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ILO projections and patterns of unemployment in the Latin America Regions and main labour policies of redress

WHO Webinar “COVID-19 impacts on unemployment and well-being: the imperative for working together on health and labour policies”

Gerhard Reinecke, Specialist on Employment Policies, ILO Santiago

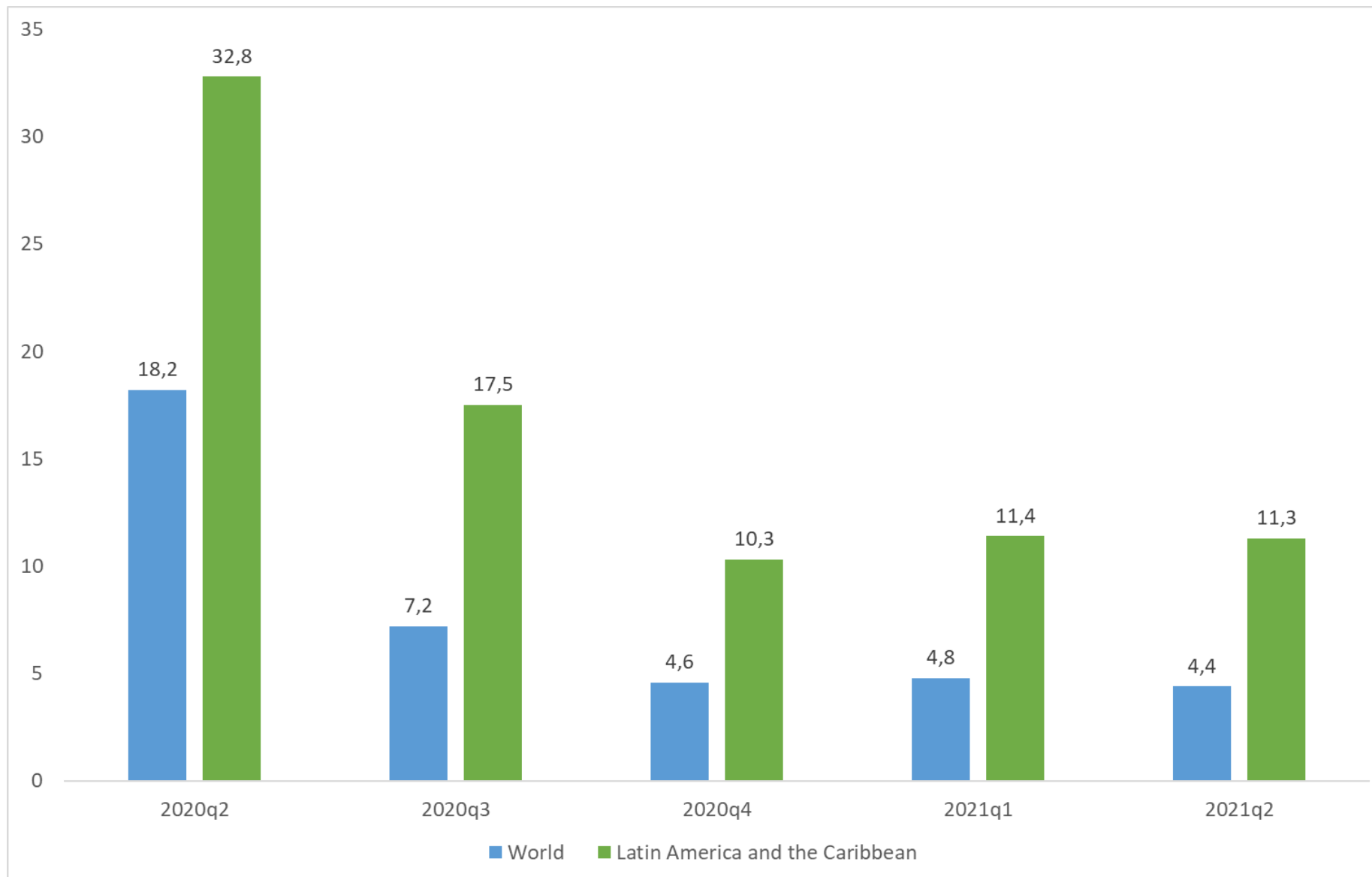
16 July 2021

- “Instead of unemployment”: Alternative indicators for the labour market impact of COVID-19
- “Beyond unemployment”: The employment situation in Latin America and the Caribbean
- “Against unemployment”: Employment policies to retain workers in their jobs and speed up their integration into new ones.

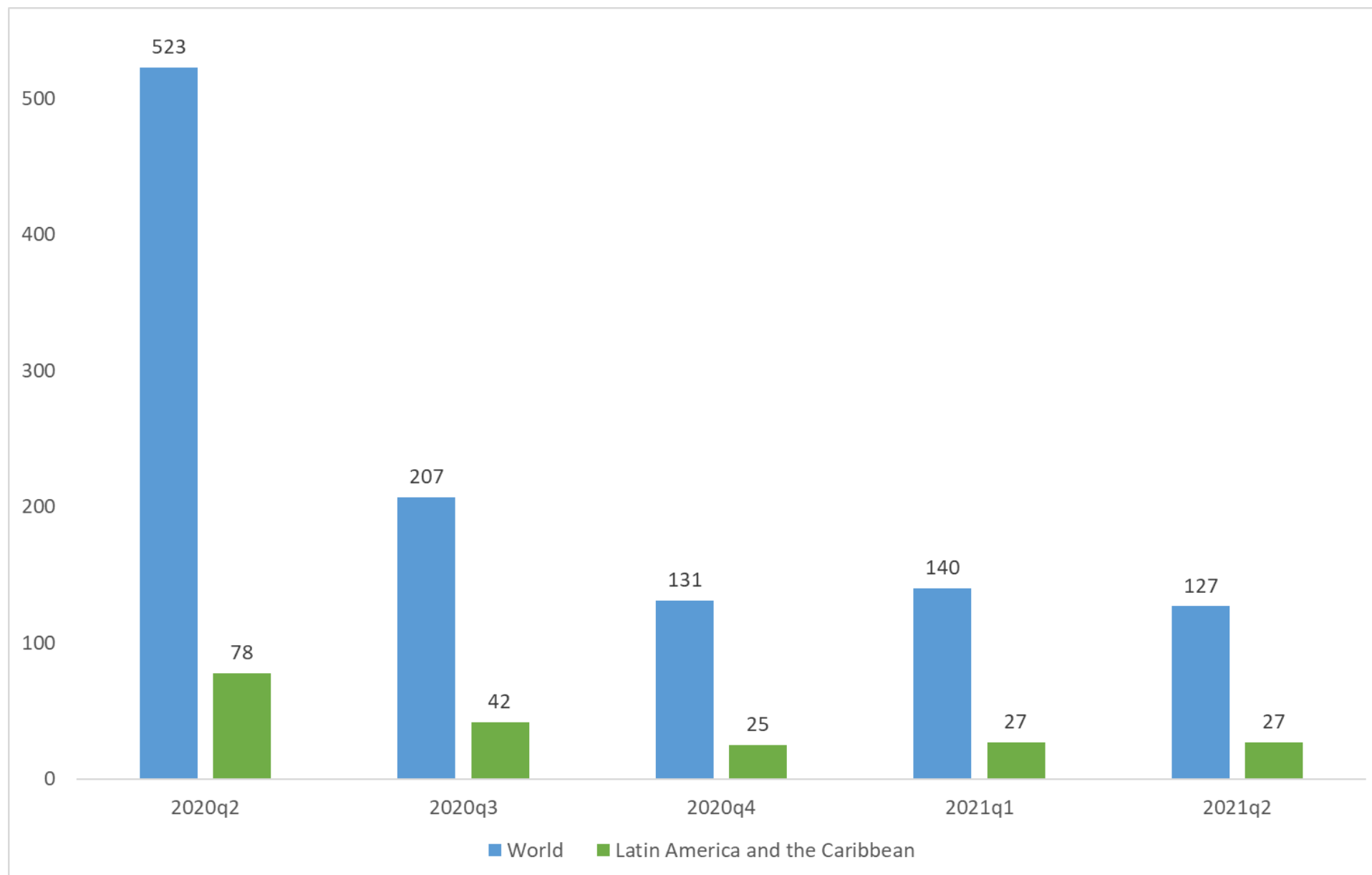


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Quarterly working hour losses (Per cent of no-pandemic scenario)



Quarterly working hour losses (Full-time equivalent (millions))





Different shades of working hour losses

► Figure 1.2 Breakdown of global working-hour losses in 2020



FTE = full-time equivalent.

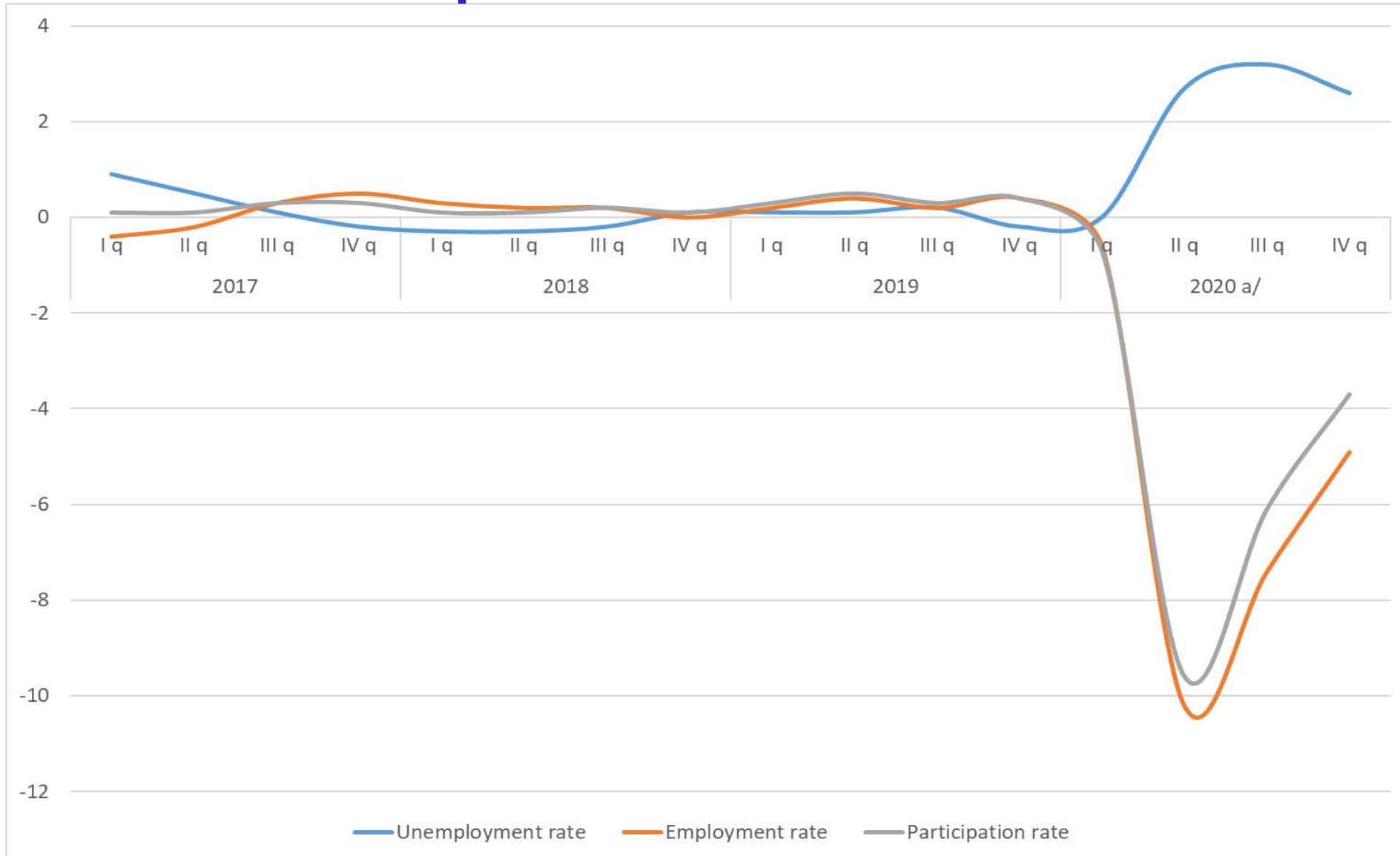
Note: The numbers of FTE jobs are calculated on the basis of a 48-hour working week. Working hours lost are computed by comparing levels in 2020 with the no-pandemic scenario for the same year. The employment loss – along with its decomposition into unemployment and inactivity (being out of the labour force) – is computed by comparing 2020 with 2019 (as in table 1.1).

Source: ILOSTAT, ILO modelled estimates, April 2021.



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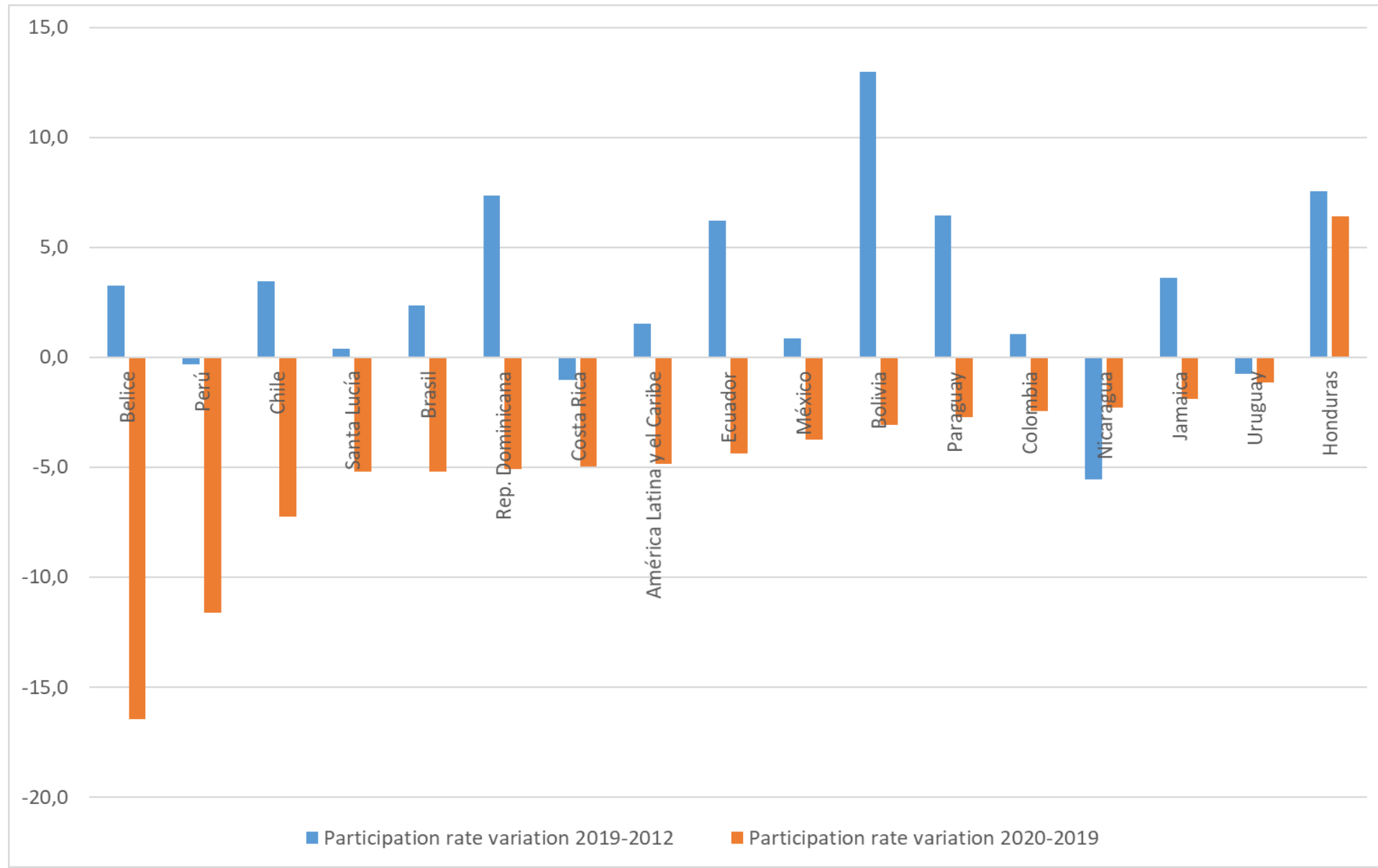
LAC: year-on-year variation in unemployment, employment and participation rates, first quarter of 2017–fourth quarter of 2020





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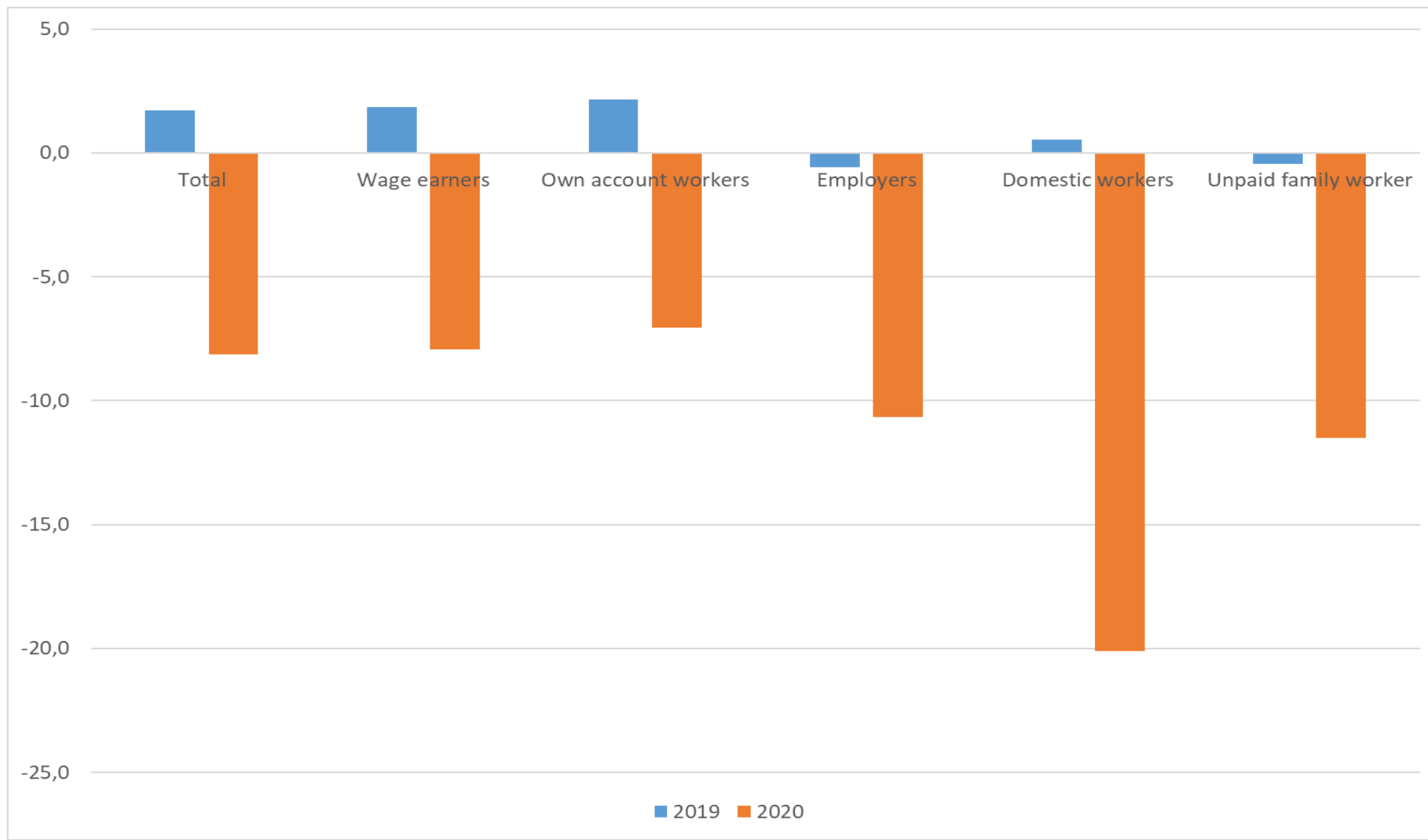
LAC: variation in national female participation rates, 2012-2019 and 2019–2020 (Perc. points)





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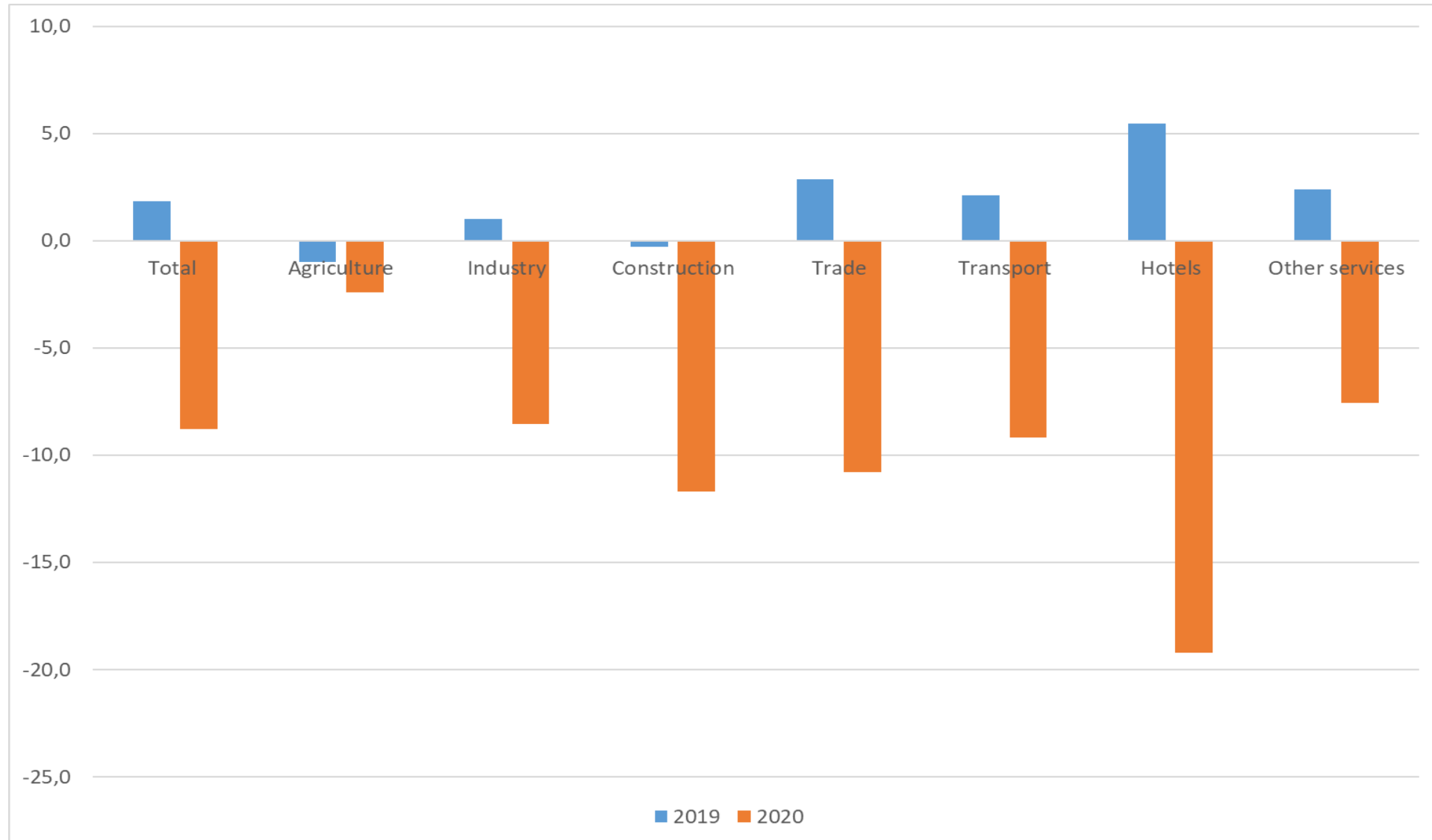
LAC (9 countries): year-on-year variation in employment by occupational category, 2019 and 2020





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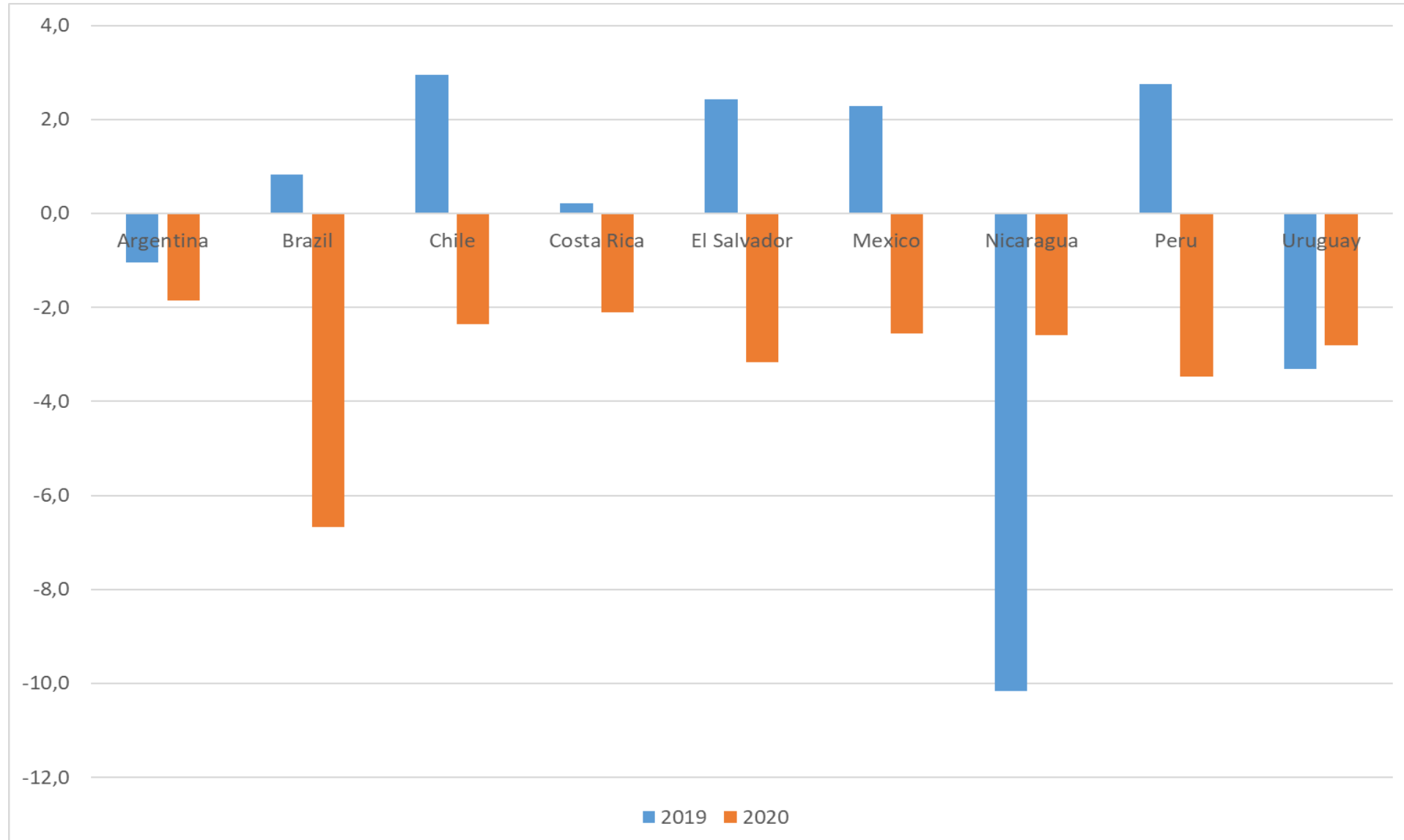
LAC (9 countries): year-on-year variation in employment by sector of activity, 2019 and 2020





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LAC (9 countries): year-on-year growth in registered employment, 2019 and 2020 (%)



Perspectives in 2021

- Recovery compared to 2nd and 3rd quarters of 2020, but similar losses of working hours in first quarters of 2021 than 4th quarter 2020.
- Unemployment rate in 2021 will not return to pre-crisis level.
- Employment recovery at risk of being based on informal and precarious jobs.
- Shift from compulsory to voluntary teleworking, with improved legislation in several Latin American countries.

Employment policies to retain workers in their jobs

- Compulsory tele working (20 to 30% of salaried workers in ALC working from home, compared to 3% in 2019) and advanced vacations;
- Suspension of employment contracts, with compensation from unemployment insurance funds and/or public budget;
- Purpose: maintain link between enterprises and their workers (+ protect them against income losses);
- Advantage for countries that:
 - Had an unemployment insurance prior to the pandemic;
 - Enjoyed a high share of formal employment;
 - Had experience with retention schemes, albeit a smaller scale.

Employment policies to speed up integration of workers into new jobs

- With signs of recovery, shift to wage subsidies to make it cheaper for enterprises to hire new workers;
- No expectation of huge net employment gains, but speeding up process and helping vulnerable workers to “jump the queue” (e.g., Uruguay’s subsidy focuses on youth and other vulnerable groups);
- Measures to reduce (but not eliminate) deadweight and substitution effects, for example excluding enterprises that had recently fired workers;
- Advantage for countries that:
 - Enjoyed a high share of formal employment;
 - Had experience with subsidy schemes, albeit a smaller scale.



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Thank you!

WESO Trends
2021

https://www.ilo.org/wcmstp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_795453.pdf

https://repositorio.cepal.org/bitstream/handle/11362/46956/1/S2100276_en.pdf

ECLAC/ILO: Employment
Situation in Latin America and
the Caribbean, June 2021

https://www.ilo.org/wcmstp5/groups/public/---americas/---rolima/documents/publication/wcms_811301.pdf

Desafíos y oportunidades del
teletrabajo en ALC, Julio
2021