




URUGUAY

A TRADE UNION FOCUS ON THE SDGS

#HLPF2022

WORKERS DEMAND A NEW SOCIAL CONTRACT FOR RECOVERY AND RESILIENCE

COVID-19: WORKERS NEED DURABLE RESPONSES TO THE CRISIS

The Uruguayan government adopted a range of measures in response to the Covid-19 pandemic, benefiting from the universal social protection system and free access to health services already in place. Social support was widened, and the vaccination campaign was successful. Economic support was provided to small and medium-sized enterprises. While the correct measures were taken, they were often too late, leading to avoidable deaths and an increase in poverty that is still above pre-pandemic levels.

Trade unions have called on Uruguay's government to provide a broad post-pandemic recovery plan to stimulate the economy and create jobs, including through investment in housing and infrastructure. Allocating more resources (Uruguay allocated less than one per cent of GDP) would allow redistribution and stimulus policies with greater scope and depth to mitigate the impact on poverty, employment and wages. Wage and pension policies should be reviewed to reactivate the domestic market, improve wages and increase the minimum wage. Telework should be better regulated. The pandemic has also highlighted the long-term importance of investing in education, health, and research and development.

ARE TRADE UNIONS AT THE TABLE?

The implementation of the Sustainable Development Goals (SDGs) in Uruguay is governed by the National Development Strategy Uruguay 2050. This strategy was developed by the previous leftist administration (Frente Amplio) and coordinated across the various ministries through the presidential Office of Planning and Budget. Each five-year national budget used to be structured in line with the 2030 Agenda and its SDGs.

This changed when the new conservative government (Partido Nacional) came to power in March 2020. The government's stated priority has been to manage the pandemic and keep the economy going, and to press ahead with the "Urgent Consideration Law" to achieve its economic goals: to reduce the fiscal deficit, shrink the role of the state, and stimulate the private sector. The result has been real-term cuts in education, health and other areas of public policy. In addition, the government's wage policy has led

to a loss of purchasing power for public and private sector workers. These developments are having a negative impact on Uruguay's progress towards meeting the SDGs. Moreover, the policies and programmes related to SDG implementation are being dismantled and there are not enough resources to make the necessary investments.

The new government has ended the continuous dialogue previously enjoyed by trade unions, citing the pandemic as an excuse. The new institutional structure concentrates decision-making so that measures are implemented without prior consultation or the possibility of reversal. Social dialogue is limited to collective bargaining to comply with labour laws. In response, trade unions are giving the SDGs increasing prominence in their activities, and are campaigning for the repeal of the "Urgent Consideration Law".

TRANSPARENCY



Irregular access to limited information

CONSULTATION



No consultation process at all

SOCIAL DIALOGUE



Definition and implementation of national SDG plan without inclusion of social partners



IS THE (DECENT) WORK GETTING DONE?

Uruguay has a “very high” level of human development (UN HDI of 0.817 in 2019), according to the UN. However, there has been a slight increase in poverty in the past year, reversing the trend of recent years. **Meeting target 1.1 (eradicate extreme poverty for all people)** is becoming increasingly difficult in the context of economic slowdown, employment problems and falling purchasing power. Poverty disproportionately affects children and young people, women, and those living in rural areas. In terms of **target 1.3 (appropriate social protection systems and measures)**, Uruguay has very good tripartite-funded social protection and social services systems, to which almost 90 per cent of the population is affiliated. Benefit levels remain low, however, and more resources are required, particularly from employers, who currently contribute half as much as the workers (7.5 per cent versus 15 per cent).

A pandemic survey carried out by PIT-CNT showed an increase in women’s unpaid work and a decrease in paid work, as many of the sectors most affected by the Covid-19 pandemic are those that largely employ women (**target 5.4 to recognise and value unpaid care and domestic work**). There has also been a decline in the proportion of women in managerial positions, due to difficulties in incorporating these issues into a substantive agenda to meet **target 5.5 (ensure women’s full and effective participation and equal opportunities for leadership at all levels)**.

As regards **target 8.5 (achieve full and productive employment and decent work)**, the unemployment rate has reached 10.3 per cent (12.4 per cent for women) and is very high among young people. The unemployment rate among disabled people is still very high: 80 per cent compared to 8.65 per cent for non-disabled people. Women in Uruguay earn 7.6 per cent less than men. This difference in hourly earnings rises to 11 per cent in the private sector. Official figures on underemployment in Uruguay are very low, but the fact that more than 320,000 people are not registered with social security suggests that the level of underemployment is higher than indicated by the official statistics, which do not, moreover, include discouraged job seekers. Greater efforts are also needed to meet **target 8.6 (reduce the proportion of youth not in employment, education or training)**, as 14.3 per cent of young men and 18.7 per cent of young women fall within this category. Uruguay performs well, by

international standards, on **target 8.7 (end forced labour, modern slavery, human trafficking and child labour)**. There are ever-fewer children and adolescents working outside the permitted age. Measures nonetheless need to be taken in rural areas of Uruguay, especially in the area of hazardous work. Uruguay also performs well on **target 8.8 (protect labour rights and promote safe and secure working environments for all workers)**: the national level of compliance with labour rights is very high. The labour inspectorate is qualified and experienced but understaffed. Uruguay is one of the countries in the region and the world with the highest trade union density rate. Collective bargaining coverage under the law reaches all formal workers in the country.

More efforts are still needed to reach **target 10.4 (adopt policies, especially fiscal, wage and social protection policies and progressively achieve greater equality)**. In terms of income distribution, the poorest 20 per cent only receive 7.1 per cent of total income. The richest decile has almost four times more income than the two poorest deciles. Uruguay has the best Gini index in the region, but this is the most unequal continent in the world. The national minimum wage is the highest in the region.

Trade unions are concerned about stalled progress under **target 13.2 (integrate climate change measures into national policies, strategies and plans)**. The National Policy on Climate Change (PNCC) has been in place since 2017. It was developed in a participatory manner through the National Response System to Climate Change and Variability (SNRCC). But the resources required to implement it are not there at the moment. The new government has not considered the topic, made any announcements, or included environmental priorities in its national strategy, other than setting up an Environment Ministry.

The situation regarding the implementation of **SDG 16 (peaceful and inclusive societies, access to justice for all, and effective institutions)** in Uruguay is satisfactory in terms of protection of fundamental freedoms and access to legal aid and labour courts.

TRADE UNION ASKS TO LEAVE NO ONE BEHIND

To ensure an SDG-led recovery and resilience from the crisis, trade unions are urging the government of Uruguay to:

- reinstate policies and programmes under the National Development Strategy Uruguay 2050 as part of the government’s agenda; ensure sufficient resources in the national budget and effective institutional management for the implementation of the strategy, including monitoring and broader social dialogue;
- draw up and implement a post-Covid-19 economic and social recovery plan for the country; urgently create jobs, particularly in those sectors that have the greatest difficulty redefining jobs because of the pandemic, and improve the social safety net;
- implement redistributive public policies that transfer income from richer to poorer sections of society;
- develop targeted policies to provide disabled people with better employment opportunities; review the approach to youth unemployment and consider other approaches including better links between study and work; increase the number of labour inspectors; and
- resurrect the National Policy on Climate Change (PNCC) and the participatory National System of Response to Climate Change and Variability (SNRCC) and ensure sufficient resources for implementation.

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