

SDG DECADE OF ACTION
TRADE UNION POLICY RESPONSES

**EXECUTIVE
SUMMARY**

THE SDGs FOR RECOVERY AND RESILIENCE IN LATIN AMERICA

CASE STUDIES FROM CHILE, COLOMBIA AND ARGENTINA

TIME FOR



**THE CLOCK IS TICKING
FOR A NEW SOCIAL CONTRACT**



THE SDGS FOR RECOVERY AND RESILIENCE IN LATIN AMERICA – CASE STUDIES FROM ARGENTINA, CHILE AND COLOMBIA

Even before the COVID-19 pandemic, the Latin American and Caribbean region already had many challenges to overcome before it could hope to meet the targets of the 2030 Agenda and its Sustainable Development Goals (SDGs).

By analysing the impact of the COVID-19 crisis in Argentina, Chile and Colombia, this report provides an insight into the degree of coherence seen during 2020 between the responses brought by governments in Latin America to the COVID-19 crisis and the SDGs, especially SDG 8.

The multidimensional nature of SDG 8, which encompasses decent work and inclusive and sustainable growth, means that it has a key role to play in moving towards recovery and resilience in response to the crisis and in contributing to the transformation of our current world into one that is centred on social, economic and environmental justice. This study furnishes evidence that when trade unions take part in social dialogue, such transformation is possible.

ARGENTINA

The Argentinean trade union movement notes that **all necessary channels of negotiation** have been opened to address the social and labour needs arising from the pandemic in Argentina. It is one of the few countries where **COVID-19 has been recognised as an occupational disease** and where short- and medium-term social, fiscal, labour and environmental measures have been taken, helping to **curb the loss of jobs and the closure of businesses**. The damage could have been much worse if the government had not taken this series of measures, in consultation with the social partners.

A large part of the resilience built is owed to the cash transfers and the funding injected to compensate for the economic damage caused by COVID-19. **Thanks to the tradition of social protection in Argentina**, the country was able to react fast and provide income support to the most vulnerable families, social welfare recipients and the elderly. New economic support policies were also introduced to **expand national social protection** coverage to reach a wider range of population groups, alongside initiatives such as programmes to boost access to distance learning, to ensure the provision of basic goods and services, and to strengthen investment in infrastructure and preventive health care. The measures taken have significantly reduced the socioeconomic impact of the pandemic, having prevented 1.2 million people from falling below the poverty line.

CHILE

In Chile, the trade unions maintain that the measures adopted are inadequate and note that there has been **no social dialogue** to deal with the pandemic in a socially just manner. As in other countries in the region, the measures have been primarily **stopgap, short-term solutions**, often proving to be **too little and too late** and impacting negatively on employment and competitiveness. The trade unions also point out that the huge inequalities and lack of social protection resulting from decades of neoliberal policies have pushed up the level of debt among working people and their vulnerability to the impacts of the crisis.

The government has adopted **various fiscal and economic support measures**, including aid for the families most in need and an emergency plan to protect family income and to stimulate the economy and employment. Tax deferrals and credit facilities for families and SMEs have also been introduced. Among the star initiatives are the Income Support Vouchers (to help some two million Chileans without formal employment) and the new Minimum Guaranteed Income Act (providing a subsidy for workers with a gross monthly income of less than US\$445). Trade union organisations however denounce that most of these measures **offer very limited real coverage**, with requirements excluding many of the potential beneficiaries that are most in need, and that the minimum income set is not enough to provide a decent standard of living, which was one of the triggers for the protests that shook the country in 2019.

COLOMBIA

Colombia's trade unions report that **social dialogue is non-existent** and that the government has utilised COVID-19 to adopt a more radical and authoritarian stance, to the point of ignoring trade unions and passing several decrees that amount to covert labour and pension reforms, which are making employment, working conditions and welfare provision **even more precarious**. Prior to the pandemic, the Colombian government had included Article 193 in Law 1955 of 2019 (National Development Plan 2018-2022), to establish a "social protection floor for people with incomes below the minimum wage", with a view to extending social security coverage to workers with the lowest incomes. With the passing of Decree 1174 of 27 August 2020, however, the government "regulated" Article 193 in such a way that it made it legally possible to hire by the hour and pay below the minimum wage, under the pretext of extending coverage to people already earning less than the legal minimum wage.

The Colombian trade union movement is responding to the situation by advocating an agenda based on an **economic and social transition for reconstruction and decent employment**, built on the repeal or amendment of the regulations enacted in response to COVID-19 that are detrimental to workers, a 14 per cent increase in the minimum wage, the granting of a minimum living income for people living in poverty, extending the aid package to MSMEs, which generate around 80 per cent of employment in the country, widening internet access to the most isolated communities and transitioning towards a more ecological and sustainable industrial model.

CONCLUSIONS

COVID-19 has triggered a seismic shock with devastating economic, social and employment consequences across Latin America, where GDP is estimated to have suffered its largest year-on-year fall since the year 1900, dropping by around 9.1 per cent in 2020. Unemployment is estimated to have shot up by 5.4 per cent, pushing the overall **unemployment rate up to 13.5 per cent**. This will increase poverty by 7 per cent, to 37.3 per cent of the Latin American population, and raise the level of extreme poverty by another 4.5 per cent, to 15.5 per cent of the people living in the region. In short, the year 2020 has left some **231 million Latin Americans in poverty and 28 million in extreme poverty**.

The problems to be solved are deep-seated and require a long-term vision that urgently addresses the structural weaknesses in the region.

A **New Social Contract** is therefore needed, based on: a change in production model, at national and supranational level, that prioritises investment in sustainable production processes; a change in the energy model; the strengthening of universal social protection systems; and the development of a democratic labour relations model that contributes to strengthening individual and collective labour rights. In line with SDG 8, governments also need to: ensure a labour protection floor that guarantees workers' fundamental rights, an adequate minimum wage, maximum working time limits, and occupational health and safety (as set out in the ILO's Centenary Declaration for the Future of Work); establish universal social protection systems; and redirect economies and production systems towards sustainability, creating decent employment and investing in high value-added sectors. International development cooperation donors are, for their part, encouraged to invest in the care sector and in programmes that strengthen the formalisation of employment, a just, green and sustainable transition, and social protection, with a Global Fund for Social Protection.

NEW SOCIAL CONTRACT: Five workers' demands for recovery and resilience

- 1. Creation of climate-friendly jobs with Just Transition.** Job-creating industrial transformation to achieve net-zero carbon emissions, along with jobs in health, education and other quality public services.
- 2. Rights for all workers,** regardless of their employment arrangements, to fulfill the promise of the ILO Centenary Declaration with its labour protection floor including rights, maximum working hours, living minimum wages and health and safety at work.
- 3. Universal social protection,** with the establishment of a Social Protection Fund for the least wealthy countries.
- 4. Equality. Ending all discrimination,** such as by race or gender, to ensure that all people can share in prosperity and that the appalling concentration of wealth in the hands of a few at the expense of the many is undone.
- 5. Inclusion. To combat the growing power of monopolies and oligarchs,** ensure that developing countries can actually develop their economies and guarantee tax systems that provide the income vital for governments to meet the needs of people and the planet. An inclusive approach to tackling the COVID-19 pandemic is paramount, both in terms of economic support as well as universal access to testing, treatment and vaccines.

The full report can be found at:

<https://www.ituc-csi.org/sdgs-for-recovery-and-resilience-in-latin-america>



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