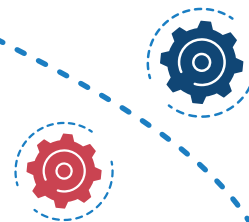




LABOR OBSERVATORY OF THE AMERICAS



Country Profile Costa Rica



2021



Total Area:

756,950 km²



Population (2011 Census):

4,301,712 people

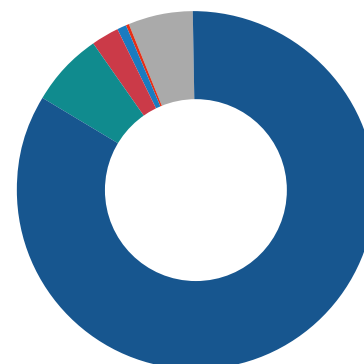
2,106,188 men
2,195,524 women¹



Population estimated as of June 2021:

5,167,294 people

Population composition:



83,6% White or of mixed (mestizo)

6,72% mixed African and European descent (mulatos)

2,42% Indigenous

1,05% Black

0,21% Chinese descent

5,95% other or no answer



Economically active population (June 2021)

2,471,778 people;
1,465,200 men,
1,006,578 women



Gross Domestic Product (GDP) in 2020:

61.49 billion US dollars²



GDP in 2021:

GDP growth is expected to gradually recover by 2.5% in 2021 and 3.4% in 2022

¹ This section and the analysis of the socioeconomic situation draws primarily from data verified with Costa Rica's National Institute of Statistics and Census (INEC for its acronym in Spanish).

² <https://statistics.cepal.org/portal/cepalstat/national-profile.html?theme=2&country=cri&lang=en>



Analysis of socio-economic situation

Employment.

2,093,648 people, at the end of the Third Quarter of 2021; 806,810 women and 1,286,838 men. The number of employed persons grew by 124,285 people, compared to the Second Quarter of the same year.

Economically Inactive Population.

1,582,655 people; 1,014,101 women and 568,554 men.

Informal employment.

At the end of the Third Quarter of 2021, 44.2% of the employed population worked in informal employment conditions.

Unemployment.

In the Third Quarter of 2021, the percentage of unemployed people in relation to the workforce (unemployment rate) stood at 15.3%. At the end of the period, 378,130 people were unemployed; 178,362 men and 199,768 women.

Poverty.

The poverty rate, or insufficient income, is 23.0%, equivalent to 383,500 households; extreme poverty is at 6.3%, 104,000 households. These figures are lower than in 2020, but not lower than in 2019. In terms of people, the country's incidence of poverty in 2021 is 26.2%, equivalent to 1,351,700 poor people (in poverty and extreme poverty).



Context Highlights 2021

In reviewing the year, the situation is difficult in relation to the existence of a concrete plan for the creation of decent work. Meanwhile, social inequality and gaps deepen as a result of government actions that restrict the freedom to form unions and bargaining collectively. Attempts to privatize public services have intensified with the emergence of the pandemic, a trend that has been widely rejected by Costa Rican society as a whole.

Various sectors have called on the Ministry of Finance to ensure transparency in business operations, in light of alleged tax fraud and capital flight by large corporations and wealthy individuals in the country. There has also been a strong call to ensure participation in the development of public policies, as the belief is that those implemented since 2018 have not met the objectives of improving the quality of life in the country and are insufficient in the scenario resulting from the global health crisis.

Social dialogue is one of the aspects that has suffered the most setbacks in the last period. This situation has hampered effective participation of society in general, and of the working class in particular, in decision-making over public policies and the

laws that ensure their effectiveness. In turn, this has led to public demonstrations such as those that took place last March against the proposed law on Public Employment and the government's negotiations with the International Monetary Fund (IMF). The employment proposal is believed to contravene International Labor Organization (ILO) Convention 1, and the negotiations with the IMF are believed to result in greater pressure for people while protecting companies and the financial sector³.

During this period, social movements moved to approve a declaration of struggle and create a national front in defense of the Costa Rican Social State to face what they see as neoliberalism's threats in the country. The national front is made up of trade unions, universities, peasants, healthcare boards, public institutions, among others. This national convergence is expected to raise awareness among the public and to confront neoliberalism's attempts to influence the legislative agenda.

³ <https://www.elpais.cr/2021/03/05/protesta-en-costa-rica-contra-proyecto-empleo-publico-y-fmi/> [Spanish only]



Actions/Denunciations (national and international) by Trade Unions and other social sectors

Although the current crisis has worsened due to the COVID-19 pandemic, workers denounce a systemic crisis that has resulted from policies that are regressive for the working class. Trade unions are part of the governance system for the implementation of the Sustainable Development Goals (SDGs) but the movement feels that the government is not very proactive, lacking the political will that must be expressed and put into action in order to make progress on the fulfillment of the objectives, especially those related to SDG 8.

Unemployment stands at 15.3%, and more than 40% of the population works in informal employment conditions, which has had a significant impact on the quality of life of the general population. The high unemployment rate is evidenced in increased poverty and extreme poverty, aggravated by a greater gap for women and young people.

So-called dual vocational education and training has been introduced, which workers see as exploitative and against the rights of apprentices.

With regard to the working day, the trade union movement has denounced the attempt to pass a law that violates the 8-hour working day, attacking a historical victory won at the international level.

The unions took action, sending a letter to the Congressmembers of the Republic that requests the shelving of the proposed law on Public Employment, and argues the injustice of penalizing public sector workers and seriously deteriorating citizen services.

Unions are also aware of, and denounce the government's interests in reforming the country's social protection system as well as the continuing problems of tax control and tax evasion. Affiliated trade unions reject attempts to reform the basic pension system (IVM for its acronym in Spanish) and the Costa Rican Social Security Fund (CCSS for its acronym in Spanish), which has the highest number of registered people in the Central American country.

These reforms are currently presented as related to the global health crisis, but have their origin in processes launched in 2017. A projection was made for the IVM to tap into its reserves by 2030, which could lead to bankruptcy of the pension system with disastrous consequences for the population, benefiting the agents of pension privatization. There is also the possibility of raising the retirement age, in line with reforms being imposed in other countries in the region. In 2021, affiliated trade unions initiated a campaign to defend the CCSS.



Collective Bargaining and the Freedom to Form Unions

There is recognition of the strength of the trade union movement in the public sector in Costa Rica. However, it is facing right-wing attacks on public employment, also understood as a campaign against unions. These attacks are evidenced in the labor reform processes, the reduction of working hours, contractual flexibilization and precariousness, and systematic violations of collective bargaining.

Affiliated unions have pointed to the case brought against Albino Vargas, secretary general of the National Association of Public and Private Employees (ANEP for its acronym in Spanish), who was accused of public incitement, as an attempt to criminalize protest. Albino was eventually acquitted of all charges and liabilities, and the State will have to pay the costs of the trial.

Trade union proposals and initiatives

Faced with the attacks on collective bargaining and the freedom to form unions, the Costa Rican trade union movement proposes to develop a strategy – in coordination with the Trade Union Confederation of the Americas (TUCA) – that will culminate in a strategic and programmatic medium and long-term plan, with an emphasis on political formation and communications as a path for strengthening joint organizing.

Affiliated unions have made an urgent call for the defense of the social contract focused on the welfare of the population and the structural improvement of the world of work, in order to eradicate the current inequalities and discrimination that have expanded in recent years, along with the arrival of the pandemic.

The Costa Rican trade union movement has also proposed, and is in the process of signing, a memorandum of understanding between affiliated unions, the women's roundtable, and the Ministry of Labor, seeking to make progress in overcoming the gender gap and achieve justice for women in the world of work.

The proposal is to develop a renewed strategy to achieve increased union membership, which promotes a transformation of union structures that allows for greater inclusion and innovation to improve union action, where women and young people play a leading role. Evolution is necessary in order to respond to the mandates defined by the most recent national and continental trade union congresses, and to build solid unity within the framework of plurality.



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