THE SDGs FOR RECOVERY AND RESILIENCE

CASE STUDIES:
BRAZIL AND THE DOMINICAN REPUBLIC
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CASE STUDIES: BRAZIL AND THE DOMINICAN REPUBLIC

This publication reflects the findings of the research conducted by Laura Maffei, external collaborator.

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Two years after the onset of the Covid-19 crisis, Latin America and the Caribbean is still searching for a way out that is sustainable and builds resilience.

Despite the substantial resources mobilised and the crucial measures implemented to alleviate the social, economic and work-related impacts of the pandemic in the region, the structural flaws in the economic, social and political systems in Latin America and the Caribbean are making the recovery slow and painful for the region’s people.

As debt levels rise, many governments are pursuing regressive policies, with budget cuts severely affecting areas that are fundamental to recovery, such as public spending. They are also being slow to take action to reverse the largely regressive tax systems in the region, which place higher taxes on consumption than on property, severely limiting their ability to mobilise the resources needed for recovery.

This study and its analysis of the responses brought to the crisis by the governments of Brazil and the Dominican Republic highlights the need for governments to align their recovery policies with the Decent Work Agenda to build resilient, just and sustainable societies.

In Brazil, we observed perhaps the most irresponsible and criminal government response to the Covid-19 crisis in the region. Denying the role of science and failing to protect people from the social and economic impact of the pandemic, the government’s actions resulted in the loss of more than 600,000 lives, a deepening of the economic decline already underway and the destruction of millions of jobs, plunging millions of workers into informal and precarious employment. In the Dominican Republic, although the responses were within the bounds of what can be considered satisfactory health and social measures, they were not always taken in democratic dialogue and consultation with the social partners, especially trade unions.

It is crucial for the future of Latin America and the Caribbean that SDG 8, on decent work and inclusive and sustainable economic growth, occupies a central place in the region’s policy responses, to speed up the action towards meeting the Sustainable Development Goals as a whole and to ensure that absolutely no one is left behind. Given the devastating effects of the crisis unleashed by the pandemic, as well as the multiple crises that preceded it, we will continue to advocate the policy proposals set out in the Development Platform for the Americas (PLADA) as structural solutions to the ravages of neoliberalism, with decent work at the core of all economic policy, social and environmental sustainability as the drivers of our development and broad and effective worker participation at the heart of our democracies.

The TUCA will continue to stand with the workers of the Americas, defending their rights and their dignity.

Rafael Freire
General Secretary of the TUCA
INTRODUCTION

This study is part of a series of studies conducted by the Trade Union Development Cooperation Network (TUDCN) of the International Trade Union Confederation (ITUC) during 2021. Based on an analysis of the policies implemented in selected countries, this paper aims at showing the importance of aligning recovery and resilience strategies with the Sustainable Development Goals (SDGs), and SDG 8 in particular.

The first part examines the socioeconomic consequences of the Covid-19 crisis during 2020 and 2021, the outlook for 2022, and the broad outlines of recovery policies in relation to SDG 8, highlighting its value as a tool for recovery.

The second part of the report focuses on analysing the alignment with SDG 8 of the policies implemented in Brazil and the Dominican Republic since the beginning of the pandemic, including the perspective of trade union organisations participating in the Trade Union Development Cooperation Network (TUDCN).

Finally, conclusions and recommendations for sustainable and resilient recovery in Latin America are presented, aimed at both the governments in the region and international donors.
1. SOCIOECONOMIC AND EMPLOYMENT IMPACTS OF COVID-19 IN LATIN AMERICA
1.1. Responsiveness conditioned by structural deficits

The pandemic broke out in the midst of an already complex situation in the region, marked by high social tensions. At the end of 2019, 30% of the population was living below the national poverty line, 11.3% in extreme poverty and inequality indicators had been stagnating for years.¹

More than 28 million people were unemployed and 66 million underemployed. More than half of all working people were employed in the informal economy,² reaching up to eight out of ten in some countries.³ The levels of poverty and precarious employment were even higher⁴ among women, young people, migrants, LGTBQI+ people, indigenous people and people of African descent. The lack of access to stable employment and a decent wage, the lack of social security, the little respect for labour rights, the racism and discrimination are structural factors that perpetuate poverty and inequality in the region and were exacerbated by the pandemic.

In spite of these constraints, the regions’ governments mobilised a large amount of resources to deal with the pandemic. Had the measures that were implemented not been in place, the social, economic and employment impacts would have been even more devastating.⁵

1.2. Economic downturn, increased poverty and inequality

The pandemic disproportionately affected Latin America. The region’s countries were forced to adopt policies such as lockdowns, physical distancing and the suspension of productive activities, giving rise to the worst economic and social crisis of the last 100 years.⁶

By the end of 2020, GDP had fallen by 7.7% and 2.7 million businesses had closed, mainly micro, medium and small enterprises (MSMEs).⁷ Added to this was strong inflationary pressure, exchange rate volatility and a higher public debt burden.⁸

Poverty grew to levels not seen in recent decades. By the end of 2020, 209 million people were living below the poverty line, 22 million more than the previous year, representing a return to 2008 levels. The rate of extreme poverty reached 13.1%, a level not seen for over 20 years.⁹

Inequalities in access to health and education and the shortfalls in social security coverage were decisive in the impact the pandemic had on vulnerable sectors. School dropout rates and child labour¹⁰ increased. Young people and women were particularly hard hit by the distancing measures, and the level of vulnerability to gender-based violence increased.¹¹

1.3. Job losses and growing decent work deficits

The pandemic had a huge impact on jobs and incomes. In Latin America, by the second half of 2020, 49 million jobs had been lost and, by the end of the year, the unemployment rate had reached 10.6%, the highest level in more than a decade. The largest drop was among informal jobs, probably because informal activity was over-represented in the sectors most affected by the initial distancing measures.¹² Women working in the informal economy were more severely affected, bearing the triple burden of providing care, losing their jobs and having lower incomes.¹³ The youth unemployment rate (15-24 years old) reached 23.2%, the highest level ever recorded.¹⁴
Working conditions worsened for those who kept their jobs. According to the Latinobarómetro 2020 survey, 78% of people experienced a drop in income. Labour rights violations surged: increased unfair dismissals, refusal to pay compensation, pay cuts or non-payment of wages, increased overtime, increased violence and harassment at work, limited trade union participation in the design of measures, and little protection against the violation of labour rights.

In addition, the pandemic exacerbated gender inequalities at home and at work. Essential care services, which are overwhelmingly provided by women, were put under extraordinary pressure by the health crisis, and the consequences can still be felt to this day. Women were also burdened with an overload of unpaid care work at home. In economic terms, unpaid care work is valued at the equivalent of between 15.7% and 24.2% of the GDP in Latin American countries, and women contribute three quarters of this value.

1.4. A slow and uneven recovery

After the first year of the pandemic, the global economy experienced a slow recovery, albeit uneven across countries and regions. In 2021, Latin American GDP grew by 6.2%, slightly above the global rate (5.8%), but projections for 2022 indicate a slowdown: 2.1% regional GDP growth compared to a projected 4.9% globally.

The poverty rate, after peaking at 33% in 2020, declined slightly to 32.1% by the end of 2021, a rate still above pre-pandemic levels. Extreme poverty, however, rose from 13.1% to 13.8% between 2020 and 2021.

Employment also started to recover in 2021, although at a slower pace than economic activity and the share of informal jobs was higher (between 60% and 80%). The unemployment rate fell from 10.6% to 9.6% between 2020 and 2021, although for women the rate remained the same as at the end of 2020, at 12.4%, and for young people it went from 23% in 2020 to 21.4% in 2021.

ECLAC notes that the social effects of the crisis are still present and observes, with concern, that the 2022 budgets of the region’s countries show a downward trend in public spending. Regressive tax systems, with higher taxes on consumption than on property, is also a limiting factor, as are the increased levels of national debt and the subsequent pressure to implement austerity measures.

Finally, the need for budget reallocations at the start of the pandemic led to a decrease in public spending on environmental protection in the region – a 35% reduction between 2019 and 2020 – and a weakening of environmental controls. This resulted in the expansion of illegal activities such as illegal mining and deforestation.
2. ALIGNMENT OF GOVERNMENT RESPONSES WITH SDG 8: CASE STUDIES
2.1. SDG 8 as a tool for recovery with social and environmental justice

The Sustainable Development Goals (SDGs), agreed on by the United Nations in 2015, are a key tool for assisting the adoption of people-centred resilience and recovery policies.

While all the SDGs are interrelated and interdependent, as identified by the ITUC, SDG 8 on decent work and sustainable economic growth is particularly important for recovery, given its role as a driver of other SDGs.

The region was already significantly behind on SDG 8 before the pandemic. According to the findings of the ITUC’s Global Observatory on SDG 8, by the end of 2019, most countries in the world were not doing enough to achieve the SDG 8 targets on time and 15 of the 23 Latin American and Caribbean countries for which the indicator was calculated were already below the global average.

Two years into the pandemic, the ITUC SDG 8 composite indicator (see Table 1) shows that progress towards SDG 8 in Latin America and the Caribbean in 2021 is below the global average (100), at 96.86. This indicates a significant setback for SDG 8 in the region, which was at 98.30 in 2019, deepening the decent work deficit in Latin America.

**TABLE 1. ITUC SDG 8 MONITOR 2022: PROGRESS ON SDG 8 IN UN REGIONS**

<table>
<thead>
<tr>
<th>UN Region</th>
<th>Number of countries</th>
<th>Sub-domain: Economic wellbeing</th>
<th>Sub-domain: Employment quality</th>
<th>Sub-domain: Labour vulnerability</th>
<th>Sub-domain: Labour rights</th>
<th>SDG 8</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Africa</td>
<td>6</td>
<td>90.48</td>
<td>85.30</td>
<td>94.18</td>
<td>81.87</td>
<td>87.53</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>41</td>
<td>84.15</td>
<td>91.19</td>
<td>78.52</td>
<td>98.72</td>
<td>86.93</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>23</td>
<td>92.21</td>
<td>98.46</td>
<td>96.51</td>
<td>101.99</td>
<td>96.86</td>
</tr>
<tr>
<td>North America</td>
<td>2</td>
<td>112.44</td>
<td>107.90</td>
<td>117.03</td>
<td>103.53</td>
<td>110.04</td>
</tr>
<tr>
<td>Asia</td>
<td>22</td>
<td>103.26</td>
<td>100.35</td>
<td>98.29</td>
<td>83.28</td>
<td>95.57</td>
</tr>
<tr>
<td>Western Asia</td>
<td>16</td>
<td>101.45</td>
<td>86.35</td>
<td>99.65</td>
<td>88.56</td>
<td>93.49</td>
</tr>
<tr>
<td>Europe</td>
<td>36</td>
<td>109.99</td>
<td>107.21</td>
<td>116.32</td>
<td>118.07</td>
<td>112.55</td>
</tr>
<tr>
<td>Oceania</td>
<td>3</td>
<td>113.28</td>
<td>104.78</td>
<td>98.75</td>
<td>102.97</td>
<td>104.40</td>
</tr>
</tbody>
</table>

Source: International Trade Union Confederation

As Figure 1 shows, there is considerable heterogeneity among the 23 countries in the region, with a group of nine countries ranking above the world average, while the majority are below it, the lowest being Haiti and Honduras, with averages of 84.67 and 81.76 respectively. It is important to note that the region is home to three of the ten countries with the world’s worst labour rights scores (Brazil, Colombia and Guatemala). 32
For its part, ECLAC points out in its report “Building forward better: Action to strengthen the 2030 Agenda for Sustainable Development”, that the path to recovery is not being taken in the direction needed to meet some key SDG 8 targets in the region. It warns, for example, that the tendency to reduce the relative weight of technology-intensive industrial activities has deepened with the pandemic, seriously affecting activities with the greatest potential for innovation and productive diversification. If appropriate policies are not adopted, we are likely to see a regressive structural shift that would lead to a “reprimarisation” of the region’s economies, running counter to target 8.2, which underlines the need for economic diversification, technological modernisation and innovation.

ECLAC furthermore notes that, if current conditions continue, the pressure on nature will continue, which will affect progress towards target 8.4 on the progressive decoupling of economic growth from environmental degradation. In the last two years, investments and subsidies for energy-intensive and water-intensive sectors with a strong environmental impact have continued whilst budgets for environmental protection have been reduced.

With regard to target 8.5 on full employment and decent work, ECLAC’s estimates show that, if current conditions continue, these targets will not be met by 2030. The impact will be particularly severe for younger people (15-24 years), for whom the unemployment rate, based on the current trend, would rise to around 18%.
2.2. Government Responses for Recovery and Resilience: case studies

During 2020 in particular, but also in 2021, the region’s countries deployed major efforts in a bid to cushion the impact on the sectors and people most affected by the crisis. These measures included direct transfers to the most impoverished families and alternative food distribution systems; strengthening health and social protection systems; improving or introducing mechanisms for protection against gender-based violence; the suspension of disconnections for non-payment of electricity and communications services; moratoriums and tax relief for workers and companies; bans on dismissals; help with the payment of wages; support for MSMEs and small producers in the most affected sectors; price controls, etc. These measures, although insufficient given the severity of the crisis, helped prevent even direr consequences. 35

The measures taken since the beginning of the pandemic in Brazil and the Dominican Republic are examined below, in particular those most relevant to SDG 8. This analysis follows on from the case studies conducted in 2021 by the Trade Union Development Cooperation Network (TUDCN/ITUC). 34

Brazil

a. Pre-pandemic context, impacts and current situation

At the beginning of the pandemic, GDP growth in Brazil had been stagnant for three years, unemployment was around 11% and the informal sector had been steadily growing. 37 The ITUC composite indicator on SDG 8 ranked Brazil 15th in the region and 79th globally. As shown below in Table 2, the new SDG 8 composite indicators show a decline compared to the global average, especially in the area of “labour rights”, due to a deterioration in the conditions for the exercise of organising and bargaining rights. 38

<table>
<thead>
<tr>
<th>Sub-domain: Economic wellbeing</th>
<th>Sub-domain: Employment quality</th>
<th>Sub-domain: Labour vulnerability</th>
<th>Sub-domain: Labour rights</th>
<th>SDG 8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>97.49</td>
<td>101.58</td>
<td>101.57</td>
<td>81.59</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>92.21</td>
<td>98.16</td>
<td>96.51</td>
<td>101.99</td>
</tr>
</tbody>
</table>

Source: International Trade Union Confederation

By mid-2020, GDP fell by a record 11.4% and the unemployment rate reached 14.4%. At the end of 2021, the unemployment rate was 11.6%, but purchasing power had fallen by 4.5%. 39

b. Analysis of measures to counter the effects of the crisis and boost recovery 40

• Expanding and improving income and social protection

The measures implemented in this area, after much pressure on the federal government from local and state governments, as well as from civil society and parliament, included direct transfers through the addition of 1.2 million families to the family support programme “Bolsa Familia” and the creation of the emergency aid programme “Auxílio Emergencial”, aimed at low-income earners, be they self-employed workers, micro-entrepreneurs or informal sector workers not covered by the pre-existing social assistance systems. 41
Food aid was also provided through the school meals programme (FNDE), food parcels were delivered to around three thousand indigenous communities and the distribution of food to 11 million households.

Other measures included the advance payment of benefits and bonus payments (“13th month” or extra month’s pay) for people incapacitated for work and the payment of sick leave equivalent to a minimum wage for workers who contracted Covid-19 and were registered with the National Social Security Institute (INSS). There were also measures to reduce pressure on debt repayment and the lifting of power cuts for low-income households.

These measures were crucial in containing the increase in poverty and hunger; many of these programmes are now, however, being cut or modified, which could leave many people without protection at a time when employment is still not recovering, wages are losing value and informality and poverty are on the rise. 42

- Support for SMEs and job retention
During 2020, several measures were designed to support MSMEs. The Emergency Access to Credit programme, for example, was launched with the aim of facilitating access to credit for SMEs by providing guarantees to financial agents. The Guaranteed Operations Fund (FGO) was created, which, with funds from the national treasury, guaranteed resources for MSMEs and made low-interest loans available to SMEs, in return for a commitment, in both cases, that jobs would not be cut until at least two months after receipt of the last payment.

Support was provided to the agricultural sector, through the “Safra Plan 2020/2021”, for example, mobilising infrastructure investments and credit lines. Subsidies and credit lines were also established for MSMEs, cooperatives, community organisations, and large enterprises in the hardest hit sectors, such as tourism, cultural activities and the audiovisual sector.

Despite these efforts, an estimated one in four MSMEs closed their doors, in part because the measures were insufficient, came too late, or had design flaws that hindered access to the benefits. 43

- (Lack of) protection for working people
While some of the measures included job retention mechanisms and support for people working in the informal economy, other measures dealt a direct blow to the working class.

Provisional Measure 927/20, for example, enabled individual bargaining to prevail over the legislation and collective agreements, in violation of international labour standards. 44 Employers were unilaterally able to determine vacation leave, bring forward public holidays, introduce telework and other changes to the labour contract without any other obligation than having to notify the workers individually, 48 hours in advance. The activities of the labour inspectorates were also restricted and an hours bank system was introduced, providing compensatory time off rather than overtime pay. The most controversial of the measures, which was not implemented thanks to protests by trade unions, would have allowed employers to suspend an employment contract, without pay, for up to four months. 45

Another controversial initiative was Provisional Measure 936/20 that set up the “Emergency programme to preserve employment and incomes”, which included provisions such as the ability to agree on an individual basis to reduce working hours or wages and to suspend employment contracts.

According to specialists, the pandemic created an absolutely exceptional legal scenario for Brazilian labour law. 46 What, in the government’s words, was intended to preserve employment and income, in practice constituted a flagrant violation of consolidated labour rights.

These measures emerged against the backdrop of the rise in precarious employment seen prior to the pandemic, following the approval of the 2017 labour reform and the coming to power of the Bolsonaro government in 2019. It is with good reason that Brazil was ranked by the ITUC as one of the ten worst countries for working people. 47
• **The impact on the health and social care sectors**

Despite the federal government’s denialist approach to Covid-19, some measures were implemented by Brazil’s state governments to strengthen the health sector, such as the facilitation of procedures and reduced taxes for the purchase of medical supplies, the transfer of funds to subnational governments, and the hiring of new staff. The absence, however, of a coordinated policy and the federal government’s sabotage of measures to protect people, including those working in the sector, led to a collapse of the health system. Health workers were hugely impacted: in addition to the lack of supplies, personal protective equipment and training, other dramatic situations that sparked national and international condemnation were experienced across the country, and almost 85% of these workers suffered some kind of violence or harassment at work, especially women, who represent more than 70% of the workforce in the sector.

Also, in March 2021, the national confederation of social security workers, CNTSS/CUT, managed to secure the approval of Law 14,128, which provides for financial compensation to be paid out for health workers that have been incapacitated or died as a result of the pandemic. However, the federal government took action to have the law declared unconstitutional, a legal process that is still underway.

Another key sector of the care economy that was heavily impacted was paid domestic work. By the second quarter of 2020, employment levels in paid domestic work had fallen by almost 25% and many workers reported labour abuses and harassment.

• **Support for investment in renewables and environmental deregulation**

As regards energy policies, financial mechanisms such as green bonds and credit lines were created to support the development of renewables, especially wind energy, but also solar power and biofuels. Support was also, however, approved for greenhouse gas-intensive activities, such as measures to boost oil and gas exploration and exploitation, the extension of concessions for offshore oil activities, and the promotion of energy purchases from new gas or coal projects in the industry.

In the agricultural sector, resources were increased for the programme to reduce greenhouse gases (Plano ABC), which includes the implementation of agroforestry systems or the recovery of degraded grazing land. At the same time, the federal government has been deregulating land use in areas of high conservation value since before the pandemic, even easing restrictions on timber extraction and mining. The pandemic was, in fact, clearly seen as an opportunity to deregulate environmental protection.

It should be noted that these measures are not consistent with the ILO policy guidelines for a just transition.

• **The need to boost e-inclusion**

No measures specifically targeting sectors of the digital economy were found in our research. It is worth mentioning, however, that in April 2021, the Inter-American Development Bank (IDB) approved a credit line of up to US$1 billion for Brazil to press ahead with its “digital transformation agenda through more and better connectivity, the adoption of new technologies by the private sector, digital talent building, and the modernisation and improvement of public services”.

C. **The weakening of social dialogue**

Social dialogue, one of the fundamental labour rights, has seriously deteriorated since the adoption of the labour reform law in 2017. The collective bargaining system has been hit hard and, since then, there has been a 45% decrease in the number of collective agreements concluded. Brazil’s Federal Supreme Court has challenged certain provisions of this law. Complaints and requests for information and observations have also been filed with the ILO Committee of Experts on the Application of Conventions and Recommendations. During the pandemic, the right to social dialogue was further limited, and individual bargaining was given precedence over collective bargaining.

Although the Ministry of Labour was re-established in July 2021 and tripartite consultative bodies such as the National Labour Council and the Permanent Tripartite Commission were set up within its structure, trade union organisations expressed scepticism over the prospects of any real dialogue.
Dominican Republic

a. Situation prior to the pandemic, impacts and recovery

In 2019, the country had been experiencing several years of annual GDP growth above 6% and poverty levels were steadily declining. Unemployment was also falling, although more than half of all jobs were informal and an estimated four in ten employed people, mainly young people, women and migrants, were in a vulnerable situation.

Based on pre-pandemic data, the ITUC composite indicator on SDG 8 ranked the country third in the region and 41st globally. As indicated below in Table 3, the new indicator values show an improvement relative to the regional average. However, the figures in the subdomains of “economic wellbeing” (which includes indicators such as per capita growth and poverty), and “labour vulnerability” (which includes data such as fatal injuries, underemployment and the rate of young people not in education, employment or training) are below average.

<table>
<thead>
<tr>
<th>Economic wellbeing</th>
<th>Employment quality</th>
<th>Labour vulnerability</th>
<th>Labour rights</th>
<th>SDG 8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dominican Rep.</td>
<td>96.14</td>
<td>107.50</td>
<td>86.71</td>
<td>128.85</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>92.21</td>
<td>98.46</td>
<td>96.51</td>
<td>101.99</td>
</tr>
</tbody>
</table>

Source: International Trade Union Confederation

Following the onset of the crisis, the gains that had been made in previous years suffered a sharp reversal. The poverty rate increased by 2.4 points compared to 2019, reaching 23.4% in 2020. GDP fell by 6.7% and unemployment reached 15% (22.1% for women). In addition, more than 400,000 people stopped looking for paid work and became economically inactive. The majority of these people (58%) were women who had to take on increased family care responsibilities. The weight of care responsibilities carried by women was already significant prior to the pandemic: in 2018, women contributed 3.25 times more than men to unpaid family care work and household duties.

In 2019, 26% of the population aged between 15 and 24 was not in education, employment or training. This figure rose to 36.7% in 2020. Labour informality also increased from 54.3% to 55.6%.

b. Analysis of measures to counter the effects of the crisis and boost recovery

The following is a summary of the measures adopted by the Dominican Government to mitigate the effects of the pandemic.

• Sustaining incomes and broadening social protection

The country made significant efforts to increase social protection coverage through cash transfers to the most impoverished households and the reinforcement of food assistance with measures such as the distribution of food rations and the expansion of the food service in public schools. Coverage was also expanded of the cash transfers for access to food and basic necessities through the “Stay at Home” programme.

The “Stay at Home” programme significantly contributed to alleviating the most serious situations, as it tripled the value of the cash transfers to impoverished families that were already covered by the Solidarity Card system and almost doubled its coverage. This also implied strengthening the Social Supply Network, which was expanded with the adhesion of two thousand new businesses.
Measures were taken to guarantee the supply of essential services for the entire population by prohibiting the disconnection of telecommunications and electricity services. And temporary banking measures were established to facilitate the reimbursement of costs incurred due to the use of credit cards.

In addition, the Employee Solidarity Assistance Fund (FASE) was created to compensate formal workers for income losses.

According to the government, 5.2 million people (around 50% of the population) received income during the worst moments of the pandemic thanks to FASE and the “Stay at Home” programmes. Trade union organisations, for their part, point out that while the transfers have been very important, many people working informally were left out of these programmes, such as the majority of domestic workers and migrant workers.

In the public sector, dismissals were suspended, except in cases of proven criminality, and economic incentives were introduced for people working in particularly exposed key sectors, such as health, public security and emergency care.

• **Support for MSMEs and the most affected sectors**

Support measures included the temporary easing of tax obligations for the tourism sector and for individuals and companies in other sectors whose services had to be suspended due to the pandemic, the temporary elimination of surcharges or interest for employers who were unable to pay social security contributions for their staff on time, the extension of deadlines for the payment of credits acquired with the Banco Agrícola (Agricultural Bank) by small rural producers, and facilities for access to microcredits and financial assistance to MSMEs in sensitive segments of the agricultural industry and other hard-hit sectors.

Another crucial measure taken in response to Covid-19 was the Plan for the Responsible Recovery of Tourism, a key sector for the country’s economy. The plan included safety protocols to prevent the spread of the virus and free health insurance, funded by the state, for international visitors. An estimated 150,000 direct jobs were lost in tourism in 2020. And although, according to trade union figures, some 7,000 jobs have as yet to be recovered, the workers' organisations highlight the positive aspects of the recovery process in the sector and, especially, the contribution made by social dialogue, with the renegotiation of collective bargaining agreements.

• **Room for improvement in the health and social care sectors**

With regard to the health sector, at the beginning of the pandemic, the number of beds and equipment in health centres was increased to help deal with the emergency, and temporary economic compensation was established for public and private health sector staff. During 2021, however, health personnel took action on several occasions in protest at the dismissals, the abuses and the discriminatory pay increases established by the government. At the beginning of 2022, “technical negotiations” were set up, bringing central government and trade union representatives to the table to address the workers’ demands.

As regards the domestic work sector, despite the country’s ratification of ILO Convention 189, the Labour Code still establishes conditions that are less favourable for this sector than those of other workers. This is one of the issues to be addressed in the tripartite discussions underway on the revision of the Labour Code.

With respect to unpaid care work, the Women’s Ministry launched the campaign #EnEstaCasaSomosEquipo (In This House We Work as a Team) on social media, with messages encouraging co-responsibility for care and the importance of “promoting positive masculinity and relationships free of gender-based violence”. Trade union organisations also pointed to positive initiatives such as technical training in care offered by the National Institute for Technical and Vocational Training (INFOTEP), aimed especially at women who carry out unpaid care work and are part of the new cash transfer programme “Supérate”, covering one million households classed as vulnerable.
• Lack of transition measures towards sustainability
A review of the measures implemented by the national government shows that none have been designed to favour or boost green sectors. The World Bank notes that, while efforts are focused on addressing the most urgent challenges linked to recovery from the pandemic, sight should not be lost of the country’s high exposure to the risks posed by climate change.76

It is important to note that the country incorporated the concept of “just transition” as one of the five cross-cutting pillars of its climate policy.76 No mention is made of it, however, in the National Adaptation Plan nor in the measures proposed in the 2021 Voluntary National Review on the 2030 Agenda.77

• Progress on e-inclusion
The Dominican Institute of Telecommunications (INDOTEL) established that telecommunications was an essential service. This resulted in a ban on the disconnection of telecommunication services for non-payment during the early months of the pandemic. Efforts were also made to promote digital inclusion among public school students with the distribution of tablets.

The 2020-2021 National Education Plan foresaw the distribution of PCs to teachers and pupils, and internet connection for all households with children attending public schools. According to a report published in 2021 by the World Bank, by the end of 2020 virtually all public sector teachers and 40% of secondary school students had received suitable computer equipment.78

c. Strengthening spaces for social dialogue and trade union participation
According to the ILO and Dominican trade union organisations, social dialogue on measures to tackle the crisis was not initiated until September 2020,79 with the arrival of the new government, which established various spaces for dialogue involving a diversity of social actors. One of these spaces is the Labour Consultative Council (CCT), a tripartite body composed of four representatives for each social partner (central government, employers’ representatives and workers’ representatives). Formed in February 2022, it is the formal and binding space for dialogue on the reform of the Labour Code.80

Despite the usual tensions between the different positions of the employers, workers and governments, the union organisations are hopeful about the progress that can be made in this space. In addition to those already mentioned, other issues being discussed that trade unions consider key are the eradication of child labour, the non-amendment of the unemployment regime, and the extension of paternity and maternity leave, taking on board the principle of co-responsibility. Another issue they consider should be included is the regulation of telework.
In response to the pandemic, the countries of the region mobilised an unprecedented amount of resources and implemented a range of measures that succeeded in lessening its impact. Structural inequalities, poverty gaps and decent work deficits nonetheless widened. Consequently, to bring about truly transformative change that enables a sustainable, resilient and just recovery, short-term policies to address the emergency should be pursued, but sight should not be lost of the need for long-term policies to tackle the region’s structural problems.

Based on the study conducted, the following recommendations emerge for governments and international cooperation donors to promote sustainable recovery in line with the 2030 Agenda and SDG 8 in particular.

3.1. Recommendations for governments:

a. **Drive a socioecological transformation, centred on decent work and just transition.** Recovery is an opportunity to diversify production, reduce environmental footprints and create decent jobs. Both in the region and in the countries examined, however, investments are not going in this direction. Investments into energy efficiency and diversification are needed, but also into ecosystem restoration, the promotion of greener agriculture, sustainable construction and sustainable tourism, etc. These sectors are largely labour-intensive, with high levels of informal and precarious work. The transformation therefore needs to be coupled with measures to ensure that new jobs meet decent working conditions and promote the inclusion of younger people and marginalised groups in the labour market.

b. **Implement comprehensive and universal social protection systems.** In both Brazil and the Dominican Republic, the expansion of cash transfers and food programmes, despite their limitations, managed to cushion the impacts of the crisis. In the last year, however, the resources allocated to these programmes have been perilously reduced. Solid social security and social protection systems need to be built, in line with the provisions of ILO Convention 102 on social security and Recommendation 202. The proposal for a Global Social Protection Fund, included in the UN Secretary General’s “Our Common Agenda” report, could generate the financial resources needed to build these minimum security floors in lower income countries.

c. **Guarantee a living wage and eliminate wage gaps.** Unemployment rates are gradually recovering, but at the cost of an increase in informal employment and a loss of the real value of wages. Mechanisms must be introduced that guarantee a minimum level of income through minimum living wages established by law and through collective bargaining. Urgent measures are also needed to reduce gender wage gaps.

d. **Combat violence and harassment at work.** The pandemic highlighted exposure to violence and harassment at work, a problem that affects women in particular. The ratification of the ILO Convention concerning violence and harassment at work (C190) is of paramount importance, given its inclusive approach that extends protection to all workers regardless of their contractual status. This is particularly important for the care sector which, as we have seen, is particularly exposed.

e. **Strengthen the care economy.** Despite its essential nature, there are major decent work deficits in the care economy, which is labour-intensive, with high female labour force participation, both paid and unpaid. Measures are needed to increase investment, expand skills and improve working conditions in the sector.

f. **Ensure digital inclusion and digital literacy.** Digital divides widened during the pandemic. Action must be taken to strengthen strategies to ensure internet coverage, access to devices and digital literacy, in the education sector, as seen in the Dominican Republic, in the productive sector and in public administration, and as promoted by the Inter-American Development Bank programme in Brazil.
g. Support MSMEs and the social and solidarity economy. MSMEs and small producers represent the vast majority of productive units but have difficulties integrating into the formal economy. Mechanisms must be created, or existing ones strengthened, to facilitate their formalisation and improve their linkages with other sectors of the economy. The social and solidarity economy plays an important role in the region, and support for this sector should therefore be increased.

h. Implement tax reforms. To finance the recovery, tax reforms should be implemented to reverse the regressive tax systems in place in many of the countries in the region and to tighten controls on tax evasion and illicit financial flows.

i. Strengthen social dialogue. Decision-making processes that included trade union organisations were rare during the pandemic. Ensuring the participation of workers and their organisations in the design, implementation and evaluation of labour and development policies is essential for truly sustainable transformation.

3.2. Recommendations for international donors

International cooperation is key to supporting inclusive and sustainable recovery.

With regard to official development assistance (ODA), funding should be increased and its effectiveness improved. It is essential that higher income countries meet the target of spending at least 0.7% of their GDP on ODA. In addition, this assistance should be strategically targeted towards the inclusion of people working informally, the reduction of inequality gaps and the strengthening of social protection systems. More specifically, donors should increase funding for social protection so that at least 7% of ODA is allocated to social protection by 2030, a percentage that should gradually rise to 14%, through mechanisms such as the aforementioned Global Social Protection Fund. A key initiative in this respect is the Global Accelerator on Jobs and Social Protection for Just Transitions, launched by the UN, aimed at prioritising job creation and expanding the reach of the social protection floor to include all those currently without any type of cover.

The inclusion of the labour dimension in ODA eligibility and evaluation criteria, based on international labour standards and SDG 8 targets, offers a way of contributing to national decent work agendas. Similarly, ODA can contribute to fostering a real productive transformation in the region, promoting a just transition and allocating resources for adaptation, biodiversity protection and ecological restoration.

Finally, regarding the role of the private sector in development cooperation, accountability and transparency mechanisms with binding criteria for eligibility must be applied, ensuring compliance with international labour standards, as well as fiscal and environmental regulations.

In addition to the vital role of ODA, it is crucial that progress be made towards a new multilateral cooperation framework that will provide financial and fiscal space for investment in recovery and the SDGs. This includes better global governance of taxation, redistribution of International Monetary Fund (IMF) Special Drawing Rights (SDRs) to countries most in need, and the creation of external debt relief mechanisms, moving towards a permanent multilateral process for debt restructuring and relief.

The role of the international community is crucial in terms of development cooperation, financial assistance and technology transfer. At the same time, to fully address the systemic barriers to sustainable development in Latin America and the Caribbean, it is essential that we examine the extent to which the development policies of the most industrialised countries, including socioecological transition policies, encourage unsustainable models and compromise the potential for sovereign development in Latin American countries.
Endnotes


2 Labour informality includes unregistered self-employment, whether in the formal or informal economy (ILO, Recommendation 204 on the transition from the informal to the formal economy, 2015).


5 ECLAC, "How to finance sustainable development: Recovery from the effects of COVID-19 in Latin America and the Caribbean", 2022.


10 United Nations Children's Fund (UNICEF), "Pandemic is pushing Latin America and the Caribbean more off track in ending child labour", 2021.


17 The care economy comprises care work that is performed for the labour market and unpaid care work that is performed to meet the needs of household members, other family members or members of the community. It encompasses the sectors of health, education, childcare, care for the elderly and disabled, as well as domestic work such as cleaning, cooking, caring for people inside and outside the home, etc.


20 ECLAC, "Building forward better: Action to strengthen the 2030 Agenda for Sustainable Development", 2021.


27 ITUC, "Reforming the IMF for a resilient recovery", 2021.


30 Ibid. The SDG 8 composite indicator is based on selected indicators related to the world of work. The rating scale ranges from 70 to 130, where 100 represents the global average, which does not necessarily equate to good performance. The purpose of the rating system is to indicate whether countries are making progress towards balanced and inclusive sustainable development based on four sub-domains: economic wellbeing, employment quality, labour vulnerability and labour rights.
31 Ibid.
32 ITUC, “Global Rights Index 2022. The world’s worst countries for working people”, 2022.
40 The databases of ECLAC, OECD, ILO, UNDP and UN Women and the assessment of the measures by the Central Única de Trabajadores - CUT are taken as a reference.
41 The “Auxílio Emergencial”(Emergency Aid) programme ran from April to December 2020, and was applicable for up to two adults per family. In the case of single mothers, the amount transferred was doubled. The programme was relaunched in 2021, aimed at single mothers and with stricter eligibility criteria.
43 Interview with CUT representatives, March 2022.
44 ILO, C098 - Right to Organise and Collective Bargaining Convention, 1949 (No. 98), ratified by Brazil in 1952.
46 Ibid.
47 Ibid.
48 According to ECLAC’s 2022 “COVID-19 Observatory in Latin America and the Caribbean: Measures and actions at the national level”, around ten thousand positions were created through the “More Doctors” programme and other direct hiring initiatives.
50 For example, the health unions’ complaint to the Inter-American Court of Human Rights, May 2021.
51 V.García and L.Reif, “Violencia y Acoso en el mundo del trabajo con perspectiva de géneros: Casos de Brasil, Chile, Colombia, El Salvador y Perú”, 2021.
52 PSI, “SP defenderá na corte suprema do Brasil lei que indeniza trabalhador da saúde incapacitado pela covid-19”, November 2021.
55 Depending on the production method, the development of biofuels could have questionable socioenvironmental effects such as changes in land use, impacts on biodiversity, displacement of communities, competition with food production, etc.
56 Energy Policy Tracker, Brazil, 2022.
59 ILO, “Policy guidelines for a just transition to sustainable economies and societies”, 2015.
61 ITUC, Global Rights Index 2021. The world’s worst countries for working people 2021.
62 On its first day in power, the current government eliminated the Ministry of Labour. Its powers were distributed among the Ministries of the Economy, Citizenship and Justice and Public Security.
Interview with representatives of the Central Única de Trabajadores (CUT), 16 March 2022.


Ibid.

The report "Medidas tomadas por el gobierno dominicano para enfrentar la pandemia del Covid-19" by the government of the Dominican Republic for the Organization of American States (OAS), the databases of the World Bank, ECLAC, the ILO, UNDP and UN Women were analysed, as well as the measures announced in the "Informe voluntario 2021 de crecimiento con equidad y respeto al medioambiente" (Voluntary National Review 2021 on growth with equity and respect for the environment). It also considers the contributions of the CNUS trade union confederation, in an interview conducted on 31 March 2022.


CLATE, "Gremios administrativos de la salud se reunieron con el presidente Abinader", January 2022.


ECLAC, "COVID-19 Observatory in Latin America and the Caribbean: Measures and actions at the national level", 2022.

Presidency of the Dominican Republic, Supérate social programme.


Government of the Dominican Republic, Nationally Determined Contributions (NDCs) 2020.


# TIME FOR

THE CLOCK IS TICKING FOR A NEW SOCIAL CONTRACT

SDG DECADE OF ACTION
TRADE UNION POLICY RESPONSES

With the support of the European Union