispanic origin, 20% are Afrodescendent and 19% are of Asian heritage (Gelles-Watnick and Anderson, 2021). A larger percentage of the members of these groups than white gig workers report running into problematic situations while doing this kind of work (for example, feeling unsafe or being sexually harassed).

A study conducted in California by the Asian Law Caucus and Rideshare Drivers United (2023) highlights the existence of an unequal balance of power between drivers and passengers that leads to more non-white drivers having their access to the employer's app blocked or, in other words, being "deactivated": when drivers encounter discrimination, prejudice or harassment, the transportation companies covered in the study (Uber and Lyft) tend to take the alleged harasser's side while ignoring the driver's complaints and even going so far as to cut off his or her access to the app.

In London, England, Uber drivers are asked to scan their faces at random times during the day in order to gain access to the platform and, if they cannot do so, they run the risk of having their contracts suspended. Yet the facial recognition algorithm often does not work for 20% of dark-complexioned women and 5% of dark-complexioned men, leaving them at greater risk of being "fired" by the platform. This is a particularly serious problem given the fact that nearly 95% of the drivers in that city are Afrodescendants or belong to other ethnic minorities (*Independent*, 2021).

These findings are in line with a report issued by a United Nations human rights expert, who found that facial recognition algorithms malfunction more often in the case of persons of African or Asian descent. While developers and users of these technologies may not mean for them to be discriminatory, they are often "neither neutral nor objective" but instead reproduce and, in some cases, exacerbate ethnic/racial, gender and other inequalities existing in society (United Nations, 2020).

Source: Prepared by the author, on the basis of Asian Law Caucus and Rideshare Drivers United, *Fired by an App: the Toll of Secret Algorithms and Unchecked Discrimination on California Rideshare Drivers*, 2023; *Independent*, "Uber sued over 'racist' facial recognition algorithm that locks out workers", 6 October 2021 [online] https://www.independent.co.uk/news/business/news/uber-sued-facial-recognition-algorithm-racist-b1933275.html; United Nations, "Las compañías tecnológicas y de redes sociales se lucran a costa de información errónea y discriminación, afirma experta", 15 July 2020 [online] https://news.un.org/es/story/2020/07/1477531, and R. Gelles-Watnick and M. Anderson, "Racial and ethnic differences stand out in the U.S. gig workforce, Gig and sharing economies", *Pew Research Center*, 15 December 2021 [online] https://www.pewresearch.org/short-reads/2021/12/15/racial-and-ethnic-differences-stand-out-in-the-u-s-gig-workforce/.

Various surveys and research papers highlight that the gig economy poses some major challenges in terms of job instability and poor working conditions, deregulation, a failure to protect workers (Madariaga and others, 2019) and social vulnerability (Abramo, 2022; Robles and Tenenbaum, 2023). Gig workers are performing relatively new types of jobs that have not yet been regulated in most countries of the region. Moreover, these platforms do not issue employment contracts but rather operate on the basis of "terms and conditions of use", thereby disavowing companies' responsibility to recognize the employment relationship and provide their gig workers with job security, social protection, training and other rights associated with an employer-employee relationship (Acedo Ung and Castillo, 2020; Goldin, 2020). Even though these companies use terms such as "colleagues" or "partners" to refer to their employees, there is an unstated relationship of dependency between the platform and the worker, with the latter having to cover his or her work-related costs and expenses, including everything from the necessary equipment and tools (vehicles, petrol, mobile phone plans, etc.) to those related to accidents, theft and health care (Goldin, 2020).

In addition, gig workers serving local markets are subject to the performance evaluations of both consumers/users and the platforms, and their job security hinges on their scores on various parameters; if those scores are not high enough, they may be penalized or blocked from receiving more orders or income (ECLAC/ILO, 2019). Gig workers using these apps also complain of the lack of transparency in terms of the methods used by these companies to set routes, identify users, calculate payments, issue penalties or block access to the app. These decisions are made unilaterally, a fact which casts some doubt on the claim that these are independent workers (ECLAC/ILO, 2019; ILO, 2020).

Thus, although the gig economy may lower entry barriers for groups that have historically faced greater obstacles in terms of labour inclusion, these platforms are not necessarily neutral in terms of workers' gender or ethnic/racial identity (see box 1). In addition, the conditions of employment for gig workers fall far short of the definition of decent work and threaten to reproduce and indeed amplify structural inequalities in the region that have a particularly serious impact on certain groups, such as Afrodescendants.

C. Public policy recommendations for reducing ethnical/racial inequalities in the labour market

The technological and organizational changes associated with the fourth technological revolution are having and will continue to have a strong impact on the way the region's labour markets function. Thus, unless the institutional framework for social and worker protection is updated, these changes may exacerbate existing structural inequalities. This is particularly true of those that hinder the labour inclusion of the Afrodescendent population, and the situation has only been made worse by the pandemic, which has created additional challenges in terms of equality and inclusion.

The region's Afrodescendent population is particularly vulnerable to the impact of technological change in the labour market. Although many members of this segment of the population are employed in low-productivity jobs that are not at a significantly higher risk of technological substitution than jobs held by non-Afrodescendants in the medium term, it is likely that the digitalization of the economy and the ensuing deterioration in conditions of employment will have a disproportionate effect on them. Substantive changes in legislation and public policy in the areas of employment, education, social protection and others are therefore imperative in order to energetically address the structural inequalities in the labour markets of the countries of the region.

Latin America is potentially at a turning point where policy actions taken today could alter the region's future development path by shaping the way in which technological changes are prepared for and capitalized upon to increase the labour inclusion of population groups in situations of vulnerability, boost its economies' productivity and make progress towards achieving an egalitarian, inclusive and sustainable form of development.

This section focuses on a number of policy recommendations for increasing the labour inclusion of the Afrodescendent population during these times of technological change.

1. Compile more data and ensure that those data are more fully disaggregated by ethnic/racial identity

The statistical invisibility of the Afrodescendent population and of Indigenous Peoples[9] in the region is a grave form of discrimination that reflects the structural racism that permeates the workings of State institutions. More data, which need to be fully disaggregated by racial/ethnic identity, are required in order to pinpoint the main needs of the Afrodescendent population and devise measures for meeting those needs. As stated in line of action 2.8 of the Regional Agenda for Inclusive Social Development, "…processes must be developed to raise awareness of racism and ethno-racial inequality, including the incorporation of questions related to ethnic and racial self-identification in national statistical systems and in the administrative records of all programmes in the social area" (ECLAC, 2020, p. 34). In view of the changes taking place in the world of work in the region, it is also important to have better information systems in order to monitor changes in the labour market and develop more accurate estimates of the impact that different trends will have on Afrodescendent men and women in the different countries and areas in the region.

In order to compile the necessary statistics, public institutions will need to have the capability to produce, systematize and more widely disseminate (to different audiences) sufficiently disaggregated information on a timelier basis. They will also need the requisite capabilities to use that information to design and implement policies that will help the countries make headway towards the achievement of the Sustainable Development Goals.

2. Implement affirmative action measures in education and in the workplace

In exploring ways of attaining greater ethnic/racial equality, it is important to bear in mind that racism, as a structural feature of Latin America societies, influences the institutional systems in place for designing and implementing public policy. In a society permeated by structural racism, the implementation of policies and programmes that are intended to serve groups subject to discrimination, such as the Afrodescendent population, can be hampered by the prejudices and stereotypes pervading State institutions. ECLAC has therefore called for the adoption of a difference-sensitive form of universalism and for affirmative action directed at breaking down the entry barriers that block the access of Afrodescendants to income, assets, skills and social services that are of fundamental importance in upholding the rights of all (ECLAC, 2014 and 2020).

[9] For further information on the statistical invisibility of Indigenous Peoples, see chapter V.

(a) Affirmative action in education

In order to meet the challenge of achieving labour inclusion, policies are needed that will ensure an equitable territorial and demographic distribution of opportunities for obtaining a quality public education. In addition to strengthening the digital and other skills specific to the sectors and companies of strategic importance for local and national development, the educational and vocational training systems need to reinforce the development of basic cognitive skills (reading, writing and mathematics) and advanced skills (complex problem-solving, critical thinking, creativity and information management, among others), along with the socio-emotional and digital skills that are increasingly called for and prized within the context of the fourth technological revolution (ECLAC/OEI, 2020).

In the light of the inequalities, exclusion and vulnerability to which the Afrodescendent population has historically been subjected in the region, efforts to improve the quality of education and make it more inclusive need to be reinforced with measures explicitly designed to close ethnic/racial gaps in access to educational opportunities by setting aside a given number of places for members of this group in public institutions and/or by providing scholarships for attendance at private institutions (Corbetta and others, 2018; Valenzuela and Yañez, 2022).

Various affirmative action initiatives in the region have succeeded in expanding the Afrodescendent population's access to higher education.[10] In the early 2000s, Brazil began to launch affirmative action initiatives, such as the reservation of a given number of places in public agencies for Afrodescendants, the introduction of a regulation requiring government suppliers to set aside a certain percentage of their vacancies for Afrodescendants and the establishment of scholarships to promote inclusion in the Foreign Service.

Currently there are two main legal instruments for the promotion of affirmative action in Brazil's education system: the University for All Programme (ProUni), which was established by Act No. 11.096 of 2005, and Brazilian Quota Act No. 12.711 of 2012. ProUni provides full and partial (50% and 25%) scholarships for university-level courses of study in private institutions of higher learning for students from low-income families, with pre-established quotas for Afrodescendants, Indigenous persons and persons with disabilities. The percentage of scholarships awarded to Afrodescendent students has remained steady over the years at around 13% of all the scholarships provided under the programme (13.1% in 2014 and 12.7% in 2020) (Ministry of Education, 2021). Private universities that set aside places in order to fill these quotas are given tax exemptions, with these exemptions amounting to the equivalent of nearly 10% of the annual

[10] For further information, see box 5 in Holz, Huepe and Rangel, 2022.

budget of the Student Financial Fund (FIES). In 2022, the exemption totalled approximately US$ 110.6 million, or 0.06% of Brazil's GDP for that year (Ministry of Education, 2021).

The Brazilian Quota Act reserves 50% of the places in federal universities and mid-level technical schools for students who have completed their secondary education at public institutions, including technical and vocational courses of study. Within that percentage, there are quotas for "blacks", "mulattos" and "Indigenous persons" that are proportional to the size of those groups within the population of each state in Brazil.

While these affirmative action mechanisms have played an important part in improving the Afrodescendent population's access to higher education, so far they have not necessarily facilitated the entry of Afrodescendants into decent forms of employment; their effectiveness in that regard will have to be evaluated over a longer time frame (Heringer, 2015). The available evidence indicates that Afrodescendants must still overcome greater obstacles in order to obtain decent work than the non-Afrodescendent, non-Indigenous population does. In addition to the discrimination and prejudices that hinder the labour inclusion of the Afrodescendent population in Brazil, there are other factors that limit the potential scope and impact of the Quota Act, such as, for example: (i) the opposition to the law of various groups, made up mostly of white, more well-off persons who have used their political power and access to the media to influence public opinion (Lloyd, 2016); (ii) the fact that the implementation of the law's provisions is dependent on the country's budgetary situation; and (iii) the fact that the inequalities that still affect the lives of most Afrodescendants lessen the impact of greater access to higher education on their future careers because, for example, fewer of them have a strong command of English or an extensive network of contacts, among other factors.

Thus, while affirmative action in education is an important step towards democratizing access to higher education, it is also necessary to introduce cross-cutting public policies to promote social equality and combat discrimination and prejudice in all areas affecting people's well-being (Nunes and Oliveira Silva Fernández, 2021, p. 88). For example, the impact of policies aimed at opening up access to higher education could be heightened by measures to help make sure that students stay in school (for example, tutoring support programmes and childcare policies) and affirmative action measures in the labour market (Valenzuela and Yáñez, 2022).

(b) Affirmative action in the labour market

There are a number of examples of affirmative action initiatives in the region's labour markets, most of which involve hiring quotas for Afrodescendants in public institutions. For example, in 2014, Brazil

introduced a 20% quota for persons self-identifying as Afrodescendants applying to fill positions in federal agencies subject to competitive recruitment procedures (Act No. 12.990). In Uruguay, there is the same type of quota, although it is set at 8% (Act No. 19.122 of 2013).[11]

In Colombia, Act No. 2039 of 2015 is designed to increase agricultural productivity through the provision of special lines of credit for small, medium-sized and large producers. The interest on these lines of credit is subsidized by the government, and there are special programmes for members of the black, Afro-Colombian, Palenquera and Raizal communities (Decree No. 1071 of 2015 and Decree No. 20 of 2019). In 2021, a total of 137,361,000,000 Colombian pesos (approximately US$ 29 million) was budgeted for these lines of credit,[12] of which 3,250,000,000[13] Colombian pesos (approximately US$ 682,000) went for lines of credit for 1,099 members of the black, Afro-Colombian, Palenquera and Raizal communities (Comisión Nacional de Crédito Agropecuario, 2021).

3. Promote local productive development and quality job creation

Policies to promote economic activity are a core component of strategies for helping Afrodescendants to build good career paths. These policies help to diversify the production structure, encourage investment, promote the formation of production linkages and create better-quality jobs in different areas. Greater integration and complementarity need to be achieved among the macroeconomic, commercial, tax, infrastructure, social protection, education and other policy measures introduced to promote production in order for them to be more effective (Martínez, 2017).[14] All such measures need to work in tandem with one another in order to boost employment and productivity and pave the way for the region's structural transformation (ILO, 2015).

Given the concentration of the Afrodescendent population in economically depressed areas and low-productivity sectors and businesses, it is important from the standpoint of ethnic/racial equity to ensure that the productive development process will narrow the gaps between different areas in each country and help to meet the particular needs and bolster the potentials of this population group. Within the context of the current technological revolution, an especially important factor in this regard will be increased investment in digital infrastructure

[11] For a discussion of other experiences with affirmative action measures in the world of work in the region, see Holz, Huepe and Rangel (2022).
[12] Based on an exchange rate of 4,762 Colombian pesos to the dollar.
[13] The equivalent of 0.0002% of Colombia's GDP in 2021.
[14] For further information, see the concluding chapter.

in order to expand the coverage and operational effectiveness of Internet service in locations with large populations of Afrodescendants and other population groups in situations of vulnerability. National and subnational development plans that address various aspects of the economic and ethnic/racial inequalities present in different areas have been important tools for promoting the social and labour inclusion of Afrodescendants in Latin America for decades now (ECLAC, 2017). For more information about experiences with the incorporation of the interests and needs of the Afrodescendent population in national development plans in the region, see Holz, Huepe and Rangel, 2022.

4. Strengthen social protection systems in order to take on new challenges relating to informality and needs in other areas affecting people's well-being

In order to meet old and new challenges in the area of social protection for informal workers (a disproportionate percentage of whom are Afrodescendants), the contributory and non-contributory components of social protection systems need to be coordinated, mechanisms for expanding contributory social protection coverage need to be strengthened, and these systems need to be linked up with protection mechanisms in other areas such as health care, education and basic infrastructure (Robles and Tenenbaum, 2023).

The coverage of contributory social security systems can be expanded using tools that are already available in Latin America. Simplified contribution mechanisms for encouraging independent workers to start paying into a pension system and making it easier for them to do so include the single tax in Argentina and Uruguay and the individual microentrepreneur taxation system (MEI) in Brazil (see section D in the concluding chapter). It is important, however, to make sure that these types of mechanisms are not used as part of a strategy for reducing workers' rights or eroding their conditions of employment. Special protection regimes of this sort should gradually be transitioned into the general social security system. Otherwise, the region's labour markets run the risk of institutionalizing an "underclass" of workers in terms of social protection and labour rights (Abramo, 2022; Salazar-Xirinachs and Chacaltana, 2018; ECLAC/ILO, 2015; and ILO, 2014).

The Afrodescendent population is subject to a range of different types of interacting inequalities that heighten one another. In order to give Afrodescendants greater access to productive jobs affording decent conditions of employment, it is therefore necessary to address the diverse range of areas in which their needs are not being met. In other words, in order to take on the challenge of the labour inclusion of the Afrodescendent

population, a number of challenges in the area of social protection need to be met. As stated in the Regional Agenda for Inclusive Social Development, "Social protection aims to guarantee universal access to income that permits an adequate level of well-being, as well as universal access to social services (such as health, education, water and sanitation), housing, labour inclusion policies and decent work" (ECLAC, 2020, p. 19). Thus, in specific terms, in order to facilitate the labour inclusion of population groups that have historically been faced with discriminatory practices, such as the Afrodescendent population, steps need to be taken to provide equal opportunities in early childhood and childhood, where the first gaps and inequalities begin to appear; adopt measures for ensuring that girls, boys and adolescents enter and stay in the school system; strengthen the acquisition of the skills that are in demand in the labour market; lower the barriers that prevent the Afrodescendent population from obtaining quality health care; promote access to housing policies and programmes; narrow the digital divide in schools, households and different geographic areas; and set up caregiving systems that will lighten the workload borne by women and, in particular, Afrodescendent women.

Finally, in view of the racism still prevalent in the region, all these measures should be accompanied by awareness-raising initiatives focusing on schools, workplaces, public institutions and the population at large in order to combat the prejudices and stereotypes that cast a shadow over the lives of the members of different ethnic and racial groups.

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Chapter V

The Indigenous Peoples of Latin America-Abya Yala: the centrality of the role of collective rights in a transformative economic recovery[1]

Malva-marina Pedrero

Introduction

Indigenous Peoples have the right to self-determination and, by virtue of that right, they also have the right to freely determine their political status and to pursue their economic, social and cultural development, as stated in article 3 of the United Nations Declaration on the Rights of Indigenous Peoples. In order for them to avail themselves of that right, it is not only essential that Indigenous Peoples' territories, as the foundation of their existence, be recognized, protected, demarcated, collectively titled and reclaimed, but they must also be able to exercise their right to self-government on those lands, along with a series of other rights that are set down in international treaties (see box 2). These are precisely

[1] In this chapter a decision was made to include the name Abya Yala to refer to the Americas, given that Indigenous peoples' organizations and establishments have adopted this name for the continent, based on the name given to it by the Guna people of Panama and Colombia before the arrival of Christopher Columbus and the Europeans. Literally, it means land in full maturity or land of lifeblood, noble land that welcomes all. It is not an official name used by the United Nations.

the arguments put forward by Indigenous Peoples in claiming the right to run their own economy as part of their effort to rebuild their own, counter-hegemonic civilization —a civilization with the potential to deal with the structural causes of the overwhelming climate and environmental crisis that humanity is facing today. This claim is part and parcel of their own political economy, which revolves around their traditional lands.

Box 2

Indigenous Peoples' economies: relevant articles of the United Nations Declaration on the Rights of Indigenous Peoples

Article 3

Indigenous peoples have the right to self-determination. By virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development.

Article 4

Indigenous peoples, in exercising their right to self-determination, have the right to autonomy or self-government in matters relating to their internal and local affairs, as well as ways and means for financing their autonomous functions.

Article 5

Indigenous peoples have the right to maintain and strengthen their distinct political, legal, economic, social and cultural institutions, while retaining their right to participate fully, if they so choose, in the political, economic, social and cultural life of the State.

Article 20

1. Indigenous peoples have the right to maintain and develop their political, economic and social systems or institutions, to be secure in the enjoyment of their own means of subsistence and development, and to engage freely in all their traditional and other economic activities.
2. Indigenous peoples deprived of their means of subsistence and development are entitled to just and fair redress.

Article 21

1. Indigenous peoples have the right, without discrimination, to the improvement of their economic and social conditions, including, inter alia, in the areas of education, employment, vocational training and retraining, housing, sanitation, health and social security.

Article 23

Indigenous peoples have the right to determine and develop priorities and strategies for exercising their right to development. In particular, indigenous peoples have the right to be actively involved in developing and determining health, housing and other economic and social programmes affecting them and, as far as possible, to administer such programmes through their own institutions.

Article 29

1. Indigenous peoples have the right to the conservation and protection of the environment and the productive capacity of their lands or territories and resources. States shall establish and implement assistance programmes for indigenous peoples for such conservation and protection, without discrimination.

Article 31

1. Indigenous peoples have the right to maintain, control, protect and develop their cultural heritage, traditional knowledge and traditional cultural expressions, as well as the manifestations of their sciences, technologies and cultures, including human and genetic resources, seeds, medicines, knowledge of the properties of fauna and flora, oral traditions, literatures, designs, sports and traditional games and visual and performing arts. They also have the right to maintain, control, protect and develop their intellectual property over such cultural heritage, traditional knowledge, and traditional cultural expressions.

Source: United Nations, *United Nations Declaration on the Rights of Indigenous Peoples* (A/RES/61/295), 2007.

The goal of Indigenous Peoples' economies is to ensure that all beings (human and non-human) that share their traditional lands are able to engage in the "right way of living" (*el buen vivir*) by following time-honoured social, political, symbolic, residential and productive customs and mores. The underlying idea is one of interdependence and reciprocal nurturing of human beings, their natural surroundings and their ancestors, together with the perception of cultures as multiple, plural realities (Vanhulst and Beling, 2014; Van Kessel, 2006; and Burman, 2017). This worldview stands in opposition to Western ideologies and their purported universalism, which are based on domination, colonialization, the commodification of nature and the commercialization of all dimensions of modern life (Leff, 2006 and 2007).

Agendas for the reactivation of the economy in the wake of the coronavirus disease (COVID-19) pandemic therefore need to distinguish between the collective right of Indigenous Peoples to maintain and develop their own economies and the right of the persons belonging to these Peoples to improved conditions of employment, which include the right, without discrimination, to gain admission to employment, including skilled employment, and measures for promotion and advancement, equal pay for work of equal value, social security benefits and all other occupationally related benefits (article 20 of International Labour Organization (ILO) Indigenous and Tribal Peoples Convention, 1989 (No. 169)). Public policies should be put in place, first of all, to make the financial and technical resources available to Indigenous Peoples that they need for the performance of their autonomous functions and, second, to introduce

the affirmative action measures required to remove the entry barriers that confront Indigenous workers seeking to participate in the general workforce outside the bounds of their own economies.

It is essential for these agendas to address the challenges posed by climate change and its effects as well. Given the demonstrated success of the autonomous management of Indigenous territories in this respect, Indigenous Peoples should rightfully be looked upon as strategic players in the effort to fulfil the countries' nationally determined contributions (NDCs). In the final analysis, the idea is simply to move in the direction of more sustainable development models and alternative forms of relating to nature that will enable humanity to cope with the global crisis. The immense ontological and epistemological diversity of Latin America-Abya Yala constitutes the foundation and starting point for this process (De Sousa Santos, Arriscado Nunes and Meneses, 2007). Indigenous Peoples' involvement with issues of climate change and climate justice should therefore not be limited to Indigenous knowledge and technologies or even to their autonomous governance of their territories. The ontological *locus* of enunciation that underpins that knowledge and those systems of governance also requires attention. And that *locus* is none other than the nature itself of what is perceived as a reality. And because of the history of inter-ethnic relations in the region, there are realities in conflict with one another: the colonized realities of Indigenous Peoples and the colonizing, commodifying reality underlying State-imposed development models.

A. The impact of the pandemic on Indigenous Peoples' ability to exercise their rights and on their social and economic situation

From the very start of the COVID-19 pandemic, specialized agencies urged governments to adopt measures to mitigate its health and socioeconomic impacts and, from an intersectional perspective, to devote special attention to the specific needs of historically excluded groups and to the differentiated impacts that those measures could have in terms of their human rights (IACHR, 2020). The need to take these considerations into account is especially relevant for the 800 Indigenous Peoples and the over 57.5 million persons belonging to them in Latin America. The available data show that these Peoples are invariably among the poorest members of society, have less access to education, health care, drinking water and decent housing and that they are at a disadvantage in the labour market (ILO, 2020; ECLAC, 2020a; Del Popolo, 2017; FILAC/FIAY, 2020).

Government-ordered lockdowns and mobility restrictions during the pandemic had a particularly strong impact on Indigenous Peoples.

Although they were able to continue with many of their day-to-day own-consumption production activities on their traditional lands, their access to other subsistence goods was blocked or limited by the total or partial closure of roads and other transport routes. These measures' many immediate impacts included: the interruption of access to markets where they sold some of what they produced and bought basic food and other inputs for their communities' economies; greater difficulty in accessing the social benefits and allowances provided by governments on a regular basis and special pandemic-related support; and the impossibility of engaging in the seasonal work in nearby areas that was a source of needed household income. The situation was compounded by the return of many people to the traditional territories who were living elsewhere, either because they lost their jobs or because they were seeking a safer place to shelter from COVID-19, which put greater pressure on the subsistence economies of Indigenous communities.

The importance of the recognition and legal protection of Indigenous territories became more evident during the pandemic because the food security of Indigenous Peoples hinged on the management of the natural resources in those territories, together with local production activities, as these factors came to play a more decisive role in these communities' ability to endure the crisis than monetary income streams or government subsidies did (World Bank, 2021). This is attested to by the fact that those Indigenous communities that rely on their own food systems were able to cope more successfully with the pandemic-related restrictions than those that were more reliant on the market to cover their food needs (FAO, 2020).

Household surveys were conducted during the first year of the pandemic in seven countries of the region (Brazil, Chile, Colombia, Ecuador, Mexico, Peru and Uruguay). The data from these surveys provide some idea of its socioeconomic impact, although this information is necessarily preliminary and incomplete, since it pertains only to the early stages of the social and health crisis. Nonetheless, it does shed light on certain inter-ethnic differences (see table 5). As was to be expected, the poverty rate for the Indigenous population rose in all the countries, although by differing amounts, with the steepest increases being seen in Peru and Uruguay (60% and 50%, respectively). What might be more surprising is that, in five countries (Chile, Colombia, Mexico, Peru and Uruguay), a larger percentage of the non-Indigenous population than of the Indigenous population fell below the poverty line during this period, thus narrowing the inter-ethnic gap in this respect. Nevertheless, that reduction in this gap signals greater equality in terms of poverty rather than a substantive improvement in the position of the Indigenous population in the social structure, since poverty levels remain higher among the Indigenous population than the general population in all the countries.

Table 5
Latin America (7 countries): percentages of Indigenous and non-Indigenous populations living in poverty, by sex
(Percentages and relative differentials)

Country	Year	Men		Women		Total		Relative differential (Indigenous/ Non-Indigenous)	Relative differential by sex (Indigenous/ non- Indigenous)	
		Indigenous	Non-Indigenous	Non-Indigenous	Non-Indigenous	Indigenous	Non-Indigenous		Men	Women
Brazil	2019	29.8	11.6	35.7	11.7	32.7	11.7	2.8	2.57	3.05
	2020	41.3	10.9	38.7	11.8	40.0	11.4	3.5	3.79	3.28
Chile	2017	15.1	9.7	15.8	10.7	15.4	10.2	1.5	1.56	1.48
	2020	16.7	13.6	17.4	14.1	17.1	13.9	1.2	1.23	1.23
Colombia	2019	60.3	28.9	61.7	30.1	61.0	29.5	2.1	2.09	2.05
	2020	63.2	34.2	65.1	35.6	64.2	34.9	1.8	1.85	1.83
Ecuador	2019	50.0	20.3	51.0	21.5	50.6	20.9	2.4	2.46	2.37
	2020	59.5	24.6	59.9	24.6	59.7	24.6	2.4	2.42	2.43
Mexico	2019	45.3	29.2	46.8	30.6	46.1	29.9	1.5	1.55	1.53
	2020	45.6	32.0	47.2	33.3	46.4	32.7	1.4	1.43	1.42
Peru	2019	19.6	8.9	20.4	9.3	20.0	9.1	2.2	2.20	2.19
	2020	32.6	20.9	32.3	22.2	32.4	21.6	1.5	1.56	1.45
Uruguay	2019	4.1	2.7	3.4	2.8	3.7	2.8	1.3	1.52	1.21
	2020	5.3	4.7	5.8	4.9	5.6	4.8	1.2	1.13	1.18

Source: Prepared by the author, on the basis of Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT [online database] https://statistics.cepal.org/portal/cepalstat/index.html?lang=en.

This change in the poverty rates of the Indigenous and non-Indigenous populations relative to one another may be attributable to various factors. First of all, the collapse of conventional labour markets during the pandemic had a greater impact on the non-Indigenous population. Second, many Indigenous persons are involved in production activities that were not seriously hurt by the restrictive measures that governments introduced in an effort to curb the pandemic. Finally, in some cases, because this population group is in situation of high vulnerability, its members may have received special subsidies from their countries' governments, as is suggested by the results of the special National Socioeconomic Survey conducted by Chile in 2020 to gauge the impact of the pandemic. The situation in Chile may be unusual, however, so it may not be valid to extrapolate from the information gathered there, since these types of policies have generally not proven to be effective in reducing inequalities (Lustig, Morrison and Ratzlaff, 2019). In addition, it must be remembered that the conditions under which these surveys were conducted may have biased the results[2] or that these results may be reflecting the situation during the early stages of the pandemic rather than the cumulative effects of the restrictive measures that remained in place for more or less two years.

Another consideration is that conventional poverty measurements, regardless of whether they measure income poverty or are multidimensional, have been criticized by Indigenous Peoples on the grounds that they are not sensitive to Indigenous Peoples' concepts of well-being and that they do not provide enough relevant information for the design and implementation of public policies to promote the autonomous pursuit of their life plans. In recent decades, many different proposals for filling this void have been made, but they have not yet been incorporated into the information systems of the countries of the region. Most of these proposals include conventional indicators but then add in many other types of indicators relating to, for example, the governance of Indigenous territories (such as collective land ownership, natural resource management, and political and economic autonomy); the vitality of their culture in terms of both respect for customary norms governing a collective way of life and the use of Indigenous sciences, technologies and languages; and the conditions influencing participation by Indigenous Peoples in national political affairs (ECLAC/FILAC, 2020).

[2] In a number of countries in the region, data were collected by telephone (or other virtual means), so only households for which telephone contact information was available were canvassed. In addition, various other methodological and subject-matter adjustments had to be made. Given the much lower connectivity rates of the Indigenous population, this shift away from in-person surveys may have greatly reduced the percentage of Indigenous persons covered by these surveys. For further information on this subject, see ECLAC (2022a).

1. Less protection for the land rights of Indigenous Peoples and increased violence during the pandemic

The pre-existing vulnerabilities affecting Indigenous Peoples' ability to cope with the pandemic have been compounded by factors that have undermined the exercise of their collective rights. Those factors are reflected in the weakness —or, in some countries, complete absence— of institutionalized mechanisms for supporting their essential political participation in the definition, implementation and evaluation of relevant, contextualized measures for containing the pandemic and mitigating its many socioeconomic and other impacts. Yet another adverse factor has been the failure in many countries of the region to protect their lands. This not only put Indigenous persons at greater risk of contracting the virus; in many cases, it also left them to try to deal with the crisis while surrounded by violence, criminal activity and the depredation of their natural resources. This state of affairs can be laid at the door of the regressive nature of the policies governing the exercise of Indigenous Peoples' rights in many Latin American countries even before the outbreak of the social and health crisis (ECLAC/FILAC, 2020; IACHR, 2021; Mamo, 2020, 2021 and 2022; and ONIC, 2021). The complicated processes involved in demarcating, titling and reclaiming Indigenous lands and the feeble mechanisms established by the State to fulfil its exclusive obligation[3] to carry out prior consultations concerning any administrative or legislative measures that might impact Indigenous Peoples' rights set the stage for increasing social discontent on the part of Indigenous Peoples that has led to protests, the formation of alliances, and national and international legal action to demand those rights. These dynamics continued to unfold during the pandemic, spurring a myriad of oftentimes contradictory State initiatives that were not always in line with the applicable international standards.

For example, in Argentina, in view of the delay in the implementation of Emergency Act No. 26.160 of 2006 on the demarcation of the lands traditionally used by Indigenous Peoples in the country, which declared the suspension of any evictions from those lands, the government issued a decree that extended that ban up to 2025 (Decree No. 805/2021). However, the evictions continued. In 2020 alone, dozens of communities were forced to leave their territories in the provinces of Salta, Tucumán, Jujuy, Chaco and Santa Fe (CELS, 2021). In Colombia, while the government did take some steps to strengthen Indigenous land rights, such as issuing Decree No. 1824 of 2020, which establishes a procedure for clarifying the legal titles dating from colonial

[3] In some cases, in violation of international standards, governments transferred the obligation to undertaken prior consultations to the companies that wanted to launch extractive or investment projects (IACHR, 2021).

times to the land in Indigenous reservations, the widespread conflicts existing in many Indigenous territories intensified during the pandemic, and forced evictions increased, affecting 26,028 members of Indigenous communities in 2020–2021 (Gutiérrez and Barbosa, 2021; CODHES, 2021).

In Brazil, the titling of Indigenous lands was suspended by government order, and a series of bills were sent to the legislature that, if passed, would lead to a serious setback in the protection of the rights of Indigenous Peoples.[4] The withdrawal of protection for those rights triggered a sharp increase in incursions into Indigenous lands, the illegal exploitation of resources within those territories and other actions that damaged assets of those communities that constituted part of their heritage. In 2020, 96 land disputes were reported, along with 263 incursions, instances of illegal harvesting of natural resources and other types of property damage affecting 201 Indigenous territories in 19 different states (CIMI, 2021). The following year, there were another 118 disputes and 305 incursions in 226 Indigenous territories in 22 states. Miners, loggers, hunters, fishers and others not only increased their illegal activities on Indigenous lands but also acted more aggressively and violently (CIMI, 2022).

Increased violence in Indigenous territories during the pandemic, along with an upswing in both legal and illegal extractive activities, was reported in almost all the countries of Latin America-Abya Yala. Although a complete picture of how much and how land disputes have intensified over the last two years is unavailable, certain trends can be discerned from the information provided on the "Collective Rights Violated During the Pandemic" interactive platform of the Rights & Resources Initiative (RRI) and the Amazon Conservation Team (ACT).[5] Previously, between 2017 and 2019, 102 extractive and infrastructure projects infringing upon the rights of 1,164 Indigenous and local communities in six countries of the region (Brazil, Colombia, Guatemala, Honduras, Mexico and Peru) had been reported (RRI, 2020). In 2020–2021, 156 such cases were reported (a 59.9% increase); of that number, mining activities accounted for 30.8% of the projects, agribusiness for 23.1%, renewable energy projects for 16.0%, infrastructure projects for 13.5%, hydrocarbon extraction for 9.0% and logging for 7.7%. These projects encroached upon a total of 1,964 communities during the pandemic (see table 6).

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[4] Bill No. 191/2020, on research, mining and hydrocarbon extraction activities on Indigenous lands and on the use of water resources on such lands for the generation of electricity; draft Legislative Decree No. 177/2021, which would empower the President of Brazil to withdraw Brazil's adherence to the ILO Indigenous and Tribal Peoples Convention, 1989 (No. 169); bills Nos. 510/2021 and 2.633/2020, which would authorize activities that constitute the illegal occupation of public lands, thereby legalizing invasions of Indigenous territories; and bill No. 490/07, which would, among other things, restrict the demarcation of Indigenous territories and permit the presence of military units, the expansion of the road network and exploration for alternative energy sources on those lands.

[5] See [online] https://experience.arcgis.com/experience/bb14d1fa027b47a982b4ec90243b9606/.

Table 6
Latin America (6 countries): number of extractive projects undertaken in violation of the rights of Indigenous Peoples and local communities, and number of communities affected, 2020–2021

Country	Agribusiness		Renewable energy		Logging		Hydrocarbons		Infrastructure		Mining		Total	
	Projects	Affected communities	Projects	Affected communities	Projects	Affected communities	Projects	Affected communities	Projects	Affected communities	Projects	Affected communities	Projects	Affected communities
Brazil	6	16	3	16	4	6	1	5	2	17	9	50	25	110
Colombia	11	18	4	23	1	2	7	17	4	10	12	461	39	531
Guatemala	1	1	5	223	1	1	-	-	-	-	6	33	13	258
Honduras	8	22	8	50	2	2	-	-	4	51	1	13	23	138
Mexico	4	23	5	22	1	1	-	-	7	76	4	7	21	129
Peru	6	19	-	-	3	6	6	111	4	457	16	205	35	798
Total	36	99	25	334	12	18	14	133	21	611	48	769	156	1 964

Source: Prepared by the author, on the basis of Rights and Resources Initiative (RRI)/Amazon Conservation Team (ACT), Collective Rights Violated During the Pandemic [online] https://experience.arcgis.com/experience/bb14d1fa027b47a982b4ec90243b9606/.

The most ominous manifestation of the systemic violence directed at Indigenous Peoples is the alarming number of Indigenous leaders and community members who have been murdered in the course of incursions into Indigenous territories. An average of five defenders of the lives and territories of Indigenous Peoples were murdered every month during the five years preceding the pandemic (ECLAC/FILAC, 2020). This already astonishing figure rose even further in 2020–2021, with at least 280 such murders —an average of 10 Indigenous defenders per month— being committed during that period. Out of the victims of those crimes, 27 were Indigenous women.[6]

2. Government measures for mitigating the social and economic impact of the pandemic on Indigenous Peoples

All the countries of the region took some steps to deal with the health impacts of the pandemic on Indigenous Peoples (ECLAC and others, 2021) but not its social and economic effects.

Government budget allocations for promoting the development of Indigenous Peoples have included special monetary transfers for population groups in situations of vulnerability, but the fact remains that direct cash transfer programmes have thus far done little to improve the living conditions of Indigenous Peoples or to do away with inequalities because, although, theoretically, their design is impartial, their delivery is not (Lustig, Morrison and Ratzlaff, 2019). Indigenous Peoples have encountered numerous problems when seeking to secure the government relief payments made during the pandemic (geographic inaccessibility, limited coverage, the need to use digital media to receive the payments, etc.), which suggests that they did not have equitable access to these resources in all cases. For example, in Chile, only 7.5% of the beneficiaries of the Emergency Family Income (IFE) transfers were members of Indigenous Peoples (Ministry of Social Development and Family Affairs, 2021), whereas Indigenous Peoples make up 12.4% of the country's general population and a much larger percentage of the population living in poverty.

In fact, in nearly all the countries for which the relevant information is available (Argentina, Chile, Colombia, Guatemala, Mexico, Paraguay and the Plurinational State of Bolivia) government spending earmarked specifically for Indigenous Peoples has been declining in recent years, and the decrease steepened during the two years of the pandemic. The

[6] The available statistics are for 11 countries of the region (Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Guatemala, Honduras, Mexico, Nicaragua, Paraguay and Peru) and have been compiled from reports issued by national and international human rights organizations.

sole exception is Mexico, where government spending for Indigenous Peoples rose steadily in 2018–2021, climbing by an annual average of 7.5% in real terms from 80,844,600,000 to 111,475,000,000 Mexican pesos (US$ 3.88 billion to US$ 5.35 billion). However, this increase has been concentrated in spending on programmes to ensure the enjoyment of social rights; spending on rural development, the environment and natural resources directly related to the land rights of Indigenous Peoples has fallen significantly (CEFP, 2021).

Countries that have officially recognized special autonomous Indigenous territories are also having to grapple with complex budgetary issues. One example is the Plurinational State of Bolivia, whose national budget has included allocations for the governments of its autonomous Indigenous and campesino territories since 2018. Those autonomous entities possess a wide range of constitutionally protected powers. In 2022, US$ 10 million in transfers were provided to the five autonomous territories (Territorio de Raqaypampa, Nación Originaria Uru-Chipaya, Charagua Iyambae, Salinas and Kereimba Iyaamba). This works out to an average of US$ 193 per capita[7] for promoting the economic, social, political, organizational and cultural development of these territories; preparing land use plans; bringing electricity to remote areas within those territories; maintaining secondary and access roads; managing and preserving protected areas within their jurisdictions; establishing and administering rates, licenses and special taxes within their jurisdictions; planning and managing land use; maintaining and managing irrigations systems; promoting productive development and construction; and maintaining and managing the infrastructure needed for the development of their territories. These funds fall far short of what is needed to consolidate the autonomous Indigenous territories, especially since they must also cover the implementation of the central government's regular social policies in such areas as subsidies, income support, public safety and others. This situation thus greatly reduces these autonomous governments' capacity for action (Zambrana, 2019).

In addition to the regular budget allocations for Indigenous Peoples, some countries earmarked additional resources to provide economic support during the pandemic. For example, the Ministry of Agriculture, Livestock and Fisheries of Argentina launched a direct crisis assistance programme that provided US$ 277,000 to aid family, campesino and Indigenous farms by helping to provide essential inputs, tools and materials. It also started up the Local Employment, Settlement and Supply Programme (PROTAAL) with a budget of US$ 678,000 to consolidate the

[7] Estimate based on official information. See [online] https://sigep.sigma.gob.bo/sigep_publico/faces/SFprEjecucionPresupuestaria;jsessionid=i2R_rwoxQRE6H5rI2vFee0_HCsa-T3W5p5DQZJbb8YZKUHIZ8riX!668222177.

position of family, campesino and Indigenous farming as a local food supplier, to protect and support such farms and to spur the country's economic recovery.

In Chile, under a technical cooperation agreement with the Inter-American Development Bank (IDB) to provide support for the promotion of Indigenous economies in the context of the COVID-19 crisis, the Ministry of Social Development and Family Affairs launched a Plan for the Promotion of Indigenous Entrepreneurship with a total investment of US$ 500,000 (CONADI, 2021). In Colombia, the Ministry of Agriculture and Rural Development started up four different programmes to promote food security and the inclusive reactivation of the economy in rural areas (Cauca Regional Indigenous Council, the Pasto and Quillacinga Peoples of Nariño Department, Huila Regional Indigenous Council and Caldas Regional Indigenous Council) having a total budget of US$ 463,000. All of these programmes were executed using resources of the Ministry's Decentralized Rural Development Strategy, which is funded by the European Union. In Paraguay, the government reallocated US$ 25 million from the Agrarian Market Access Project (PIMA) in mid– 2020 for an emergency plan to assist family, campesino and Indigenous farms whose operations had been hurt by the pandemic to gain greater market access (COPROFAM, 2020).

Although these and other similar government initiatives in other countries of the region have helped to support the economic recovery of Indigenous communities, the fact remains that they are fragmentary. A broad-ranging participatory process is needed to devise comprehensive social and economic development strategies for all Indigenous Peoples in autonomous national territories that take into account their varying situations and their own particular models of well-being.

B. The autonomous governance of the territories of Indigenous Peoples as a key factor for a sustainable recovery

1. The contribution of Indigenous Peoples to climate change mitigation

Despite the acknowledged contribution being made by the autonomously governed Indigenous Peoples' territories to the conservation of biodiversity and protection of the environment, due account has not been taken of their rights in the 2030 Agenda for Sustainable Development or in national climate change mitigation strategies. This failing must be forcefully

addressed in economic recovery policies, especially given the growing amount of evidence that safeguarding the collective rights of Indigenous Peoples over their territories constitutes an effective means of achieving national goals in this area (United Nations, 2021; IPCC, 2022).

Indigenous Peoples' autonomous, collective governance of their forests clearly illustrates the types of contributions they make, since they have been enormously successful in conserving biodiversity and enabling carbon capture and storage on their lands. The most recent estimates indicates that more than 80% of the lands of Indigenous Peoples in Latin America are forested (320 million hectares, approximately), and most of this land (72.9%) is covered with intact or nearly intact forests (FAO, 2021). A study of the lands of Indigenous Peoples and local communities in Brazil, Colombia, Mexico and Peru found that 92% of those lands act as net carbon sinks that capture, on average, 30 metric tons of carbon dioxide equivalent (CO_2e) per hectare each year, which is more than twice as much as the carbon capture occurring on lands not administered by Indigenous Peoples or local communities. Clearly, the protection of Indigenous Peoples' land can play an important role in the fulfilment of the countries' NDCs, since it is estimated that they will capture emissions equivalent to 30% of the countries' unconditional NDCs[8] up to 2030 (see table 7) (Akhtar and others, 2022).

Table 7
Latin America (4 countries): NDC reduction targets for 2030 and net emissions from the lands of Indigenous Peoples and local communities

Country	Emissions reduction targets for 2030 *(Millions of metric tons of CO_2e)*	Average annual net carbon capture by lands of Indigenous Peoples and local communities *(Millions of metric tons of CO_2e)*	Carbon captured by lands of Indigenous Peoples as a percentage of NDC targets
Brazil	600	167	28
Colombia	177	61	34
Peru	90	25	28
Mexico	210	62	29

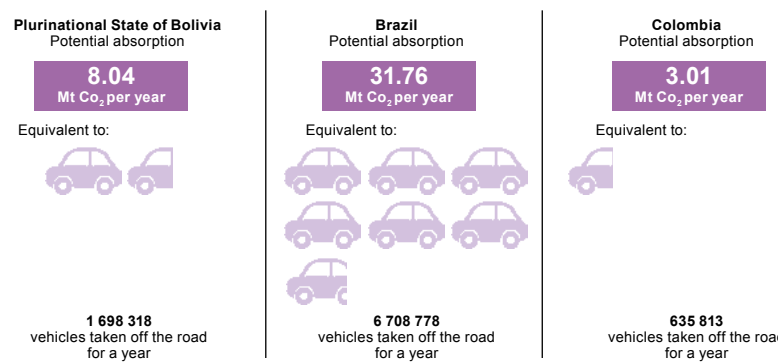
Source: S. Akhtar and others, Sink or Swim: How Indigenous and Community Lands Can Make or Break Nationally Determined Contributions, Forest Declaration Assessment, 2022, p. 6.

From a financial standpoint, ensuring Indigenous Peoples' rights to their forested land requires a fairly small investment that yields enormous benefits. The cost of doing so in three countries of the Amazon Basin (Brazil, Colombia and the Plurinational State of Bolivia) has been estimated at just 1% of the projected economic benefits over a 20-year period. Moreover, if the governments of these countries were to fail to

[8] Unconditional targets refer to the contributions to the achievement of the countries' NDCs that they can make based entirely on their own resources and capabilities.

ensure Indigenous Peoples' property rights and protect their lands and were to refrain from promoting the autonomous governance and management of these forests, it would be very difficult for them to find other ways of averting the carbon emissions that these lands capture each year. The forests on Indigenous lands in the Bolivian Amazon have the potential to prevent 8.04 Mt of CO_2 emissions each year, which is equivalent of the reduction that would be brought about by taking 1.7 million passenger vehicles out of circulation each year. In Brazil, the carbon sink potential is estimated at 31.76 Mt per year (the equivalent of taking 6.7 million vehicles out of circulation) and, in Colombia, it is estimated at 3.01 Mt of CO_2 (the equivalent of removing 0.63 million vehicles from the roads) (Ding and others, 2016) (see diagram 1).

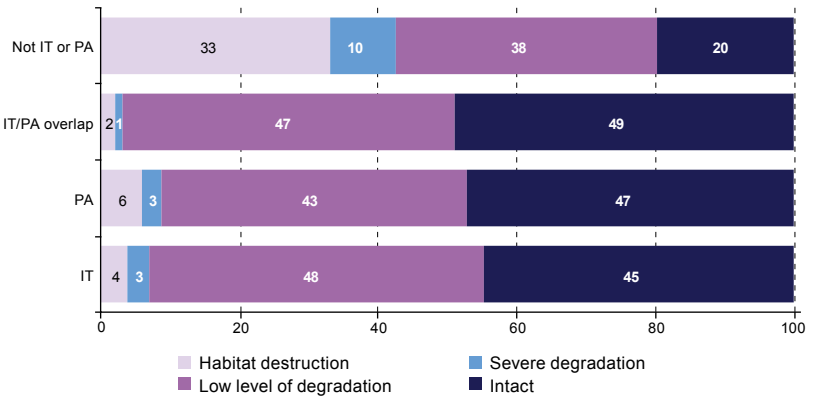
Diagram 1
Latin America (3 countries): CO_2 emissions averted per year by securing Indigenous Peoples' land rights over forested land



Source: H. Ding and others, *Climate Benefits, Tenure Costs: The Economic Case for Securing Indigenous Land Rights in the Amazon. Report Summary*, World Resources Institute, 2016, p. 8.

Despite all this evidence, the environmental degradation of Indigenous territories continues. Decades of exploiting the natural resources of these lands have entirely destroyed 20% of the Amazon basin habitat and severely degraded another 6%. Land reclamation projects therefore need to be undertaken as a matter of urgency. In another 41%, environmental degradation is less severe, and the remaining 33% remains intact. The figures make it plain that Indigenous Peoples' land and biodiversity management capacity is far superior: the amount of land where the habitat has been completely destroyed is, in proportional terms, eight times greater in areas outside of the control of these Peoples and five times greater in State-run protected areas (PAs). By contrast, only 7% of Indigenous lands have been destroyed or are severely degraded, which is less than in the State-run PAs and in areas not subject to any special management regime (see figure 25) (Quintanilla, Josse and Guzmán León, 2022).

Figure 25
Amazon region (9 countries): current status of forested land surface area, by land management regime
(Percentages)



Source: M. Quintanilla, C. Josse and A. Guzmán León, *La Amazonía a contrarreloj: un diagnóstico regional sobre dónde y cómo proteger el 80% al 2025*, Amazon Network of Georeferenced Socio-Environmental Information (RAISG)/Coordinating Body for the Indigenous Peoples' Organizations of the Amazon/Stand.earth, 2022, p. 26.
Note: IT: Indigenous territories; PA: State-run protected areas.

The Monitoring of the Andean Amazon Project (MAAP) has reported that the destruction did not stop during the pandemic: in 2020, the nine countries of the Amazon Basin lost approximately 2.3 million hectares of primary forest, which was 17% more than in 2019 (MAAP, 2021). In 2021, another 2 million hectares were lost (MAAP, 2022). This situation not only threatens the livelihoods of Indigenous Peoples; it also increases emissions of greenhouse gases in the midst of our planet's escalating climate crisis.

This critical situation prompted the Coordinating Body for the Indigenous Peoples' Organizations of the Amazon to submit a motion at the World Conservation Congress of the International Union for Conservation of Nature [9] to avoid the point of no return[10] in the Amazon by protecting 80% of its area by 2025. That motion was approved as a resolution, garnering the support of 56% of the participating States and government agencies and 95% of the social and Indigenous organizations in attendance. Resolution 129[11] calls on governments "…to support the area-based conservation targets, in order to protect, conserve and sustainably manage at least 80% of the Amazon by 2025, in partnership with and recognising the leadership of

[9] Held in France from 6 to 10 September 2021.
[10] The point of no return is understood to be the point in time when the combined amount of deforested and degraded land crosses the threshold of 20%–25% of the total land area. Specialized agencies warn that, if that threshold is passed, the system will have reached an irreversible turning point that can result in the death of the entire ecosystem. For further information, see [online] https://80x25.coicamazonia.org/wp-content/uploads/2022/07/Resumen-para-la-politica-publica_80x25.pdf.
[11] See "Avoiding the point of no return in the Amazon protecting 80% by 2025" (WCC-2020-Res-129-EN) [online] https://portals.iucn.org/library/sites/library/files/resrecfiles/WCC_2020_RES_129_EN.pdf.

Indigenous Peoples in the Amazon, ensuring their free, prior and informed consent, and with the full recognition of their rights, as set out in UNDRIP, to their lands, territories and waters, as a measure to ensure ecosystem integrity, halt deforestation, biodiversity loss and land-use change, and prevent the point of no return being reached…".

Apart from the economic incentive for the governments of the region highlighted by the statistics cited above, guaranteeing the land rights of Indigenous Peoples is, above all, a question of climate justice, as secure title for Indigenous Peoples to their lands is an important tool for dealing decisively with the inherent problems associated with their having to bear the burden of climate change and with an unequal distribution of privileges and risks. It is an established fact that Indigenous Peoples are among those who have had the least to do with both the structural and direct causes of climate change, but they are also among the most vulnerable to its impacts because their livelihoods have been impaired —in many cases dramatically so— by the types of activities that are at the root of the crisis. By the same token, those who bear the greatest responsibility for the crisis and who have reaped the greatest benefits from the activities that have caused it tend to be the least exposed to its effects. As observed by the Intergovernmental Panel on Climate Change in one of its latest reports, Indigenous Peoples around the world "bear the brunt of environmental and climate injustices" owing to their proximity to "sacrifice zones", that is, the areas "most impacted by extreme weather events, and/or through inequitable energy access", among other factors (IPCC, 2022). Their livelihoods are also harmed by the increased logging spurred by a stronger demand for wood products and by the shift to modern food systems, which have reinforced the unequal distribution of power in food chains and thus worked to the detriment of Indigenous agricultural production. The impact of these new, adverse circumstances on Indigenous women warrant special attention, since they not only alter the organization of work and time use in ensuring the survival of the household but also trigger migratory flows that heighten women's exposure to human rights violations (Aguilar Revelo, 2022; ECLAC, 2022c).

2. Indigenous Peoples' access to climate financing

Despite the important role played by Indigenous Peoples in conserving biodiversity and mitigating climate change, the international community has provided them with very little financing for forest management purposes relative to their needs and to the amount of financing provided for other environmental objectives. A recent report from Rainforest Foundation Norway (2021) indicates that bilateral and multilateral donors and private philanthropic organizations contributed approximately US$ 2.7 billion for Indigenous Peoples' and local communities' forest management and

maintenance projects in 2011–2020. This is equivalent to less than 1% of the official development assistance (ODA) provided for climate change mitigation and adaptation during that period.

What is more, thus far only a fraction of the financing for forest management by Indigenous Peoples has been reaching these communities directly, since these projects are generally run by intermediaries as part of larger programmes in which the financing for Indigenous communities is quite limited. About half of the total amount of such financing is channelled through multilateral agencies that have had limited success in working directly with Indigenous Peoples in the past and have exhibited a preference for working through intermediaries such as large international non-governmental organizations, United Nations agencies and consulting firms (Amazon Watch, 2022).

Providing funding for forest conservation projects that are directly and autonomously managed and run by Indigenous Peoples themselves could be an effective means of protecting forests and, at the same time, strengthening Indigenous communities. It is important, however, to proceed cautiously when dealing with mechanisms that may act as a dangerous distraction from genuine climate action, thereby drawing out the process of making the cuts in the carbon emissions of the biggest national and corporate polluters which are so urgently needed if the world is to avert a climate holocaust and its irreparable consequences. Caution is called for in order to avoid mechanisms that can be used for greenwashing while allowing extractive industries to continue to operate on Indigenous territories and commodify Indigenous Peoples' relationship with nature (Amazon Watch, 2022; OXFAM International, 2021).

3. The energy transition and the rights of Indigenous Peoples

Key issues in the fight against climate change, such as the energy transition, need to be addressed in partnership with Indigenous Peoples and other social actors in order to collectively devise strategies based on human rights, the collective rights of Indigenous Peoples, the rights of Mother Earth and environmental justice. Failing to take up this challenge would only compound the violations of the rights of Indigenous Peoples that have been committed in the past and force them to bear the brunt of mitigation measures, thereby putting their very survival in jeopardy.

A consideration of strategies for decarbonizing the global energy system illustrates this situation, since the generation of renewable forms of energy entails the use of a series of critical raw materials (cobalt, copper, lithium and rare earth elements, among others) which can have negative social and environmental impacts unless they are handled responsibly. What is more, in any of the possible scenarios, the cumulative demand for

renewable energy and storage technologies entailed in achieving the goal of energy decarbonization may outstrip the existing reserves of cobalt, lithium, nickel, silver and tellurium (Dominish, Florin and Teske, 2019). In addition, IPCC (2022) has acknowledged that planners are not giving sufficient consideration to the impacts that the mining of these resources could have on Indigenous Peoples. Not only are they ignoring some of the environmental risks involved; they are also overlooking the sociocultural impacts on nearby communities, since these operations heighten pre-existing power imbalances. Some examples of this can be found in the so-called "lithium triangle", a region that stretches, in the north, from the Salar de Uyuni (Plurinational State of Bolivia), to the Salar de Atacama (Chile) in the west and to a series of salt flats in north-western Argentina (in the provinces of Jujuy, Salta and Catamarca). The extraction of lithium in that region is impacting the ways of life and livelihoods of numerous Indigenous communities. Other examples are the indiscriminate logging of balsa trees for use in the production of blades for wind turbines in Ecuador (Bravo, 2021) and the establishment of wind farms on the lands of the Wayúu Peoples in La Guajira, Colombia (González Posso and Barney, 2019).

C. An overview of labour market participation among Indigenous Peoples

All the information available for the period immediately prior to the outbreak of the pandemic testified to Indigenous Peoples living in more precarious circumstances than the rest of the population. Various studies (ECLAC/FILAC, 2020; ECLAC, 2014; Del Popolo, 2017) found only very slight differences in the labour market participation rates of Indigenous and non-Indigenous people, but a stronger gendered effect, with systematically higher rates among men than women in all the countries for which data were available. Labour market participation was also reported to be slightly higher in rural areas than in cities in almost all the countries of the region (with the exception of Chile, Guatemala and Nicaragua). Gender gaps among Indigenous people were wider in rural areas, which may well reflect the acknowledged statistical invisibility of productive activities carried out by Indigenous women in traditional contexts.

Data from the most recent censuses (Chile 2017, Colombia 2018, Guatemala 2018, Mexico 2020, and Peru 2017) are consistent with this scenario; only Colombia shows a significant difference in labour participation by ethnicity, with a rate 40% higher among non-Indigenous than among Indigenous persons. The pattern of lower labour market participation among women is reflected in all five countries, with Indigenous women at more of a disadvantage. Unlike in the previous case, Indigenous labour market participation is lower in rural than in urban areas, as in the case in the non-Indigenous population (see table 8).

Table 8

Latin America (5 countries): labour participation rate of the Indigenous and non-Indigenous population, by sex and area of residence, population aged 15 and over

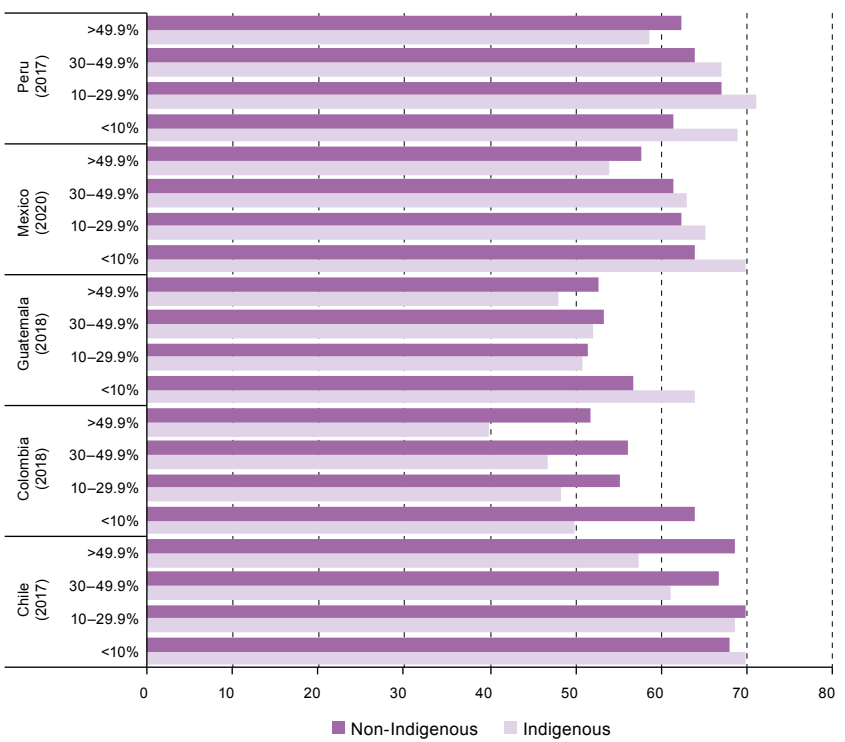
(Percentages)

Country (census year)	Sex				Area of residence				Total	
	Male		Female		Urban		Rural			
	Indigenous	Non-Indigenous	Indigenous	Non-Indigenous	Indigenous	Non-Indigenous	Indigenous	Non-Indigenous	Indigenous	Non-Indigenous
Chile, 2017	78.7	79.8	55.4	57.9	68.9	69.3	58.4	64.3	67.0	68.7
Colombia, 2018	64.2	79.2	28.9	50.6	55.6	66.6	43.5	55.2	46.3	64.4
Guatemala, 2018	77.3	77.4	24.2	35.4	56.5	60.0	43.9	46.3	49.2	55.4
Mexico, 2020	82.0	80.2	41.4	47.1	66.0	64.6	52.1	54.7	60.9	63.1
Peru, 2017	78.3	78.6	50.0	50.3	67.8	65.8	52.8	52.0	63.8	64.2

Source: Prepared by the author, on the basis of special processing of population and housing censuses from the respective countries.

However, these figures should be treated with caution, since they may reflect biases associated with how "work" is conceptualized and measured in conventional data sources (see box 2). Given the essential value of work across cultures and the way Indigenous productive systems are structured, it is highly unlikely that people in traditional contexts are not pursuing productive activities. For this reason, the fact that those municipalities where the most recent census results show over 50% of the population self-identifying as Indigenous —which usually coincide fully or partially with territories that Indigenous Peoples have historically occupied— register the lowest rates of Indigenous labour participation gives reason for doubt. This situation occurs in the five countries analysed, with the lowest figures for this type of municipality in Colombia (44.6%) and the highest in Peru (see figure 26).

Figure 26
Latin America (5 countries): labour participation rate of the Indigenous and non-Indigenous population aged 15 and over, by municipalities grouped by proportion of Indigenous population
(Percentages)



Source: Prepared by the author, on the basis of special processing of population and housing censuses from the respective countries.

Box 3
Limitations of conventional indicators for capturing the labour market participation of Indigenous Peoples

The indicators conventionally used to characterize the labour market suffer from a number of limitations when it comes to capturing the particular situations of Indigenous Peoples in Latin America. Some of these are associated with data availability, given that labour market data systems have been slow to incorporate ethnicity as a variable. Most countries in the region today include one or more questions on Indigenous identification in household surveys, which are thus a key source for differentiated analysis. Less progress has been made in relation to employment surveys, which include questions of this type in Ecuador, Guatemala and Panama, for example. These advances are still insufficient, however, since the variables that these instruments traditionally measure do not account for the complex dynamics of contemporary Indigenous economies. They do not include the socio-territorial dimensions typical of Indigenous Peoples, for example, which means they cannot support description and analysis of processes of continuity or change in economies in traditional territories, nor how these are related to or diverge from more commercial scenarios. For this reason, these data sources have so far acted as a kind of straitjacket on enquiry into and understanding of the economies of Indigenous Peoples, as they are limited to describing the characteristics of a group who share the attribute of belonging to an Indigenous People.

In addition, the variables and categories used (economic sectors, categories of workers, and occupational groups, among others) to describe the labour situation completely fail to account for a series of activities that take place in traditional contexts and that are important in the lives of Indigenous Peoples. This is true, for example, of the role played by older persons in preserving, transmitting and developing knowledge and technologies essential for the reproduction of their own economies. It is also true of the effort, time and resources that Indigenous leaders are obliged to devote to defending their territories which, as the foundation of these People's existence and cultures, also form the material basis for their economies. It is the case of the actions taken by Indigenous wise men and women to preserve or restore the individual and collective balance of the members of their communities, and between them and the other living beings that populate their space-time narrative; as well as the importance of women's role as seed keepers, among other activities.

Conventional indicators also fail to illustrate the expansion of Indigenous economies into productive activities in conventional items, which are not necessarily carried out within Indigenous communities, but are essential for them to function, such as transportation, storage and marketing in nearby settlements or in large cities. Conversely, these data sources could well be useful to characterize the situation of Indigenous workers who have lost all ties to their own economies; however, it is practically impossible to identify these workers.

Despite all these limitations, and in the absence of other systematic and up-to-date information, conventional indicators serve to provide an overview of the situation of Indigenous Peoples in the world of work and turn a spotlight on some of the inequities they encounter.

Source: M. Pedrero, "Hacia una recuperación económica transformadora de América Latina-Abya Yala: desafíos para garantizar los derechos colectivos de los pueblos indígenas", *Project Documents* (LC/TS.2023/35), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2023.

1. Premature entry to the labour market and longer years of working life

A characteristic feature of the working life of Indigenous Peoples, as has been extensively documented in recent years, is entry into the labour market at younger ages than the rest of the population. For example, Indigenous young people in the Mexican State of Chiapas begin working at age 15 on average, three years earlier than non-Indigenous people. This interethnic difference occurs among both men and women: Indigenous young men start working at 14 years of age on average, compared to age 17 for non-Indigenous men; for Indigenous women, the average age for a first job is 16, compared to 18 for non-Indigenous women (Jáuregui Díaz and Ávila Sánchez, 2020). The same situation has been reported in Chile, where 61% of young people belonging to the Mapuche and Aymara peoples begin work before turning 18, with marked differences by gender (72% for men and 51.6% for women). In the case of informal work, Indigenous women enter the labour market at age 17, men at age 15.5; in the case of formal work, the average age for Indigenous men is 20 and, for women, 22 (IPS, 2015).

Consistently with this feature, labour participation rates in the population aged 15–29 are higher among Indigenous Peoples than among the non-Indigenous population in Colombia, Ecuador, Mexico, Panama, Peru, the Plurinational State of Bolivia and Uruguay. Four countries —Colombia, Mexico, Peru and the Plurinational State of Bolivia— share a pattern whereby the highest rates of labour market participation in this age group are posted by Indigenous men, which rank next to the figures for non-Indigenous men, followed by Indigenous women, and, with the lowest rates, non-Indigenous women. In Ecuador and Uruguay ethnicity seems to be the strongest factor in these differences, since the two highest participation rates are registered by Indigenous women and men alike (see table 9).

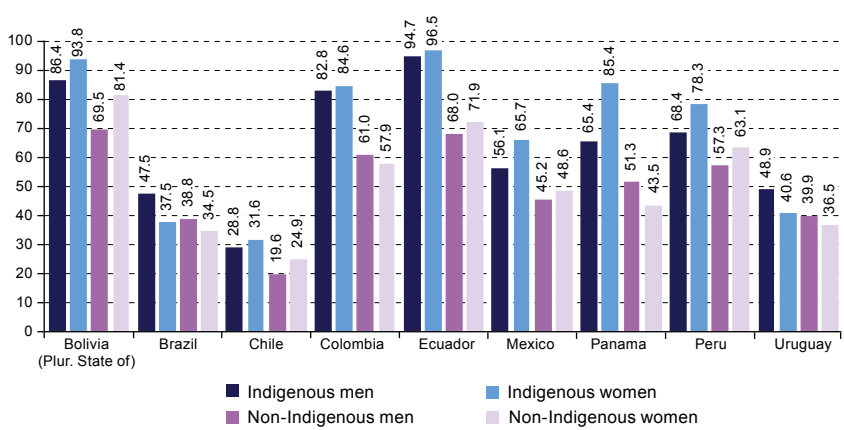
Table 9
Latin America (9 countries): labour market participation rates, Indigenous and non-Indigenous population aged 15–29, by sex
(Percentages)

Country	Total			Men			Women		
	Indigenous	Non-Indigenous	Gap (ratio Indigenous / non-Indigenous)	Indigenous	Non-Indigenous	Gap (ratio Indigenous / non-Indigenous)	Indigenous	Non-Indigenous	Gap (ratio Indigenous / non-Indigenous)
Bolivia (Plurinational State of), 2018	60.5	48.7	1.2	72.0	57.6	1.3	48.8	40.1	1.2
Brazil, 2019	56.8	67.5	0.8	65.5	72.8	0.9	48.8	62.4	0.8
Chile, 2017	46.7	51.1	0.9	52.4	56.9	0.9	41.3	45.3	0.9
Colombia, 2018	65.2	63.4	1.0	76.6	71.8	1.1	53.7	54.8	1.0
Ecuador, 2019	75.9	48.4	1.6	80.0	58.9	1.4	72.4	37.1	2.0
Mexico, 2018	61.7	57.5	1.1	78.1	71.1	1.1	45.9	44.4	1.0
Panama 2019	56.8	55.1	1.0	72.4	65.1	1.1	42.6	44.8	1.0
Peru, 2019	65.3	59.6	1.1	70.8	65.6	1.1	60.3	53.7	1.1
Uruguay, 2019	69.0	58.4	1.2	71.5	63.0	1.1	66.9	53.7	1.2

Source: Prepared by the author, on the basis of special processing of household surveys from the respective countries.

Although Indigenous young people register high rates of labour market participation, they are at a disadvantage in terms of the jobs they are able to access. In nine countries of the region, 7 out of 10 Indigenous people between the ages of 15 and 24 are employed in low-productivity jobs, [12] on average, including low-skilled own-account work in agriculture, construction, commerce and services. This figure is 40% higher than that for non-Indigenous people of the same age. This inequality is observed in all the countries for which information is available, albeit in varying magnitudes. It is most marked in Panama, where 50% more Indigenous youth than non-Indigenous youth are in low-productivity jobs; the smallest difference occurs in Chile, Panama, Peru and the Plurinational State of Bolivia (20%). Young Indigenous women tend to participate in the labour market in more precarious conditions, since an average of 72.3% of them perform jobs that do not provide sufficient income to keep them above the poverty line. This figure is 20% higher than the percentage for Indigenous men and 50% higher than the percentage for non-Indigenous girls (see figure 27).

Figure 27
Latin America (9 countries): participation of the Indigenous and non-Indigenous population aged 15–24 in low-productivity employment, by sex
(Percentages)



Source: Prepared by the author, on the basis of special processing of household surveys from the respective countries.

[12] Includes own-account work performed by non-professionals in agriculture, industry, construction, commerce, and service provision; as well as wage earners in private firms with five or fewer professional or non-professional employees.

The contraction of youth employment in Latin America during the pandemic occurred among Indigenous youth as well. This is apparent in the sharp rise in their unemployment rates in Chile (up 78%), Mexico (69%), Colombia (49%) and Peru (46%). In all these countries, except Peru, Indigenous youth were more impacted than non-Indigenous youth by job losses or inability to find a first job during the pandemic. The gendered impact is less clear: in two countries (Chile and Colombia) Indigenous youth unemployment rates rose more among women (116% and 71%, respectively), while in Colombia and Mexico they increased more among men (92% and 71%, respectively). Even so, gender gaps widened among Indigenous youth, to the detriment of women, in Brazil, Chile, Colombia and Ecuador (see table 10).

Table 10
Latin America (7 countries): unemployment rate among the Indigenous and non-Indigenous population aged 15–24, by sex, around 2019 and 2020
(Percentages)

Country	Year	Total		Men		Women	
		Indigenous	Non-Indigenous	Indigenous	Non-Indigenous	Indigenous	Non-Indigenous
Brazil	2019	19.6	18.3	13.8	16.1	26.7	20.9
	2020	20.3	21.1	12.4	19.2	30.7	23.4
Chile	2017	15.5	15.3	14.5	14.3	16.8	16.6
	2020	27.6	20.9	19.0	20.4	36.3	21.4
Colombia	2018	8.5	16.4	4.9	12.7	13.6	21.4
	2020	12.7	21.1	9.4	15.7	17.4	28.8
Ecuador	2019	2.5	8.0	2.9	6.0	2.1	11.5
	2020	2.2	8.9	1.2	6.2	3.6	13.4
Mexico	2018	3.9	5.8	4.2	6.2	3.5	5.2
	2020	6.6	9.5	7.2	10.2	5.7	8.4
Peru	2019	6.8	9.4	6.0	8.6	7.7	10.3
	2020	9.9	15.7	9.5	14.7	10.3	17.1
Uruguay	2019	19.2	20.0	16.1	17.4	21.8	23.3
	2020	9.9	15.7	9.5	14.7	10.3	17.1

Source: Prepared by the author, on the basis of special processing of household surveys from the respective countries.

It has also been documented that Indigenous People remain in work until much greater ages than the rest of the population. This may be associated both with factors of population ageing and its effects on the labour market, and with productive dynamics within Indigenous economies, where older persons continue to play an important role in local economies and play important political roles, participating in the mediation of community conflicts and transmitting Indigenous science and technology to the younger generations (García Izaguirre and Argüello Mendieta, 2012; OISS, 2015; Reyes Gómez and others, 2013; García, García and Curcio, 2020; Reyes Gómez, 2019; Kapé-Kapé, 2019).

However, the conventional measurement of work in the data sources does not necessarily record traditional Indigenous activities such as those mentioned. It follows that lack of social protection and access to decent pensions could also be driving these outcomes. It is no surprise, then, that much higher percentages of Indigenous than non-Indigenous people continue working after age 65 in the countries of the region that have data available. This is most notably the case among Indigenous men, with the exception of Chile, which reports relatively similar figures for both Indigenous and non-Indigenous men. Women in this age group continue to post significantly lower participation rates than men, but with marked inequality between Indigenous and non-Indigenous women, even more than is seen among men (see table 11). Apart from people's age, labour participation figures unfortunately do not reflect the unpaid work done in their homes and communities by Indigenous women, who contribute significantly to local and national economies, as well as to society as a whole, not only by performing care work, but also through the protection and stewardship of nature (Rivera Zea, 2015).

The figures described below fell sharply during the first year of the social and health crisis. Although this occurred among both Indigenous and non-Indigenous older persons, the first were much more affected in six of the seven countries for which data are available (Brazil, Chile, Colombia, Ecuador, Mexico and Uruguay), although in very varying magnitudes. In Brazil, the proportion of Indigenous older persons remaining in the labour market fell by 68%, in stark contrast to the decline of 17% among non-Indigenous people. In Chile, the decrease was 25%, and it varied between 11% and 19% in Colombia, Ecuador, Peru and Uruguay.

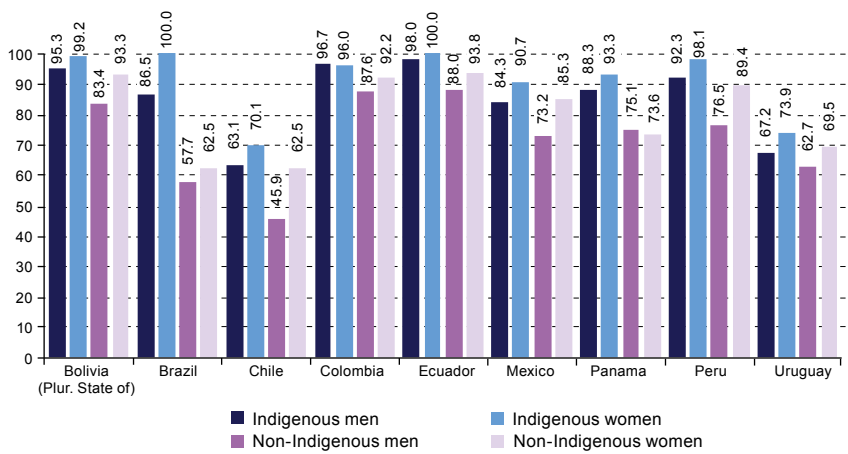
Table 11
Latin America (9 countries): labour market participation rate among the Indigenous and non-Indigenous population aged 65 and over
(Percentages)

	Total			Men			Women		
	Indigenous	Non-Indigenous	Difference Indigenous/ non-Indigenous	Indigenous	Non-Indigenous	Difference Indigenous/ non-Indigenous	Indigenous	Non-Indigenous	Difference Indigenous/ non-Indigenous
Bolivia (Plurinational State of), 2018	61.4	42.4	1.4	70.7	52.0	1.4	53.1	33.4	1.6
Brazil, 2019	22.9	15.8	1.4	34.7	25.5	1.4	9.0	8.8	1.0
Chile, 2017	20.6	20.3	1.0	30.1	32.4	0.9	13.2	11.4	1.2
Colombia, 2018	43.3	27.5	1.6	56.7	40.9	1.4	30.5	16.6	1.8
Ecuador, 2019	72.7	36.6	2.0	79.0	47.7	1.7	67.4	26.3	2.6
Mexico, 2018	40.2	29.4	1.4	52.8	42.2	1.3	28.3	19.1	1.5
Panama 2019	45.2	25.5	1.8	57.7	37.8	1.5	31.6	15.2	2.1
Peru, 2019	61.6	42.1	1.5	68.9	53.7	1.3	55.4	31.3	1.8
Uruguay, 2019	17.6	12.9	1.4	25.1	19.3	1.3	13.2	8.6	1.5

Source: Prepared by the author, on the basis of special processing of household surveys from the respective countries.

As in the case of Indigenous youth, a very high percentage —90.6%— of Indigenous older persons who continue to pursue productive activities after the age of 65 are in low-productivity jobs. This figure is 20% higher than that for non-Indigenous people. In four countries (Colombia, Ecuador, Peru and the Plurinational State of Bolivia) the proportion of Indigenous workers performing this type of activity is above the regional average for this group. In this case, Indigenous women are again in the worst situation in practically all the countries included in this analysis (see figure 28).

Figure 28
Latin America (8 countries): proportion of the Indigenous and non-Indigenous population aged 65 and over in low-productivity jobs, by sex
(Percentages)



Source: Prepared by the author, on the basis of special processing of household surveys from the respective countries.

2. A high rate of informal employment among workers belonging to Indigenous Peoples

As has been emphasized in previous reports by the Economic Commission for Latin America and the Caribbean (ECLAC), the hard core of ethnic inequality in employment is not a matter of access to the labour market, which is to say it is not reflected in labour participation indicators or in unemployment levels. Rather, it lies in the employment conditions of the jobs that Indigenous persons are able to access and in their continuity in employment. These aspects tend to be more precarious than among the rest of the population, relegating Indigenous workers to situations of high vulnerability and low income lacking social protection

and access to labour rights. Although this is a global phenomenon —since Indigenous Peoples are more likely to work in the informal economy in all regions of the world and at all income levels— it is even more critical in Latin America-Abya Yala (ILO, 2019).

Data from household surveys carried out before the pandemic show that, without exception, Indigenous Peoples have higher rates of employment informality in all countries. The figures are extremely high in Ecuador, the Plurinational State of Bolivia and Colombia (80.7% in 2019, 75.2% in 2018 and 69.4% in 2018, respectively); and lower, below 30%, in Mexico, Chile and Uruguay. The precarious conditions associated with informal employment affect Indigenous women more clearly in six of the nine countries described (Colombia, Ecuador, Mexico, Panama, Peru and the Plurinational State of Bolivia). The percentage of Indigenous women in informal employment is very high (over 80%) in the Plurinational State of Bolivia and Ecuador, and in Colombia, Panama and Peru, where it is around 70%. In Mexico, the figure is lower but still very significant (30%). Conversely, in Brazil, Uruguay and Chile, a higher proportion of Indigenous men than women are in informal employment, with figures ranging from 27% to 39% (see table 12).

Table 12
Latin America (9 countries): proportion of Indigenous and non-Indigenous workers in informal employment, by sex
(Percentages)

Country	Year	Total		Men		Women	
		Indigenous	Non-Indigenous	Indigenous	Non-Indigenous	Indigenous	Non-Indigenous
Bolivia (Plurinational State of)	2018	75.2	54.9	69.7	52.9	81.8	57.6
Brazil	2019	35.7	26.6	39.3	29.7	29.3	23.1
	2020	35.6	26.2	37.2	29.0	33.3	22.7
Chile	2017	26.1	21.6	27.2	22.0	24.8	21.1
	2020	28.8	24.3	29.1	25.1	28.4	23.4
Colombia	2018	69.4	45.8	68.9	46.1	69.9	45.4
	2020	69.6	47.3	65.3	47.3	76.5	47.2
Ecuador	2019	80.7	45.1	73.9	39.6	87.4	53.3
	2020	84.3	48.3	79.4	41.4	90.4	58.7
Mexico	2018	25.1	15.9	18.7	12.5	33.9	20.8
	2020	25.3	17.0	19.2	13.2	33.9	22.1
Panama	2019	55.5	31.0	44.9	32.8	71.3	28.3

Country	Year	Total		Men		Women	
		Indigenous	Non-Indigenous	Indigenous	Non-Indigenous	Indigenous	Non-Indigenous
Peru	2019	61.4	42.9	54.2	39.3	68.9	47.1
	2020	66.2	46.8	59.8	43.3	73.3	51.4
Uruguay	2019	29.7	24.5	32.4	26.4	27.3	22.2
	2020	28.8	24.9	31.2	27.0	26.9	22.4

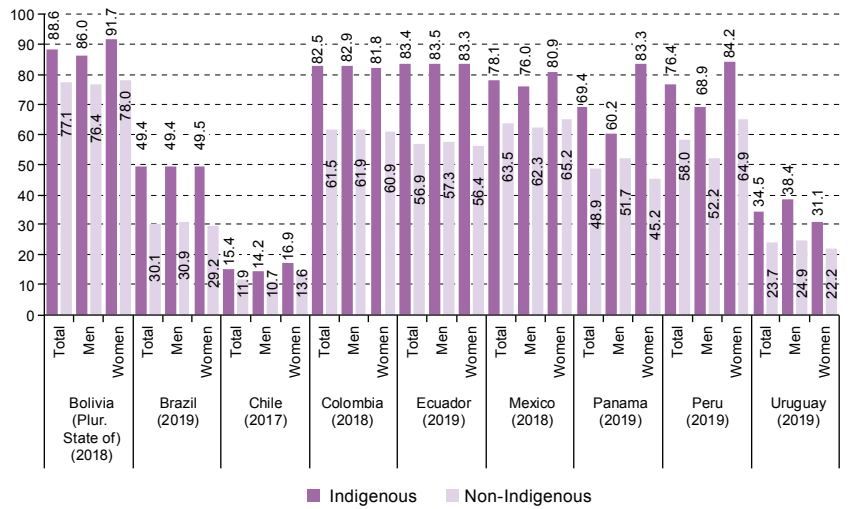
Source: Prepared by the author, on the basis of special processing of household surveys from the respective countries.

No evidence is yet available on how the pandemic may have worsened precarious employment conditions for Indigenous workers. Because of the period in which data were collected, the most recent household surveys do not support comprehensive estimates for this. However, the results available show that the situation remained fairly stable, with small increases in Indigenous employment informality in Peru, Ecuador, and Chile (4.8, 3.6, and 2.7 percentage points, respectively). This increase has impacted Indigenous women much more, with variations ranging from 6.6 percentage points in Colombia to 3.0 percentage points in Ecuador.

As a logical consequence of informality, in countries such as Colombia, Ecuador, Mexico, Peru and the Plurinational State of Bolivia, between 77% and 88% of Indigenous workers are not affiliated or contributing to any kind of pension system. These workers will thus be forced to remain economically active and/or depend on State subsidies for subsistence after retirement age. This is also the situation of 70% of Indigenous workers in Panama, 50% in Brazil, 34.5% in Uruguay and 15.4% in Chile. Although the figures are very uneven as a result of the combined effects of ethnic and gender exclusion, Indigenous workers have the worst levels of access to social security systems in the Plurinational State of Bolivia, Chile, Mexico, Panama and Peru. In Peru and Uruguay, the most limited access is seen among Indigenous men; in and Brazil, Indigenous men and women alike share the most disadvantaged position (see figure 29). In addition, already early in the pandemic, contributors to social security fell by around 10% among Indigenous workers in Brazil and Chile and by 30% in Uruguay.

Consequently, the Indigenous population aged 65 and over generally has less access to pensions or retirement benefits. Less than 15% of this population receives contributory pensions in Colombia, Ecuador, Peru and the Plurinational State of Bolivia; in Mexico this figure is 23% and in Panama, 27.3%. In the other countries, with the exception of Chile, the proportions are significantly higher but invariably lower than those for non-Indigenous people. Indigenous women are the least protected; the figures are extreme in the Plurinational State of Bolivia and Ecuador, where less than 10% receive any kind of pension (see table 13).

Figure 29
Latin America (9 countries): Indigenous and non-Indigenous population not affiliated or contributing to a pension system
(Percentages)



Source: Prepared by the author, on the basis of special processing of household surveys from the respective countries.

The precarious social security situation of the Indigenous population aged 65 and over is not only a matter of access to pensions, but is also manifested in the inequality of pension income. Brazil, Ecuador and the Plurinational State of Bolivia make up a first group of countries where this ethnic inequality is lowest, with Indigenous persons receiving pensions between 11.4% and 14.1% lower than those received by non-Indigenous persons. In a second group, comprising Chile, Colombia, Panama, Peru and Uruguay, Indigenous persons receive pensions of between 23.8% and 28.5% less than those received by non-Indigenous people. Lastly, the greatest pension inequality occurs in Ecuador (58% lower). Here, too, Indigenous women are in a particularly vulnerable situation, as they receive pension amounts far below those received by non-Indigenous men in all countries, with differences of between 61% in Ecuador and 15% in the Plurinational State of Bolivia. Indigenous men also receive lower pensions than those of non-Indigenous men, although the difference ranges widely, from 3% in Brazil to 60% in Ecuador (see figure 30). This illustrates how ethnicity and racial identity forms an axis of the social inequality matrix in the region and, moreover, how ethnicity and racial identity intersect with gender to make up hard cores where the worst off are Indigenous women.

Table 13

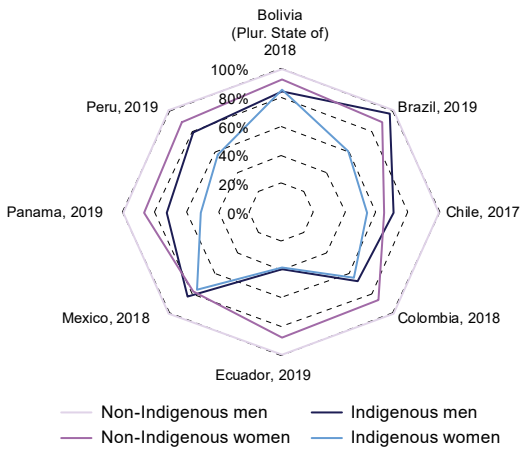
Latin America (9 countries): Indigenous and non-Indigenous population aged 65 and over receiving a contributory pension

(Percentages)

Country and year of survey	Total			Men			Women		
	Indigenous	Non-Indigenous	Gap (ratio Indigenous / Non-Indigenous)	Indigenous	Non-Indigenous	Gap (ratio Indigenous / Non-Indigenous)	Indigenous	Non-Indigenous	Gap (ratio Indigenous / Non-Indigenous)
Bolivia (Plurinational State of), 2018	11.0	24.1	0.46	17.5	27.9	0.63	5.3	20.5	0.26
Brazil, 2019	73.9	84.3	0.88	76.4	88.7	0.86	70.9	81.2	0.87
Chile, 2017	76.4	72.7	1.05	82.2	81.1	1.01	72.0	66.5	1.08
Colombia, 2018	13.5	29.1	0.46	15.6	33.3	0.47	11.4	25.7	0.44
Ecuador, 2019	13.2	33.6	0.39	20.0	40.3	0.50	7.4	27.3	0.27
Mexico, 2018	23.0	34.6	0.66	30.3	45.8	0.66	16.1	25.6	0.63
Panama, 2019	27.3	51.3	0.53	40.4	57.1	0.71	13.1	46.6	0.28
Peru, 2019	14.5	34.1	0.43	18.5	38.2	0.48	11.0	30.2	0.36
Uruguay, 2019	85.3	88.0	0.97	91.2	89.6	1.02	81.8	87.0	0.94

Source: Prepared by the author, on the basis of special processing of household surveys from the respective countries.

Figure 30
Latin America (8 countries): ratio between the contributory pension incomes of non-Indigenous men and Indigenous men and women, population aged 65 and over



Source: Prepared by the author, on the basis of special processing of household surveys from the respective countries.

3. A diversified labour market with agricultural activities in decline, but still important in historical Indigenous territories

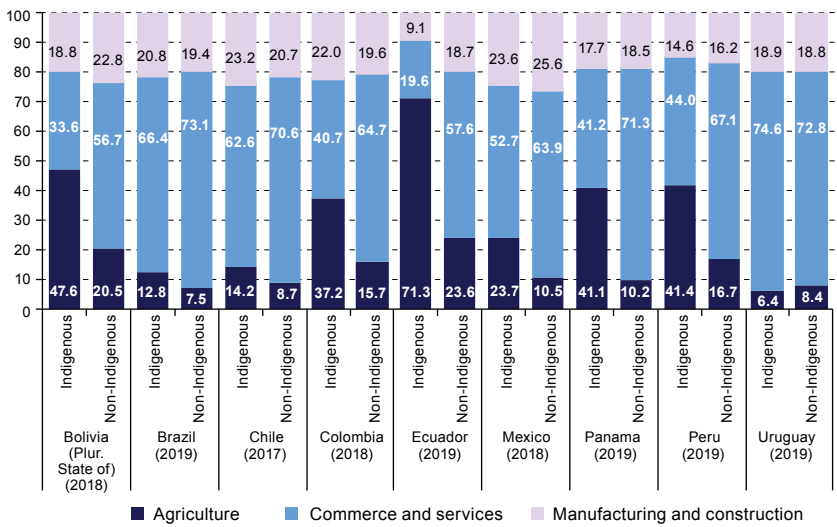
The labour market participation of Indigenous Peoples has been reconfigured over the past few decades by growing rural-urban migration and the diversification of rural economies throughout the region, as well as by the reproduction crises caused in many Indigenous communities by the incursion onto their territories of extractive industries and non-Indigenous settlers. As a result, agriculture, livestock, hunting and forestry activities have declined within their economies. As may be seen in figure 31, Ecuador is the only country where Indigenous workers mostly continue to perform these activities (71.3%), although they are also important, albeit not the main activity, for Indigenous people in the Plurinational State of Bolivia and Panama (47.6% and 41.1%, respectively). In the other countries, activities related to the commerce and services industries account for most of the employed Indigenous population.

However, agriculture is still an important activity in traditional territories, as shown by the results of the most recent censuses for four countries.[13] In Guatemala and Peru, 4 out of 10 Indigenous workers residing

[13] The results are not comparable as they come from different sources, with different coverages and methodologies.

in municipalities in this category (those with 50% or more Indigenous population) are engaged in agriculture, and 3 out of 10 in Mexico and Chile (see table 14).

Figure 31
Latin America (9 countries): Indigenous and non-Indigenous employed population by branch of economic activity (3 categories)
(Percentages)



Source: Prepared by the author, on the basis of special processing of household surveys from the respective countries.

Table 14
Latin America (4 countries): Indigenous population employed in agricultural activities by municipalities grouped by proportion of Indigenous population
(Percentages)

Country and year of census	Proportion of Indigenous population at the municipal level				
	< 10%	10–29.9%	30–49.9%	>49.9%	Total
Chile, 2020	7.3	4.0	18.1	32.2	7.9
Guatemala, 2018	11.2	40.8	33.6	44.2	41.0
Mexico, 2020	5.4	10.6	17.1	35.5	20.0
Peru, 2017	14.4	9.2	18.4	41.9	26.3

Source: Prepared by the author, on the basis of special processing of population censuses from the respective countries.
Note: The analysis does not include municipalities without Indigenous population.

4. Wage discrimination

Several studies in recent years have reported a widespread pattern of wage discrimination against Indigenous workers. For example, in Chile, a non-Indigenous worker in 2013 received a wage between 29.8% and

35.4% higher than an Indigenous worker, under equal conditions (Durán and Kremerman, 2015). In Peru, the wage gap between Indigenous and non-Indigenous people remained almost unchanged between 2006 and 2016, with Indigenous workers earning around 50% less (Arpi Mayta and Arpi Quilca, 2018). In Mexico, the population self-identifying as Indigenous in 2018 earned wages 23% lower than the rest of the population (Arceo-Gómez and Torres, 2021) and in Colombia, around 2019, the wages of Indigenous workers were 48% lower than those of non-Indigenous workers, and the ethnic gap was also slightly wider between women than between men (DANE, 2020). Similarly, a study on labour market discrimination in Ecuador, based on the National Survey on Employment, Unemployment and Underemployment (Flores Morales, 2019), found wage discrimination against Indigenous people compared to the non-Indigenous or non-Afrodescendent population in almost all branches of economic activity in 2017, with more marked disadvantages for those working in water distribution and sewerage activities, as well as in construction and social and health services. Differences also existed, although less markedly, in all branches of economic activity between the situation of Indigenous and "mestizo" workers.

ECLAC (2020a) explored the relationship between levels of education and wage discrimination between Indigenous and non-Indigenous people based on household surveys prior to the pandemic in nine countries of the region. The data yielded four findings. First, as might be expected, a wage gain associated with higher levels of schooling, among both Indigenous and non-Indigenous workers, which becomes apparent from the level of complete secondary schooling upwards. Second, the overall return on education (the observable wage difference between workers with incomplete primary education and workers with higher education) is lower among Indigenous peoples than non-Indigenous people in four countries (Chile, Ecuador, Plurinational State of Bolivia and Uruguay), relatively similar in four others (Brazil, Mexico, Panama, and Peru) and higher for Indigenous than for non-Indigenous people only in Guatemala, where greater schooling reduces wage gaps significantly. Third, there is a general trend towards larger wage gaps at a higher level of education; for example, in Peru, the wage received by a non-Indigenous person with incomplete primary education is 20% higher than that of an Indigenous worker with the same level of education; this difference rises to 50% among workers with higher education. Lastly, in almost all countries access to higher levels of education has a positive impact in reducing wage inequalities between Indigenous men and women, since the gender gap among Indigenous workers who have not completed primary education narrows markedly once they access higher education.

Consistently with these observations, the data on hourly labour income of the employed population for six countries in the region (Brazil,

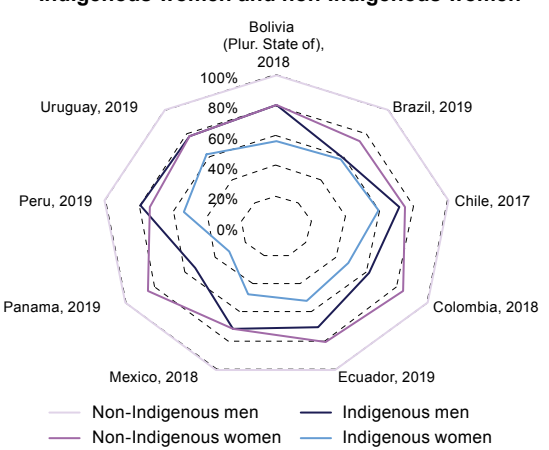
Colombia, Ecuador, Panama, Peru and Uruguay) testify to the privileged situation of non-Indigenous men, whose incomes are almost triple those of Indigenous women, regardless of level of education. The data also show a negative impact of schooling on income gaps between Indigenous and non-Indigenous men (ECLAC, 2022b).

This last observation may well be associated with higher levels of underemployment among the most highly qualified Indigenous workers who, even after gaining access to the labour market, do not always find jobs commensurate with their level of education, which adversely impacts their income-generating ability. This has been observed in Chile for Mapuche workers with complete higher education, who are more represented in medium- or low-skilled jobs than non-Indigenous workers with the same level of education (Bravo, 2021).

All these findings are borne out by household surveys in nine countries of the region, whose results reflect the advantageous position of non-Indigenous men in terms of labour income, as well as the more precarious position of Indigenous women generally in all countries. The differences are extreme in Panama, Mexico and Colombia, where Indigenous women's wages represent 32%, 47% and 48%, respectively, of those received by non-Indigenous men. The differences are significant in the other countries as well, ranging between 52% in Ecuador and 63% in Uruguay. The wages of Indigenous men, meanwhile, are between 20% and 40% lower than those received by non-Indigenous men (see figure 32).

Figure 32

Latin America (9 countries): ratio between the monthly labour income received by non-Indigenous men and that received by Indigenous men, Indigenous women and non-Indigenous women



Source: Prepared by the author, on the basis of special processing of household surveys from the respective countries.

D. Conclusions and recommendations

More than three years after the outbreak of the pandemic, structural discrimination against the Indigenous Peoples of Latin America-Abya Yala has grown worse: having entered the crisis already at a disadvantage in multiple conventional indicators of well-being, their specific interests and needs were poorly addressed by the policies adopted by governments to tackle the crisis.

In addition, incursions into Indigenous territories increased during the social and health crisis, as did the expansion of both legal and illegal extractive activities in those areas, both because of policies that favoured business interests, usually at the expense of the collective rights of Indigenous Peoples, and because governments' ability to exercise environmental surveillance and oversight was weakened. As a result, the conflicts and violence that were already occurring in traditional territories in most of the region's countries reached critical levels during the pandemic. In this scenario, Indigenous Peoples had to redouble their collective actions to defend their territories, which exposed them to greater risks of infection.

Added to this, because movement restrictions and mass lockdowns severely limited the implementation of prior consultation, multiple regulations were able to be passed that —sometimes seriously— affected Indigenous Peoples' rights, mainly their territorial rights. The pandemic also led to a standstill in the demarcation, titling and regularization of Indigenous lands.

At the same time, measures to mitigate the socioeconomic impact of the pandemic among Indigenous Peoples adopted by governments have been few and patchy and have been undertaken in a context of a reduction in fiscal spending on this group. As a result, Indigenous Peoples have had to engage independently in measures of cooperation and reciprocity in order to cover their subsistence needs during this period. This was particularly successful in communities that exercise control over the territories, rely more on traditional productive activities carried out locally, and depend less on the market for basic products. In practice, government policies have assumed that Indigenous Peoples, as a population group in a situation of significant vulnerability, should have accessed the various fiscal packages available to them. However, few countries in the region have data on access to these schemes by People, so it is hard to gauge its real impact.

It is crucial for a sustainable economic recovery that Indigenous Peoples be treated as strategic actors in facing the challenges of climate change, by means of autonomous governance of their territories. This is a demand that Indigenous Peoples' organizations have been voicing in multiple international forums and it is supported by the available scientific

evidence. However, they are still afforded a marginal role in global, regional and national agendas; they have precarious and mediated access to climate financing and even face serious threats from the energy transition agenda, since planners have not adequately considered its impacts on the ways of life and habitat of Indigenous Peoples. Governments should devote attention to these matters, given that the protection of Indigenous territories, which act as net carbon sinks, has great potential for helping to meet NDCs, as a more efficient and profitable measure than other conventional conservation measures.

In terms of Indigenous engagement in the labour market, the conventional indicators presented bear out the trends already being observed in the region: slightly lower economic participation rates among Indigenous Peoples than non-Indigenous workers; working lives that start younger and last to older ages; a greater proportion of informal work, with the expected adverse impacts in terms of social protection; and a consistent pattern of wage discrimination in all the countries for which information is available, as well as particular disadvantages for Indigenous women.

From a human rights perspective, a comprehensive post-pandemic economic recovery agenda for Indigenous Peoples requires addressing all these factors. With this in mind, the measures described below should be considered at a minimum:

1. Learn from experience, respond to the current stage of the pandemic and prepare for new crises of a similar kind

Although specialized agencies had previously warned of the risk of a pandemic zoonosis, SARS-CoV-2 took governments by surprise, without measures in place to deal with such an eventuality. There are structural causes behind the emergence of zoonoses, such as the increased demand for animal protein; the unsustainable intensification of agriculture; increased exploitation of wild species; the unsustainable exploitation of natural resources, together with growing processes of urbanization and changes in land use; the increase in travel and the demand for transport; and alterations in the food supply; all of these, moreover, directly related to climate change (UNEP/ILRI, 2020). As long as these processes are not reversed, governments must be prepared for similar events. Accordingly, the measures proposed to guarantee the collective rights of Indigenous Peoples and include them strategically in climate change mitigation agendas are key for preventing them.

Meanwhile, the management of the pandemic forced governments to take stock of the shortfalls in public health systems benefits in Indigenous territories. These will have to be resolved over the medium term,

considering the public investment that will be needed in infrastructure, equipment and human resources to make up for the neglect of many Indigenous territories in these matters, as well as to design and implement intercultural care, management and financing models.

Over three years after declaring COVID-19 an international health emergency, the World Health Organization should soon determine whether it remains in this category. Such a decision is plausible, given the recent steady decline in the number of deaths from the virus. However, SARS-CoV-2 is still in circulation, so preventive measures must be kept in place to reduce the risk of transmission. The Access to COVID-19 Tools (ACT) Accelerator Facilitation Council (ACT-Accelerator Facilitation Council) has recognized the great progress made in controlling the pandemic, but has emphasized that it remains a global threat, particularly for high-risk groups in lower-income countries. Accordingly, efforts are still needed to ensure equitable access to vaccines, diagnostics and treatments.

In this context, in the short term and in order to prepare for similar situations in the future, permanent institutional mechanisms must be established for the participation and representation of Indigenous Peoples in State bodies that lead the health response to the pandemic at all levels. This is necessary in order to: (i) redouble efforts to ensure that Indigenous communities have access to immunization programmes, with targeted campaigns in hard-to-access areas and relevant communications strategies to engage the Indigenous population; (ii) establish local early warning mechanisms to monitor the emergence of new sources of contagion, and ensure joined-up State health responses, which Indigenous Peoples themselves have been developing at the local level to ensure that measures will be successful, as well as to identify specific humanitarian and/or health support requirements in each case; (iii) coordinate local health teams with Indigenous medical specialists in each territory, and provide technical and financial assistance when required to ensure continuity of their work; and, (iv) strengthen public health services in Indigenous territories —in terms of both staffing, and supplies and equipment— to ensure early detection of sources of contagion.

Health information systems must also be made more robust, considering the major technical contribution that Indigenous Peoples made to monitoring the impact of the pandemic and providing opportunities for dialogue to identify the main lessons learned, with a view to improving protocols and technical guidelines in the matter, especially with regard to the inclusion of relevant territorial entities, data collection methodologies and coordination with local leaderships. It is also necessary to maintain and pursue further the open data

policy implemented in countries such as Mexico, Peru and Colombia, which disaggregated their COVID-19 data to identify infections among Indigenous Peoples. This policy should be extended to all areas of epidemiological surveillance and health management and other countries should set up similar processes.

2. Generate enabling political, regulatory, institutional and financial conditions for the effective fulfilment of the collective rights of Indigenous Peoples

Here, first of all, the urgency of closing gaps between national regulatory frameworks and international standards on Indigenous Peoples' collective rights must be acknowledged, as a necessary condition for fulfilling these rights through public policies. This will require initiating political and social processes to foster constitutional reforms to deepen recognition of the collective rights of peoples, mainly in relation to territorial rights —including rights to natural resources that lie on Indigenous lands— and to political rights in two dimensions: the right to systematic participation in national political life and the right to self-government or autonomy. The challenge, in the first case, is to reserve seats for Indigenous Peoples in all representative bodies and to establish election mechanisms that respect the procedures of each Indigenous People; in the second case, the challenge is to make substantive progress on defining Indigenous Peoples' autonomous territorial entities within country's political and administrative divisions, with powers of self-government and public financing for their management.

With this in mind, special working groups —which include Indigenous Peoples— should be set up in order to: (i) identify current internal regulations that limit or run counter to the rights of Indigenous Peoples, looking in particular at those related to mining and hydrocarbon exploitation, water resources and the conservation and protection of biodiversity; (ii) agree upon and propose legislative and administrative measures to close the gaps identified; and (iii) agree upon a strategic agenda to implement the measures, identifying the stakeholders involved, defining their roles precisely and establishing follow-up indicators.

Secondly, State institutions responsible for public policies implemented to ensure the rights of Indigenous Peoples must be strengthened, by expanding their powers and ensuring sufficient staffing to meet the challenges of the nexus between the State and each Indigenous People in their jurisdiction. They must also be given larger budgets to fulfil these functions, with particular emphasis on resources for settling Indigenous claims to land and establishing permanent mechanisms for the participation and representation of Indigenous Peoples in these institutions.

Thirdly, a priority challenge is to establish —with participation by Indigenous Peoples— expeditious, efficient mechanisms for the demarcation, titling and/or regularization of Indigenous lands. These mechanisms must take into account substantive components of Indigenous rights to the land; namely, the collective nature of property, its elemental nature and its foundation in customary law. Adequate budget items must be created for the start-up and operation of such mechanisms.

Fourthly, general State budgets must assure financing of public policies to guarantee the recognized collective rights of Indigenous Peoples, in accordance with articles 4 and 39 of the United Nations Declaration on the Rights of Indigenous Peoples, whose provisions enshrine their right to access financial assistance for the full enjoyment of their rights, including the exercise of autonomous functions within their territories. To this end, new fiscal covenants should be developed to substantially increase the resources assigned by governments for these purposes hitherto. Countries that already have autonomous regimes for Indigenous Peoples should consider specific budget items to support real exercise of these powers, and move towards the autonomous management of resources by Indigenous Peoples.

3. Put the rights of Indigenous Peoples and their contributions to mitigating the effects of climate change at the heart of objectives and goals for economic recovery

Given that information on the socioeconomic impacts of the pandemic among Indigenous Peoples is fragmented and insufficient, the first step is to evaluate these in order to prioritize specific State responses for mitigating them. This effort must involve Indigenous Peoples and take into account the situations of all those within national jurisdictions and their territorial, gender and generational differentiations. For this, it will also be necessary to distinguish the impact of the new scenarios that Indigenous economies face from those faced by Indigenous workers in the non-traditional labour market.

Given that all the countries have thus far pursued economic recovery agendas that fail to sufficiently consider the interests of Indigenous Peoples, working groups should be set up between the relevant State bodies and Indigenous organizations that represent critical areas of Indigenous collective rights that could be affected by these policies. From this follows the establishment —where appropriate— of mechanisms of reparation for rights that have been violated, in accordance with international standards.

The contributions made by Indigenous Peoples to national economies have been thus far overlooked. It is urgent to design consistent

methodologies and official mechanisms to estimate these contributions, including not only the resources generated by their economies, but also those generated by exploitation of natural resources within their territories. Progress must also be made towards systematic and official estimates of the contributions of Indigenous Peoples to national goals for the reduction of CO_2 emissions.

Another key aspect of a sustainable economic recovery is the full inclusion of Indigenous Peoples, through their representative organizations, in the design of climate funds and related decision-making nationally and internationally. Indigenous Peoples must also be guaranteed direct access to climate financing, progressively eliminating intermediary agents and all forms of guardianship over resource management that impose limitations on the life aims of Indigenous Peoples.

In order to ensure that the contributions of Indigenous Peoples to climate change mitigation are fully realized and given the important role they play as net carbon sinks, it is essential to legally secure Indigenous territories and ensure their autonomous governance, for which progress must be made towards the adoption of regulatory and administrative measures to end concessions for exploration and industrial exploitation of natural resources in Indigenous territories. It is also urgent to improve prior consultation mechanisms in all countries, so that they are designed to ensure free, prior and informed consent for any measure that could affect integrity and the environmental, social or cultural balance in Indigenous territories.

4. Expand measures to fulfil the information-related rights of Indigenous Peoples

The pandemic clearly showed the inadequacy of processes for including the ethnic perspective in government information systems, not only for epidemiological surveillance, but also for ensuring access to social protection programmes. For this reason, these processes need to be strengthened both technically and financially as a matter of urgency, using self-identification as the main criterion and adopting variables that better capture the diverse realities in which the Indigenous Peoples of each country live. Comprehensive systems of information on the substantive collective rights of these peoples also need to be developed.

In this regard, all the countries in the region should adopt open data policies as a fundamental tool for the transparency of public management regarding the rights of Indigenous Peoples. These should consider first, their territorial rights, including georeferenced data on location and estimation of demand in Indigenous lands, progress in demarcation and titling (surface area, administrative measures,

identification of rights holders) and regularization and compensation for alienated lands. Second, policies must take into account the interests of non-Indigenous third parties, both public and private, on Indigenous territories, including information on any extractive project in these territories at whatever stage, including its location, environmental assessments, acquired rights, licences granted, prior consultation processes (actors involved, minutes of agreements reached and follow-up measures, among others), sanctions for non-compliance with national regulations and compensation measures adopted.

Lastly, general State budgets should include a specific item for public spending directed towards Indigenous Peoples and measures should be taken to make this information easily accessible to Indigenous organizations.

5. Ensure fulfilment of the rights of Indigenous workers in relation to conditions of recruitment and employment

In order to ensure the protection of Indigenous Peoples in this area, legislative and administrative measures must be adopted to provide labour inspection services with specialized units to monitor and eradicate all forms of discrimination against Indigenous wage workers in conditions of both recruitment and employment. Particular care should be devoted to the points of wage discrimination, access to social security and union participation by Indigenous women and men. These services should also focus especially on productive chains in which forms of forced labour can or do occur.

At the same time, in territories with a high concentration of Indigenous population, governments should create —with the participation of Indigenous Peoples— special mechanisms to include Indigenous workers in labour intermediation and employment promotion programmes, and to ensure that they can take part in measures aimed at creating quality jobs in the respective territories. In addition, progress should be made towards establishing "quotas" for hiring Indigenous workers, both in the public administration and in tenders for public infrastructure projects. Special training programmes should also be made available to enable Indigenous workers to acquire the skills for the trades required in such projects, ensuring that Indigenous women and youth have the opportunity to participate in them.

In addition, training and specialization programmes should be put in place for Indigenous workers so that they can access higher-skilled jobs, with special emphasis on those skills that will be increasingly in demand in the labour market in the context of technological change and the just transition. Such programmes should be designed together with Indigenous organizations so that Indigenous Peoples can come to administer them autonomously.

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Conclusions

Labour inclusion policies: an integrated, sustainable strategy with a territorial approach

Mariana Huepe

Work is the main engine for reducing poverty and driving countries and territories' productive development, and it is an essential mechanism for expanding citizenship rights and building autonomy, identity and human dignity, as well as being a pillar of social and economic integration (Abramo, Cecchini and Morales, 2019). In a region as highly unequal as Latin America, work can contribute to reducing social and economic gaps between different population groups through its impact on income and social protection coverage. However, as discussed in this document, not just any work serves to reduce inequalities; the conditions of employment must ensure that people entering the labour market have access to productive, good-quality jobs, with guaranteed labour rights, stable income and access to social protection, under conditions of freedom, safety, equity and dignity (ECLAC, 2017 and 2019). In addition, labour inclusion must not infringe upon the exercise of the rights of others; in particular, everyone must have the possibility to provide and receive care and to exercise self-care.

Already before the COVID-19 pandemic, Latin America faced significant challenges on the labour front; much of employment was in highly informal low-productivity sectors, with low wages and issues of labour regulation and inspection, among other problems. The economies and labour markets were also undergoing major changes associated with different interrelated global and regional trends, all of which combined to create great uncertainty. These trends may be classified into: (i) technological transformations, associated with the fourth technological revolution; (ii) an environmental crisis, linked to climate change, biodiversity loss and different types of pollution that affect the well-being of individuals, communities and ecosystems; (iii) demographic processes, especially population ageing, which produces an increase in the demand for care alongside a lower proportion of people available to provide care, and the intensification of intraregional migration in Latin America; and (iv) the partial reversal of globalization, especially after the economic and financial crisis of 2008–2009. Many of these trends have been exacerbated by recent events, such as the COVID-19 pandemic although these are short-term shocks, they may leave permanent scars on Latin American countries' social and economic development (Weller, 2022).

The transformations and uncertainty typical of today's Latin American labour markets threaten to deepen inequalities in the work sphere, leaving worst off those populations at the intersections of the axes of the social inequality matrix (socioeconomic status, gender identity, stage of the life cycle, territory and ethnicity and racial identity, among others) (ECLAC, 2016).

Considering the significant structural inequalities seen in the region's labour markets and the multidimensional nature of deprivation, this chapter concludes with some public policy recommendations to foster labour inclusion in the context of the various trends shaping the future of work in the region. The recommendations are based on a comprehensive approach to reducing inequalities. As discussed in this document, the challenge of labour inclusion requires measures in different spheres of well-being for individuals, households and territories, hence the need for greater collaboration and interinstitutional coordination. Building on typologies, advances and previous discussions (Abramo, 2022; Arenas de Mesa, 2019; ECLAC/ILO, 2014; ECLAC, 2022a; Gontero and Weller, 2015; Gontero 2023), the chapter is organized following the typology of inclusion policies employment shown in table 15.

Table 15
Key areas of labour inclusion policies

	Labour inclusion policies	
Macroeconomic policies (fostering economic growth)	Countercyclical fiscal and monetary policies	
	Control of inflation	
	Investment promotion policies	
Productive development policies (output-decent work elasticity)	Fostering local, national and regional value chains	
	Promoting cluster incentives	
	Support for firms of different sizes	
Institutional framework of labour (rules governing the relationship between employers and employees, i.e. conditions of employment)	Labour legislation	
	Labour inspection/oversight	
	Collective bargaining mechanisms	
	Minimum wages	
Labour market policies (specific measures for groups in situations of vulnerability)	Supply-side support	Levelling of schooling and vocational training
		Start-up support
	Labour intermediation services	
	Demand-side support	Hiring/labour retention incentives
		Direct job creation
		Affirmative action and measures to integrate persons in vulnerable conditions or with disabilities
Social protection policies	Contributory	Medical assistance
		Cash transfers in case of illness
		Maternity benefits
		Accident and occupational illness insurance
		Pension system
		Unemployment insurance
		Family benefits
	Non-contributory	Cash and in-kind transfers and other benefits, including minimum income policies
	Care policies	
An integrated strategy with a territorial approach, geared towards workers, economic units and local, national and regional economies.		
Challenges of governance	Better horizontal and vertical coordination between State institutions	
	Stronger integration, coherence and complementarity among measures, targeted towards specific objectives	
	Creation and strengthening of processes and forums for political and social dialogue, participation and consultation among territorial stakeholders, and between them and government bodies	
	Better information systems	
Capacity-building of national and subnational governments, in terms of technical ability, resources and decision-making power		

Source: Prepared by the author, on the basis of L. Abramo, "Policies to address the challenges of existing and new forms of informality in Latin America", *Social Policy series*, No. 240 (LC/TS.2021/137), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2022; A. Arenas de Mesa, *Los sistemas de pensiones en la encrucijada: desafíos para la sostenibilidad en América Latina*, ECLAC Books, No. 159 (LC/PUB.2019/19-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2019; Economic Commission for Latin America and the Caribbean (ECLAC)/International Labour Organization (ILO), "Employment formalization and labour income distribution", *The Employment Situation in Latin America and the Caribbean*, No. 11 (LC/L.3904), Santiago, 2014, and Economic Commission for Latin America and the Caribbean (ECLAC), *Social Panorama of Latin America, 2021* (LC/PUB.2021/17-P), Santiago, 2022.

In view of the fact that the region's labour conditions are strongly conditioned by the production matrix and the employment opportunities available, section A discusses the importance of productive and macroeconomic development policies for labour inclusion in the context of the future of work. Section B considers policies that frame the general conditions of work, such as labour legislation, inspection policies, collective bargaining mechanisms and minimum wages, which are all particularly important with respect to the new forms of work arising with the digitalization of the economy. Section C focuses on policies aimed specifically at groups in situations of vulnerability, which are essential for reducing labour-related inequalities. Section D examines contributory and non-contributory social protection policies, with an emphasis on their importance in highly informal contexts such as in Latin America, as well as the challenges associated with technological change and the just transition towards sustainable development models. Section E discusses the importance of strengthening educational systems in the region, emphasizing the need to ensure universal access to relevant, good-quality education, leaving no one behind. Lastly, the chapter concludes with a reflection on the governance and sustainability challenges of adopting an integrated labour inclusion strategy in the context of the future of work.

A. Productive development and macroeconomic policies: addressing a structural bottleneck for the creation of good-quality jobs

The Latin American economies typically display great structural heterogeneity, in other words, a level of productivity that differs significantly between and within economic sectors. Nearly half of all those employed in the region are in low-productivity sectors and companies, where population groups at the intersection of the different axes of the social inequality matrix are overrepresented (Abramo, 2022; ECLAC, 2010). Labour inclusion policies must therefore address not only aspects of labour supply (people working or actively seeking employment), but also aspects of the demand for labour, in particular, direct or indirect creation of jobs that offer decent conditions of employment.

Job creation requires not only measures to promote economic growth, including countercyclical macroeconomic policies and inflation control, but also measures to ensure that higher growth does in fact create employment that may be classified as decent work. This means that, in addition to macroeconomic policies to foster growth, the productive development strategy should aim to diversify the productive apparatus and increase its sophistication. In other words, policies must be directed towards increasing the productivity of existing economic activities and generating a leap into new, higher-productivity activities as well. This will

foster local, national and regional capacity to innovate and create decent jobs, especially in a context of technological change and considering the challenges associated with the just transition.

As part of these efforts, productive development policies must support linkages between industries and companies at the local level and encourage them to seek integration with intraregional and international value chains, particularly in sectors of the economy that have competitive advantages and strong potential to create quality employment. By fostering linkages between low- and high-productivity sectors and firms in strategic sectors for the economy and employment creation, policies can facilitate the diffusion of technical progress throughout the productive fabric, to support the creation not only of more jobs but also better ones.

Since the 1990s, the region has seen various experiences of public-private collaboration geared towards developing strategic companies and sectors, with positive impacts on quality employment creation (see boxes 4 and 5 for examples). It is important to learn from the successes and mistakes of these initiatives in order to draw lessons and pursue new development models in the region that respond to the current global context and the need to reactivate economic growth, as well as the aim of creating decent work.

Box 4
A skilled labour force and the development of the medical devices sector in Costa Rica

The development of the medical devices sector has been one of Costa Rica's most successful productive development policies. In 2020, Costa Rica exported US$ 3.935 billion in medical devices, almost 20 times the value of its exports in 2000, which made it the second largest exporter of these products in Latin America and the Caribbean, after Mexico.

This development did not come about spontaneously but was driven by a strategy to attract investment and develop human capital with a view to positioning Costa Rica in more profitable parts of the value chain.

In 2020 there were 74 companies operating in the medical devices sector in Costa Rica, with an ecosystem of 120 local suppliers, 50 of which were national firms. That year, the sector employed some 38,300 workers, after yearly growth of almost 2,700 jobs since 2009. These are good-quality jobs with better pay and conditions of employment than in many other areas of activity.

In addition to its growing trade openness, quality infrastructure and good investment climate, Costa Rica's skilled workforce was a key factor in attracting foreign direct investment. The workforce in Costa Rica is highly qualified compared with other countries in the region, with a significant percentage speaking two languages (Spanish and English). Costa Rica ranks 33rd out of 135 countries in the World Economic Forum's Human Capital Index and has five public universities, over 50 private universities, numerous technical colleges, and a National Apprenticeship Institute with 54 branches across the country.

Costa Rica undertook a major public-private collaboration effort, in which the Coalition for Development Initiatives (CINDE) —a non-governmental investment promotion organization— has worked with universities and technical colleges, the National Apprenticeship Institute (a public sector entity) and businesses to adjust existing programmes, create new specialties, and retrain the workforce to meet the demands for knowledge and skills generated by the industry. Some of the firms in the medical devices cluster already have arrangements with universities abroad to help to train Costa Rican personnel through a scholarship system. In 2014, the Technological Institute of Costa Rica set up a master's degree in medical device engineering —unique in Latin America and the Caribbean— with assistance from the University of Minnesota. This process was facilitated by CINDE and represented a critical step towards expanding the medical technology ecosystem in Costa Rica. Moreover, the fact that there are Costa Ricans trained at the master's level could support the creation of more start-ups led by well-trained, experienced professionals, offering potential for greater direct and indirect job creation.

Despite advances in educational and vocational training, the growing medical industry will demand specific skills that the Costa Rican academic sector is not necessarily prepared to meet. Costa Rica must continue to build up its human resources, in both quantity and quality, and improve its broadband connectivity infrastructure in order to aim towards high-tech sectors. In early 2019, Costa Rica began to adopt a cluster approach to the medical devices sector, which is expected to improve coordination between public and private institutions to tackle possible bottlenecks in the sector's development, especially in relation to human talent. Economic growth and employment would also benefit from a stronger enterprise support ecosystem, not only to encourage backward and forward linkages, but also to foster the start-up and successful growth of spin-offs from the medical devices sector.

Source: J. M. Salazar Xirinachs, "El sector/clúster de dispositivos médicos de Costa Rica. Estudio de caso", *Technical Note*, No. IDB-TN-02627, Inter-American Development Bank (IDB), 2022.

Box 5
Public-private cooperation to solve coordination problems in the wine industry in Chile

The wine industry is Chile's fastest-growing non-mineral export sector; its export value reached almost US$ 50 million in 1990 (from practically zero in 1980) and US$ 1.4 billion by 2009. In the 1980s, innovation by a pioneering private firm began to reveal export opportunities for Chilean wine, and in the following decades, public-private collaboration enabled the industry to develop into one of Chile's largest export sector (Agosin and Bravo-Ortega, 2012). Today, the wine industry represents 5.7% of non-copper exports, 16.5% of agricultural exports and 0.5% of GDP, and it directly generates over 100,000 jobs. Chile now has some 1,700 producers and 394 exporters of wine, of which 76% are SMEs (Wines of Chile, n/d).

Although many of the enablers of the industry's development were initially put in place without government support, its consolidation and export growth have been powered by deliberate public policies, in particular, by measures taken by the State to resolve major coordination issues (Agosin and Bravo-Ortega, 2012).

In the 1990s, the Production Development Corporation (CORFO) began setting up Business Development Centres, which led to the formation of bodies such as Asociación de Productores de Vinos Finos de Exportación (CHILEVID), a consortium of small and medium-sized wineries geared oriented towards foreign markets, and Asociación de Viñas de Chile (AVC), both providers of public goods that have been essential to the long-term success of the industry.

The Development Projects programme, executed by CORFO, CHILEVID and AVC for the wine industry, supported the formation of partnerships of SMEs working together to address different objectives such as technology transfer and overseas marketing. Development Projects have been successful in coordinating investments that would otherwise be too large for smaller producers operating independently (Agosin and Bravo-Ortega, 2012).

The industry has also benefited from the CORFO Supplier Development Programme —which, among other things, supports small producers to improve the quality of their grapes and thus meet the requirements of wine exporters—as well as the export promotion work of the General Directorate of Export Promotion (ProChile), a government agency, and measures to formalize links between producers and government institutions (such as the Institute of Agricultural Research) aimed for example, at technology transfer to the agricultural sector (Agosin and Bravo-Ortega, 2012).

Source: Prepared by the author, on the basis of M. Agosin and C. Bravo-Ortega, "The emergence and consolidation of the Chilean wine industry", *Export Pioneers in Latin America*, C. Sabel and others (eds.), Inter-American Development Bank (IDB), 2012, and Wines of Chile, "Aporte del vino a la economía y desarrollo de Chile", n/d [online] https://www.winesofchile.org/chile-vitivinicola/aporte-del-vino-a-la-economia-y-desarrollo-de-chile/.

In the context of the technological revolution and the just transition towards more sustainable development models, it is especially important to support the technological transformation of the productive sector and the uptake of new job opportunities, along with measures to contain the risks of exclusion. On the demand side, the creation of jobs under decent conditions of employment requires a development strategy to addresses the structural heterogeneity of the region's production matrix. On the supply side, action must be taken simultaneously to prepare workers to take advantage of new employment opportunities and participate more fairly and equitably in the benefits of development. It is thus essential to develop agendas to identify and close human capital gaps, in line with the priorities defined within the framework of productive development policies (see the example of Costa Rica, in box 4).

Given that certain population groups in greater situations of vulnerability are concentrated in backward areas, from an inclusion perspective the objective of productive development must consider the territorial dimension. That is, it must recognize the diversity of needs and potential in the different territories —with special consideration for the specificities of Indigenous territories— and include the reduction of territorial gaps among its goals. For example, territorial development plans have proven

to be important instruments for the labour inclusion of Afrodescendants in the region, as they allow different tools to be combined to reduce the inequalities and gaps these groups encounter in specific contexts (Holz, Huepe and Rangel, 2022). In addition, it is important to coordinate local productive development strategies with efforts to counter the environmental crisis, and engage all relevant stakeholders, taking into account different types of knowledge. In this regard, it is essential for the sustainable recovery of local areas that Indigenous Peoples be included in productive development policies, as strategic actors in meeting the challenges of climate change.

In line with the need to work on these agendas at the local level, cluster initiatives should be promoted as a vehicle for materializing productive development policies. Cluster-based policies, built on close collaboration between the public, private and academic sectors at the local level, have become consolidated in many countries around the world, including many successful experiences in Latin America and the Caribbean. They have proven to be one of the most effective ways to promote the development of specific groups of value chains, and to maximize synergies not only between key players in specific clusters of firms, but also between national policies (top-down) and decentralized local policies (bottom-up). A broader and more joined-up cluster approach would be a very powerful way to strengthen productive development policies in the region.

Although policies to foster economic activity are a central component in strategies for labour inclusion, they need to be coordinated with and complemented by other measures and public policy sectors at the local level. These include environmental policies, policies aimed specifically at Indigenous Peoples and Afrodescendent populations, policies on tax, infrastructure and gender, and education and vocational training policies. They must also have effective participation mechanisms to ensure that development strategies are comprehensive and leave no one behind. In addition, a development strategy adapted to the needs of the region must take into account the links between economic development policies and social development policies. Sustainable economic growth cannot be achieved in the absence of productive employment that can counter the social vulnerability of the labour force and the structural factors that sustain inequality and poverty in the region. In other words, any successful strategy for sustainable economic growth must also have inclusive social development at its heart (ECLAC, 2022b).

Table 16 offers some guidelines for productive development policies that respond to the need for labour inclusion of the population groups analysed in this study, as a complement to the measures included in table 15.

Table 16
Public policy guidelines for promoting productive development with a focus on the labour inclusion of population groups in situations of vulnerability

Productive development policies	Develop productive development strategies to promote start-ups and local, national and regional innovation capacity.
	Take action to ensure a just transition in the context of the technological revolution and the transition of production systems towards environmentally sustainable development models, and to develop new skills and update workers' existing skills in order to limit risks of substitution, exclusion and expansion of gaps.
	Promote investment in infrastructure, new technologies and connectivity, among others.
	Support technological transformation in firms of all sizes.
	Implement territorial development plans, including cluster initiatives and expeditious and efficient mechanisms for the demarcation, titling and regularization of Indigenous territories, as well as prior consultation.
	Coordinate productive development strategies with efforts to combat the environmental crisis and the care crisis, engaging all relevant stakeholders (workers, caregivers and environmental defenders, including Indigenous Peoples).

Source: Prepared by the author.

B. Institutional framework of labour: building institutions to foster labour inclusion

Labour institutionality refers to the rules that govern the relationship between employers and employees. Broadly speaking, these involve measures that establish general working conditions, such as labour legislation, oversight policies, collective bargaining mechanisms and minimum wage setting.

The high rates of informality and vulnerability in the region, as well as the rise of the gig economy, make it all the more important to have in place a social and labour legislative framework that is both simple and broad in coverage, in order to ensure minimum levels of protection and well-being for all workers (see table 17). From the perspective of labour inclusion, it is also important to take measures to improve the quality of work. These include minimum wage policies, regulation of the working day (for example, maximum weekly and daily working hours), recognition of the existence of domestic and care work, establishment of minimum conditions for workplace health and safety, and measures aimed at ending discriminatory and unequal gender and ethnic or racial patterns, among other axes of the social inequality matrix (Abramo, 2022). All these measures should be complemented by non-contributory social protection floors and the gradual expansion of social security to workers in the informal economy, as will be discussed in greater detail in section D.

Table 17
Guidelines for an institutional framework for the labour inclusion of population groups in situations of vulnerability

Institutional framework	Simplify laws and legislative procedures (such as the tax and social security affiliation system, and registration of businesses via through a single window).
	Increase dissemination of simple, clear information on the rights and obligations of employers and workers.
	Take measures to strengthen and improve oversight and inspection services (labour, tax and social security), including specialized units to monitor and end all forms of discrimination.
	Adopt a system of leave to support parental co-responsibility.
	Adopt employment protection measures for workers responsible for dependants.
	Reduce and regulate maximum working hours to take the burden of care work into account.
	Expand the provision of childcare centres for employed persons with dependent children.
	Certify, professionalize and formalize paid domestic work.
	Review social and labour legislation in relation to gig work, provide instances for workers to organize and negotiate and to participate in the design of policy and legislation.
	Implement technical and vocational training systems for lifelong learning that can meet the demand for knowledge and skills and enable workers to update/renew their skills and stay up-to-date in a changing environment.

Source: Prepared by the author.

The institutional framework for labour also includes actions to balance bargaining power between employers and workers. This supports improvements in the quality of employment broadly and it also has the potential to influence the functioning of the labour market and working conditions through decisions on innovation and technology uptake. Labour market changes are not technologically determined: rather, the development and uptake of new technologies are mediated by institutions, regulations, policies and negotiations. In this regard, workers must be provided with opportunities for organization and negotiation, not only to fully leverage the potential of new technologies and the just transition, but also to acknowledge the importance and know-how of all the stakeholders involved in each country's economic development (Huepe and Pérez, 2023).

C. Labour market policies: targeted measures for the most population groups in situations of greatest vulnerability

In addition to establishing a general framework that will encourage job creation and govern conditions of employment and working conditions, labour inclusion policies also provide for specific measures for meeting the needs of the population groups in situations of greatest vulnerability and/or those that have historically been targets of discrimination. These policies incorporate measures designed to support both labour supply

and labour demand. Examples of the former include policies on remedial courses, and technical and vocational training designed to provide the skills that are in demand in a constantly changing labour market. Examples of the latter include policies that provide employers with incentives to hire and retain employees, direct job creation policies tailored for specific population groups and affirmative action policies that ensure at least some access to certain types of jobs for groups that have historically been excluded from them. Labour market policies also deal with public services such as job placement assistance to help match up supply and demand.

The transition to more sustainable models and the technological revolution will cause some people to lose their jobs, making closer linkages between labour market policies and social protection policies all the more important. In many cases, retraining and upskilling efforts and processes designed to help people re-enter the labour market need to be based on a combination of active and passive labour market policies. In other words, specific measures for reducing unemployment or supporting employment for certain population groups need to be coupled with financial support for people who find themselves unemployed or subsidies to supplement labour income (ILO, 2016). The International Labour Organization (ILO, 2016) has highlighted the importance of active labour policies in supporting workers who are transitioning from one sector to another. It has also pointed to the increasingly blurred line between active and passive policies and underscored how effective they can be when used together to achieve social goals (Martin, 2015; ILO, 2016). ILO (2016) has proposed that, at this point in time, active labour market policies should pursue the following objectives: (i) boosting employment by counteracting the various rigidities in the economy that stand in the way of the achievement of full employment (job shortages, skill mismatches and a lack of information); (ii) reducing inequality by targeting assistance to population groups in situations of vulnerability owing to problems of exclusion, discrimination and/or inequity; (iii) enhancing employment mobility and job quality in a rapidly changing labour market; and (iv) reducing poverty, given the important role of employment in income generation.

On the demand side, in addition to stimulating job creation through economic growth and the implementation of productive development policies, governments can promote direct job creation by setting up public employment programmes or providing subsidies that will encourage employers to hire more personnel and to retain their existing employees by reducing their labour costs. They can also provide job placement support to help match up job-seekers with employers by offering such services as labour counselling and advisory assistance, providing information about training opportunities, organizing job fairs or events, assisting with the preparation of curriculum vitae and holding mock interview practice sessions (ILO, 2016).

In order to break down long-standing barriers of exclusion and discrimination that have blocked access to the labour market itself and, within it, to high-ranking positions, as well as to the benefits to be derived from various types of public policies, governments will need to implement affirmative action measures in order to promote equality. Affirmative action may include active job-search mechanisms tailored to specific groups within the population, the establishment of minimum quotas in educational institutions and for employers, and the application of a multicultural and pluri-racial approach to the administration of social services in such fields as health and education (ECLAC, 2020). As stated in the Regional Agenda for Inclusive Social Development, which was adopted by the member States of ECLAC at the third session of the Regional Conference on Social Development in Latin America and the Caribbean in 2019, it is important for affirmative action measures to account for and address "the simultaneous and cumulative discrimination and exclusion affecting people who experience multiple dimensions of these inequalities" (ECLAC, 2020, p. 23). Governments can implement affirmative action measures based on an intersectional approach in order to narrow the gaps and rectify the inequalities that undercut the operation of labour markets and social institutions in the region and help to remove critical obstacles to development, such as persistent poverty and inequality, widening gender gaps and limited access to decent work and to social protection. Table 18 sets out some of the types of labour market policies that can promote the labour inclusion of the population groups focused on in this study.

Table 18
Labour market policies focusing on the labour inclusion of population groups in situations of vulnerability

Labour market policies	Introduction of incentives that will facilitate the entry of young people, persons of African descent and members of Indigenous Peoples into the labour market and the entry of women into traditionally masculinized sectors, along with members of other population groups that are confronted with entry barriers.
	Implementation of affirmative action measures to eliminate the barriers to labour inclusion faced by Indigenous and Afrodescendent workers, as well as in vocational training programmes.
	Implementation of financial inclusion policies for small-scale entrepreneurs.
	Creation of training programmes specifically designed to meet the needs of women, young people, persons of African descent and members of Indigenous Peoples (such as programmes that are compatible with caregiving and work responsibilities and that promote the development of skills relevant to their life situations and communities).
	Implementation of earn-while-you-learn training programmes in which young people can obtain training (acquiring job skills) on the job (gaining work experience) and develop tools for applying what they learn, with special attention being devoted to members of rural populations and Indigenous Peoples, persons of African descent, persons with disabilities and migrants.
	Reinforcement of job placement and support services, with special emphasis on first-time job-seekers and on providing better opportunities for re-entry into the labour market.

Source: Prepared by the author.

D. Social protection policies: strengthening the links between contributory and non-contributory systems

Social protection policies —especially policies concerning social security systems that include health and unemployment insurance, pension schemes, occupational injury and illness coverage, family leave and family benefits— are essential in order to broaden the scope of labour inclusion and labour inclusion policies.

Given the persistence of informal economic activity in the region, the need to address the challenge —which is but one of many— of providing support for workers and their families as part of a just transition, and the impacts of climate change, it is crucial to consolidate universal, comprehensive, sustainable and resilient social protection systems that will increasingly open up access to social security coverage for independent and informal workers, among other goals. Some Latin American countries have gained experience in this area. For example, Argentina and Uruguay have introduced single-tax regimes, and Brazil has implemented an individual microentrepreneur taxation system. Both of these schemes provide expanded social security coverage, albeit with more limited benefits. The single-tax regimes simplify the payment of contributions by consolidating various payments into a single tax and linking that to social security coverage, thereby encouraging formalization. Under Brazil's individual microentrepreneur taxation system for persons employed in microenterprises and own-account workers, which is also open to rural and domestic service workers, a contribution equivalent to 5% of the minimum wage gives workers access to the financial system, an old-age pension, health insurance and maternity leave (although coverage may not include all the benefits received by workers under the general social security system) (Abramo, 2022; Salazar-Xirinachs and Chacaltana, 2018).

Every country has its own institutional and employment structures, however, so these types of initiatives have to be adapted to local conditions. In addition, given the wide range of different types of independent workers, other adaptations also have to be made to accommodate differing payment capacities. Gontero and Weller (2017) note that some of these workers' incomes are so low that they can just barely survive on them, so it is highly unlikely that the scope of these policies can be universal. On the other hand, in order to prevent a reduction in the coverage of labour laws and the segmentation of workers into systems offering differing levels of benefits and rights, it is important to put in place incentives and deploy legislative and enforcement efforts to ensure that these workers and businesses gradually transition into the general social security system.

Rapid technological change and the transition to new, more sustainable development models entail the destruction of jobs in the short run, whether because of technological substitution or because of environmental imperatives (such as decarbonization of the economy). Greater priority will therefore have to be placed on the expansion of unemployment insurance for persons not covered by contributory systems and as mentioned earlier, on the closer coordination of passive labour market policies that will guarantee a minimum income for unemployed persons with active labour market policies that will help them re-enter the labour market.

Another trend that adds to the social protection challenges to be overcome in the region is the ageing of the population. This, in conjunction with high levels of labour informality, makes it necessary for more workers to remain in the labour market even after reaching official retirement age, thereby increasing the number of older adults who find themselves in situations of vulnerability (ECLAC/ILO, 2018). In addition to promoting labour formalization and broadening access to retirement benefits under contributory systems, it is important to strengthen non-contributory pensions systems and to modify retirement schemes in order to make it easier for older persons to remain in the labour market if they wish to do so, even if they do receive a pension. One of the major challenges is to consolidate all three dimensions of sustainable pension systems by ensuring that they provide broad enough coverage, furnish sufficient benefits and are financially sustainable. As a cross-cutting consideration, the measures deployed to strengthen these systems must also address the striking gender inequalities that arise in the labour market and that adversely affect the performance of the countries' pension systems (Arenas de Mesa, 2019).

It is also important, as noted in the Regional Agenda for Inclusive Social Development, to incorporate caregiving functions into social protection systems and to promote joint responsibility on the part of men and women (ECLAC, 2020). Greater access to comprehensive care policies is particularly important for low-income women, who are often unable to pursue their desired educational and career paths because they cannot afford to outsource domestic and care work and, given the unequal distribution of paid and unpaid work, they must take on the bulk of these responsibilities in the home. Table 19 lists some of the types of social protection policies that can be used to promote the labour inclusion of the population groups focused on in this study.

Lastly, in view of the disadvantageous social situation of many members of Indigenous Peoples and the Afrodescendent population in the region, affirmative action needs to be incorporated into social protection systems in order to break down long-standing barriers of exclusion and equip all groups in the population with an equal ability to take advantage of development opportunities. By the same token, care should be taken in

guiding young people as they transition from school to the labour market in order to ensure that their first jobs are of good quality and afford them social protection.

Table 19
Social protection policies focusing on the labour inclusion of population groups in situations of vulnerability

Social protection policies	Linkage of contributory and non-contributory pension systems, with special emphasis on women.
	Recognition of the time spent providing care in the computation of retirement pensions.
	Linkage of social protection policies with education and training systems and policies.
	Application of both active and passive labour market policies during periods of unemployment.
	Guaranteed post-retirement access to health and care services that are suited to the physical and mental needs of the older population and persons in situations of dependency.
	Incorporation of an intersectional perspective into social protection policy implementation, with special attention being devoted to Indigenous Peoples, persons of African descent and young people as they transition from school to the workplace.
	Progressive extension of social protection coverage to informal and independent workers.
	Consideration of new forms of employment in the course of redesigning social protection systems to deal with the risks in terms of job stability and job quality posed by technological change.

Source: Prepared by the author.

E. Education and job training policies

Access to a quality education plays a particularly important role in enabling people to gain access to decent employment opportunities, and it is therefore vital to ensure that such access is distributed equitably among the different areas in the region and among all the members of the population throughout their life cycles. In recent decades, the region has made great strides in terms of expanding the coverage of education and reducing inequalities at the primary and secondary levels; major challenges remain, however, in terms of quality and relevance, and in terms of more equal access to development opportunities in early childhood and at the preschool and higher education levels (ECLAC, 2022b; Huepe, Palma and Trucco, 2023; UNESCO/ECLAC/UNICEF, 2022).

In terms of quality, especially after the prolonged closure of schools in the region, the development of basic cognitive skills (reading, writing and mathematics) and advanced ones (complex problem-solving, critical thinking and creative thought, among others) needs to be reinforced at all stages of the educational cycle. Teachers and educational institutions are also in need of capacity-building support so that they will be able

to help students develop the digital skills needed to make effective use of new technologies, along with the socio-emotional skills that are increasingly prized in the labour market (ECLAC/OEI, 2020; Huepe, Palma and Trucco, 2023). There is also a need for a more determined effort to provide universal access to the Internet as a global public good (United Nations, 2022). Finally, these various educational initiatives must be universal, but they also need to be difference-sensitive and, in order for that to be achieved, efforts to improve the quality of education and make it more inclusive have to be coupled with action explicitly focused on closing the socioeconomic, gender, ethnic/racial and other gaps that exist in the region. Table 20 lists some of the education policies needed to achieve the labour inclusion of population groups in situations of vulnerability.

Table 20
Education policies focusing on the labour inclusion of population groups in situations of vulnerability

Education policies	Guaranteeing access to a quality education from an early age onward (early child development and preschool), with special emphasis on narrowing ethnic/racial and gender gaps (for example, incentives for girls to enter traditionally masculinized fields of study, such as STEM subjects and those involving new digital skills).
	Ensuring an appropriate geographic distribution of quality public educational services, with support for students in isolated and remote areas.
	Providing universal access to secondary education and encouraging students to complete their secondary education while facilitating their transition between different levels of education.
	Addressing the risk that students may drop out of school by implementing early warning systems and forging closer linkages between school systems and policies on social protection, health, transportation, infrastructure and other issues.
	Increasing education systems' focus on the acquisition of knowledge and development of skills that tie in with local and national production needs.
	Providing greater technical and vocational training opportunities for persons at every stage of the life cycle by making education systems more flexible and ensuring the existence of channels for communication between technical/vocational and university systems and permitting the certification of learnings acquired in both formal and informal environments and in other locations (migrants).
	Implementing affirmative action policies to combat structural inequalities in access to a quality education.
	Facilitating the school-to-workplace transition by providing learn-while-you-earn programmes, career guidance assistance that is attuned to demand in the labour market and programmes where people can learn a given trade, among others.

Source: Prepared by the author.

F. Challenges of governance and financial sustainability

As has been made clear throughout this study, labour inclusion policies need to be grounded in an integrated strategy that links up the activities of the various institutions and stakeholders involved in attaining specific

objectives and that will ensure the sustainability of those efforts over time. It is important for this strategy to have a geographic dimension because a large part of the members of population groups in situations of vulnerability reside in productively and socially deprived areas that face their own specific types of challenges (Abramo, 2022).

In order to successfully implement an integrated, geographically focused labour inclusion strategy, the governments of the region will have to overcome formidable challenges in terms of governance and sustainability. With respect to governance, the mechanisms that provide horizontal and vertical links among the various State institutions will have to be improved in order to strengthen the integration, coherence and complementarity of different policy actions. In addition, participatory forums need to be established for dialogues among representatives of the State, the production sector, workers, local actors and representatives of historically excluded population groups and peoples. A broad-based agreement among the various political, economic and civil society stakeholders needs to be reached that will place labour inclusion at the centre of the countries' social and economic development efforts and ensure the sustainability of those efforts over time (Abramo, 2022; Mazzucato, 2023).

The challenge of maintaining the financial sustainability of labour inclusion policies is all the more formidable given the current situation in the region, which is marked by sluggish economic growth, high inflation and constantly shifting government priorities (Abramo, 2022; Mazzucato, 2023). More efficient and effective government action would engender greater trust among the various actors and therefore bolster the sustainability of labour inclusion policies. Production patterns cannot be changed in ways that would make the growth process more inclusive and more environmentally sustainable in the absence of effective, financially responsible policies. To this end, Mazzucato (2023) proposes the use of results-based budgeting, that is, linking budget allocations to performance, the orientation of procurement and recruitment towards specifically defined missions or purposes and the promotion of new public-private partnerships with a view to improving the management of public finances and maximizing budgetary space.

None of this can be accomplished unless concrete actions are taken to build national and subnational governments' policy and institutional capacities in terms of technical aspects, resources and decision-making. The labour inclusion challenge has to be met by means of concrete projects that target definite, measurable results and by building governance structures that map out not only what is to be done but also how it is to be done (Mazzucato, 2023). This is a formidable challenge because it will require a change of mindset within government administrations based on

a new approach to policymaking that revolves around social dialogue and the participation of all stakeholders. It will also entail greater flexibility in decision-making on the part of the various institutional actors and an ability to adapt to the specific needs that must be met in order to reach specified objectives. This will call for efforts to strengthen government information systems so that programme implementation can be monitored, evaluated and, where necessary, rectified. In order to be able to assess the results of those programmes, time-bound indicators and milestones need to be defined (Mazzucato, 2023). In conclusion, table 21 outlines some of the governance and financial sustainability challenges identified in the course of this study.

Table 21
Public policies on governance and financial sustainability focusing on the labour inclusion of population groups in situations of vulnerability

Policies on governance and financial sustainability	Implementation of an integrated labour inclusion strategy based on an innovative, financially responsible approach that draws upon various sources to ensure its progressivity and sustainability. For example, in designing models for financing caregiving systems, it is important to provide for an appropriate mix of social insurance, general budgetary resources, excise tax revenues and direct payments by households.
	Implementation of information systems that can be used, in cooperation with businesses and employers, to monitor skill mismatches; produce estimates of the impact of changing trends on different population groups, economic sectors and geographic areas; and project the future demand for different types of knowledge and skills.
	Incorporation of self-identification variables into surveys and administrative records that can provide information for use in intersectional analyses of the various types of inequalities affecting the participation in the labour force and the conditions of employment of different population groups (persons of African descent, Indigenous Peoples, migrants, persons with disabilities and others who are often passed over or are not captured in statistical compilations) and the level of public expenditure allocations for them. In the case of Indigenous Peoples, more information also needs to be gathered on the contribution that their economies make to national economies and to the mitigation of climate change.
	Use of digital technologies in public administration to support the interoperability of different data sources and the systematization and rapid dissemination of information at all the levels of disaggregation required by different users (adapting the available information to meet the needs of each user), including civil society, in an effort to achieve greater transparency and accountability.
	Reinforcement of government institutions responsible for public policies concerning youth, women and Afrodescendants and for upholding the rights of Indigenous Peoples.
	Recognition of the autonomous governance of Indigenous territories and elimination of the gaps between national policy frameworks and international standards pertaining to the collective rights of Indigenous Peoples (collective territorial rights and political rights).
	Establishment of permanent mechanisms for promoting the engagement of organs of the State and organizations representing different population groups in relevant areas.

Source: prepared by the author.

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The study of labour market inclusion serves to analyse the processes whereby people join the labour market and the characteristics of the jobs that they obtain. This publication analyses the labour market inclusion challenges that various groups in situations of vulnerability face in terms of the future of work, in particular women, young people, people of African descent and Indigenous Peoples. Labour markets in Latin America are undergoing significant interrelated and overlapping changes that threaten to exacerbate existing inequalities. These changes include those related to economic globalization and the restructuring of international trade; population ageing and migration; the digital economy and workplace automation; and climate change and the challenge of ensuring a just transition. Future labour trends call for an urgent reduction in the structural inequalities that define the region's labour markets to ensure that everyone can work together to meet emerging challenges and that countries and territories can take advantage of new opportunities to implement inclusive and sustainable development models.

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