

Labor Observatory of the Americas

LABOR RIGHTS IN THE AMERICAS:

GENERAL TRENDS AS OF THE OUTBREAK OF THE PANDEMIC

NEWSLETTER 1 - OCTOBER 2020



CONFEDERACIÓN SINDICAL DE
TRABAJADORES/AS DE LAS AMÉRICAS



CONFEDERACIÓN SINDICAL
INTERNACIONAL

Trade Union Confederation of Workers of the Americas - TUCA
EXECUTIVE SECRETARIAT TUCA
Hassan Yussuff - **President**
Francisca Jiménez - **Deputy President**
Toni Moore - **Deputy President**
Rafael Freire Neto - **General Secretary**
Jordania Ureña Lora - **Secretary for Trade Union Policy and Education**
Cícero Pereira da Silva - **Secretary of Social Policies**
Bárbara Figueroa - **Secretary of Economic Policy and Sustainable Development.**

Contents and Writing

TUCA Team

Editing

María Lila Ltaif

Translation

Victoria Brown

Graphic design and layout

María Eugenia Salas.

All rights reserved © 2020,

Trade Union Confederation of Workers of the Americas

Buenos Aires 404/406, CP 11000, Montevideo, Uruguay, www.csa-csi.org

October 2020

Introduction

The scenario generated by Covid-19 shows an increasingly swift installation of an extremely regressive reality. In the region, Covid-19 has further aggravated the deterioration of workers' lives in terms of working conditions, job stability, labor and union rights, the capacity to maintain a decent salary, with social protection and healthcare systems in a deep crisis in most of the countries of the Americas.

Together with the response of employers, the measures adopted by governments to address and contain the spread of Covid-19 have not alleviated the situation and, in many cases, have intensified it. In addition, there is structural inequality, racism, authoritarianism, and **systematic and systemic violence with differential gender characteristics, further burdening of women, girls and adolescents** with caregiving work, and labor exploitation.

This **Newsletter N ° 1 “Labor Rights in the Americas: General Trends as of the Outbreak of the Pandemic”**, issued in October 2020, has been developed in the framework of the **Labor Observatory of the Americas**. It aims to present insights and offer tools for analysis and trade union action of TUCA, its affiliated, fraternal, as well as allied organizations, to examine these deterioration trends. This analysis will be developed from the standpoint of the regional trade union movement, problematizing the responses to the crisis, and raising awareness on their impacts. Visions of reality are not universal; they represent the interests and perspective on which the analysis is based. The responses to the crisis must prioritize workers' perspectives and proposals, as they have been deeply affected, in addition to being key players of the possible stable solutions, that also contribute to decent conditions for the working population.

It is not a matter of new proposals. Quite the opposite, in the face of the pandemic, socio-political trade unionism of the Americas is more current now than ever before. Reflections on the economic model as cause of inequality and exploitation, as well as the need to commit to a sustainable development model with workers playing a central role, have become a fundamental tool to analyze the impacts on the working class and finding solutions to the crisis.

GENERAL TRENDS IN THE REGION

The measures to contain the virus have critically impacted the world of work. Now more than ever before, **the centrality of work in the performance of any productive activity is recognized.** However, governments have adopted measures that have not placed the workers' lives dignity at the center. The suspension of activities and the resulting economic slowdown are causing an unprecedented rise in unemployment. In July 2020 ECLAC estimated that this year would finish with a regional unemployment rate of around 13.5%, accounting for 44.1 million unemployed workers¹.

1 De facto Labor Reform.

The scenario of the pandemic has allowed the adoption of measures that look like **an actual labor reform,** under the guise of reactivating the economy and reducing labor costs. Despite government measures to restrict layoffs, massive layoffs have been reported in these months, as well as reduction of wages and working hours, refusal to declare Covid-19 as an occupational disease, forcing workers to mandatory and unpaid vacation time, cancellation or renegotiation of contracts, legislative reforms to eliminate collective bargaining and a general disregard for trade unions.

For example, LATAM made two massive layoffs in Peru, Colombia, Chile, Ecuador: one of 1,400 workers in May and a second one of more than 1,000 workers in June 2020. In Colombia alone, Avianca is considering the elimination of 15,000 jobs and initiated a process of so-called "voluntary unpaid leave", the conditions of which include the company not covering its workers' social security, not

paying their additional benefits, and workers having to commit to full availability to the company during the term of the leave. For its part, COPA forced workers to sign suspensions of contracts or "voluntary retirements", to then assign them to flights and pay only for their working hours.

Legislative reforms in Brazil (Provisional Measure 936 enacted as Law No. 14.020 on April 1, 2020) and in Chile (Employment Protection Law No. 21,227 dated April 6, 2020) have been used to dismantle compulsory collective bargaining and flexibilize contracts. In Chile, food transnational companies, such as Starbucks and Burger King, took advantage of this law to suspend the contracts of thousands of workers. Also in Honduras (Law of Assistance to the Productive Sector & Workers in face of the effects of the Covid-19 Pandemic contained in Decree 3320 dated April 3, 2020), Guatemala (Ministerial Agreement 140-2020 dated March 23, 2020) and Colombia (Circular 33 dated April 17, 2020 and Circular 21 dated March 17, 2020 of the Ministry of Labor, Legislative Decree 558 dated April 15, 2020) authorized the suspension of contracts, mandatory vacations and layoffs due to Covid-19.

The national confederations in most of the countries have **denounced their governments** for disregarding their proposals and demands when establishing regulations around the health emergency and the solutions to the crisis.

② Protection for economic activity, lack of protection for workers.

The initial response to the pandemic, which forced most governments to decree conditions of greater or lesser confinement, was accompanied by the decision to **keep activities of the sectors considered basic or fundamental.**

However, the contradictions became evident, for example, criteria used to determine which are the basic sectors have been questioned by some trade unions as those criteria respond to economic weight or corporate pressure rather than to their relevance for maintaining the population basic living conditions during the pandemic. For example, sectors such as building, production of alcoholic beverages, textiles, and footwear, among others.

The working conditions or the health and safety of workers are not even guaranteed in these sectors. The lack of personal protection equipment, distancing in the workplace or in the transportation means, difficulties to access drinking water, are some of the recurring complaints of workers in these sectors.

③ Public spending for whom?

Announcements of **aid packages** included monetary aid to the low-income population, longer terms for tax payments, subsidies, special credit lines and tax exemptions for small and medium enterprises (SMEs), in order to maintain the jobs generated by these companies and guarantee minimum income for the working population. Many of these packages are financed with debt requested to International Financial Institutions and, in some cases, with taxes or salary reductions to public employees.

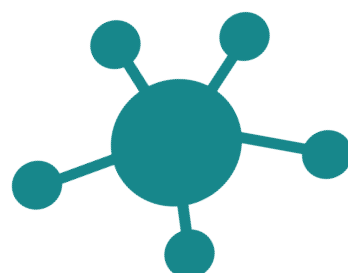
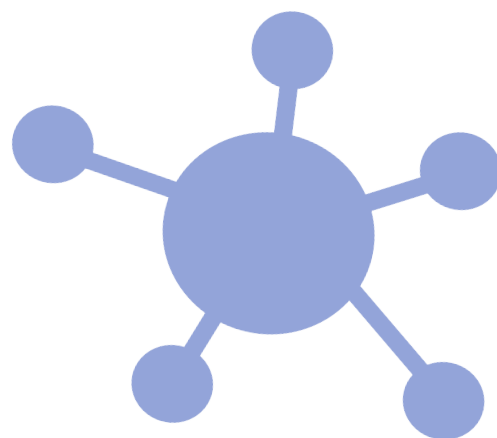
However, in most countries the actual scope of these aid packages has been limited. Complaints have been expressed through exchanges between TUCA and its affiliates and in the survey on the effectiveness of government-applied measures throughout the pandemic, which was applied to TUCA's affiliates. Complaints referred to the difficulties to access due to complex requirements, procedures, and limitation of the amounts which, on top of it, were designed only for the first three months of the health emergency. Some countries, such as Peru, Panama or Colombia, have used the government aid to save large, even transnational, companies, such as the loan to bailout Avianca, which is known for its actions against the pilots and airline workers union in the historic strike a few years ago, for which it was sentenced to pay 500 million Colombian pesos as compensation to the trade union. The bailout loan was suspended by the Administrative Court of Cundinamarca, until the legality of the award procedures is evaluated.

④ Informality and Precarity: workers per application.

Most of all, the pandemic has affected workers in informal conditions due to their sudden overnight loss of income and their greater difficulty to access aid or subsidies, such as unemployment insurance (where it exists). Delivery workers, through platform applications, were considered essential as their work allowed most of the population to remain in isolation. The already precarious working conditions worsened even further with the declaration of the health emergency and isolation measures. Delivery work is promoted as independent, autonomous work, which in reality means low payments (per km traveled) and the costs of transport, social

protection and maintenance are covered by workers themselves who, in most cases, work on bicycles and are exposed to accidents or virus spread. In view of this situation, collectives of app workers have organized several regional and international demonstrations in recent months. Meanwhile, the profits of the transnational corporations that own these apps have grown exponentially.

Very few countries stand out for the effectiveness of their containment measures for the working class. The efforts in Argentina are noteworthy in at least two measures. It was the first country to declare Covid-19 as an occupational disease (Presidential Decree 367 dated April 13, 2020), allowing the application of insurance and sick leave for infected workers or considered at risk. Subsequently, it approved a **comprehensive law to regulate telework** that includes various trade union demands such as the right to disconnect, the compensation and employers' responsibility regarding equipment and tools, the mutual agreement, the equalization of rights with the in-person modality and the consideration of compatibility with caregiving tasks. In addition, **we highlight the reinforcement of national actions and mechanisms for provision of attention in cases of gender violence in the framework of the pandemic through 10 detailed measures announced in March 2020².**



TRADE UNION RESPONSES:

The working class must not pay for the crisis

As of the outbreak of the pandemic, the regional trade union movement has affirmed that we are facing a crisis of the neoliberal economic system. Covid-19 has brought even more to light the failure of this system's policies to downsize the State, privatizations, the precarity of work and social rights. This position has been upheld by TUCA and its affiliated organizations in all the spaces of discussion with governments and employers, especially in the ILO forums to promote solutions to the crisis.

A genuine response to the crisis must focus on medium and long-term emergency measures and cannot continue imposing false solutions as it has done to date. Trade unions of the region have underscored the urgent need for changes and proposed multiple measures in different areas. Some of them are repeated in more than one country, and in some have gained force as legislative initiatives. The power of some demands relates to the response to extreme tensions generated by regressive policies and, which, given this context, deepen the vulnerabilities of the region. These proposals have a medium and long-term horizon and are part of the Development Platform of the Americas developed by the regional trade union movement.

Trade unions have been denouncing the inefficiency of the responses to fulfill the needs of workers. Therefore, unions propose situational and long-term structural measures for workers not to continue paying for the costs of crisis:

1 The duty of the State is to guarantee stable employment and workers' income.

We must demand companies to comply with payments to workers who cannot go to their workplace due to restrictions in economic activities or because they are suffering of the disease or because they are population at risk. We propose emergency cash transfers for this population, special health insurance coverage, temporary and emergency income, and special treatment for workers in informal conditions.

2 Ensuring the health of the affected population and protecting the population at risk is also the responsibility of the State.

Investment in health, personal protective equipment and medical supplies is a priority and should be implemented as such in the ratio public spending/national budget. Restrictions to investment and social spending, as well as regressive fiscal reforms, are measures that endanger the health of the population.

3 Public financing is essential and should be guaranteed for all countries.

Financing based on loans of financial institutions should not condition policies nor government decisions on public spending. All countries must be entitled to access special financing.

4 The other side of underfunded States is the absence of taxes on large fortunes and profit.

The need for direct and progressive taxes on profit, and the prevention or reduction of tax evasion by big capital is increasingly urgent. Trade unions propose taxes on big capital, transnational corporations, and super-wealthy people in several countries. This measure addresses one of the historical issues of the region, related to the redistribution of income and surplus.

It has resonated in political systems showing its relevance, even in terms of social and economic justice. This debate is already positioned among public opinion in Brazil, Peru, Bolivia, Chile, Argentina and Ecuador. In those countries, social demand is strong in this regard and some draft laws have been submitted³.

5 Nor the pandemic nor other crises can enable, eliminate, or suspend social dialogue mechanisms and, above all, cannot be an excuse to eliminate collective bargaining or freedom of association.

These rights are fundamental premises of democracy. Trade unions propose reinforcing and/or activating these essential instruments of the working class, guaranteeing ultra-activity of collective bargaining until the crisis has passed, making maximum use of existing public policies to ensure job stability and workers' income, including those working in informal conditions.

6 Social protection systems must be able to contain the effects of the crisis on the population.

They are fragile or non-existent in many countries. Trade unions propose adopting, reestablishing, or expanding social security schemes, as well as other social protection mechanisms to ensure the support of the entire working class, regardless of their employment relationship.

7 The responses must be based on the action and solidarity of the different social sectors.

In these times of crisis, it is urgent to strengthen the construction of unity and alliances with the different social movements and organizations that are part of the working class and of the Jornada Continental for Democracy and against Neoliberalism based on which we propose structural responses to the crisis we are facing.

¹ CEPAL, "Facing the increasing effects of COVID-19 for a reactivation with equality: new projections", Special Report COVID-19 No. 5, July 15, 2020. ² [See measurements here](#). ³ The report "Taxing the rich as common sense" published by CELAG in June 2020 presents the results of a survey on taxes on large fortunes. Faced with the question, would you agree with extra taxes being charged to the country's great fortunes as a possible government measure against the pandemic? the affirmative answers reach the following percentages: **76.2%** in Argentina, **75.6%** in Ecuador, **72.8%** in Chile, **64.1%** in Bolivia and **67.4%** in Mexico.

