

Labor Observatory of the Americas

**IMPACTS OF COVID-19 ON LABOR  
RIGHTS AND DECENT WORK**

**Andean Region: Plurinational State of Bolivia,  
Colombia, Ecuador and Peru**

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# Introduction

The countries of the Andean subregion - the Plurinational State of Bolivia, Colombia, Ecuador and Peru - share specific characteristics that distinguish them from other countries in the region. First, primary export development profiles specializing in mining and hydrofuels. Second, high rates of informal self-employment in urban centers with high population density, poor services and infrastructure. Third, these coexist with a broad-based fabric of indigenous-peasant and Afro-descendant rural communities of ancestral, diverse and enduring nature, whose recognition is fundamental in order to understand the plurinationality, the organization and the articulation of the grassroots movements in the Andean countries, and the regulation of their collective ownership of the territories (the commons).

In general, the industrial matrices of these countries are underdeveloped, concentrated in so-called soft sectors (food, beverages, textiles, construction materials), with strong presence of micro and small enterprises, many of which operate in the informal economy. In terms of accumulation, the most dynamic sectors (which contribute the most to the Gross Domestic Product (GDP) but with relatively low impact on labor markets) have dissociated from sectors with strongest impact in terms of job generation, but often with low productivity. Indeed, services sector contributes the most to employment in the four countries and also concentrates the lowest quality employment.

In recent years, these countries have achieved relatively satisfactory growth rates in relation to other countries of the region, with low inflation and unemployment rates below the regional average (except for Colombia). These countries carry the enormous weight of large contingents of workers under informal conditions in their labor markets, the self-employed, underemployed, earning insufficient income, with very low rates of affiliation to social security systems (pensions and health), and no access to collective bargaining or union membership.

At the political level, democratic institutions are becoming more fragile and unstable. The scenario of the Andean countries has been characterized by grave human rights violations, massacres, coups d'état, state repression and armed conflicts in the territories leading to social fractures, peoples forced displacement and genocide.

At present, except for the Plurinational State of Bolivia, which regained democracy after a year of de facto rule, the countries of the Andean subregion are facing neoliberal governments that are ultraconservative economically, and neo-fascist politically and culturally. The mechanisms of democratic participation do not work. Corruption, tax evasion, State capture by the economic and political elites, censorship of the media and the persecution and criminalization of fighters, grassroots leaders, racism, misogyny, xenophobia and homophobia are commonplace. This scenario provides no guarantees for the exercise of freedom of association or the conditions of social dialogue. Similarly, decent work or sustainable development plans, and the commitments made by these governments to multilateral organizations, are barely credible.


# GENERAL TRENDS IN THE ANDEAN REGION

## Impact of the pandemic and crisis in the world of work


We are experiencing the most serious and profound health and socioeconomic crisis of the last hundred years. In Latin America, the impact of the pandemic and its effects are compounded by other pre-existing phenomena. There has been a sharp drop in employment rates and activity rates because numerous workers lost their jobs and left the labor force. Job losses mainly affect informal workers, with less formal education and less qualifications, as documented in a recent ECLAC study <sup>1</sup> that concludes with a warning: the reactivation of the labor market will be slow and complex, with high rates of unemployment and labor informalization.

The dramatic impact of the health and economic crisis on the Andean countries


labor market has led to a sharp rise in unemployment mostly in Colombia, Ecuador and Peru; in relative terms, Bolivia is the country least affected. Some effects could be transitory, mainly in relation to workers who left the labor market, as the drop in participation rates shows. Other effects could last longer such as the decline in employment and adequate employment rates, on the one hand; and the marked rise in the underemployment and unemployment rates, on the other. However, the scenario is riddled with uncertainty and will depend on the policies for economic recovery and employment protection implemented in the upcoming months.

 <b>Colombia</b> <sup>1</sup>	<b>August 2019</b>	<b>August 2020</b>	<b>Variation</b>
Global Participation Rate	62.9 %	59.3 %	-3.6
Employment Rate	56.1 %	49.3 %	-6.8
Unemployment Rate	10.8 %	16.8 %	+6.0


  

 <b>P. S. of Bolivia</b> <sup>2</sup>	<b>Q2 2019</b>	<b>Q2 2020</b>	<b>Variation</b>
Active Population	48.7 %	44.7 %	-4.0
Employed Population	46.4 %	40.5 %	-5.9
Unemployed Population	4.9 %	8.6 %	+3.7

 <b>Ecuador</b> <sup>3</sup>	<b>June 2019</b>	<b>May / June 2020</b>	<b>Variation</b>
Global Participation Rate	66.8 %	60.9 %	-5.9
Adequate Employment Rate	37.9 %	16.7 %	-18.2
Underemployment Rate	20.3 %	34.5 %	+14.2
Unemployment Rate	4.4 %	13.3 %	+8.9

 <b>Perú</b> <sup>4</sup>	<b>Jun-Jul-Aug 2019</b>	<b>Jun-Jul-Aug 2020</b>	<b>Variation</b>
Economically Active Population (EAP):	5,237,300	4,277,100	-18.3 %
Employed EAP	4,932,100	3,611,300	-26.8 %
Adequate Employment	3,180,000	1,683,500	-47.1 %
Underemployment	1,747,100	1,927,800	+10.3 %
Unemployment Rate	5.8 %	15.3 %	+9.8 %

Not only economies stagnation and socio-labor indicators regression, but also the ascent of far-right political coalitions, destabilization of democratic systems, coups d'état, increased State and para-State repression, violation of human rights, increased territorial conflicts linked to primary extractive clusters, and more interference and veto influence by transnational corporations on the States sovereignty. It is a multi-dimensional crisis that has accelerated transformations already underway and that undoubtedly place decent work at the center of all reflections.

The trade union movement of the Andean subregion has mobilized permanently and is organizing numerous protests, forceful measures and denunciations to put an end to the intensified violence against women and human, labor and union rights violations during the pandemic. The most substantive complaints include: <sup>2</sup>

**In Peru** mining companies retained **50%** of the workers and did not allow them to return home; forced agreements and extortion of workers for them to schedule their vacation time; no effective protocols in place and COVID-19 outbreaks in the workplace; surge in temporary contracts and outsourcing. In the public sector, emergency regulations impede collective bargaining.

**In Colombia** we are witnessing the other pandemic, i.e. the escalation of murders of men and women movement leaders. Records indicate **72** massacres during 2020. <sup>3</sup>

Health workers are working long hours under threat of non-payment of their wages or bonuses, and without personal protection equipment essential to safeguard their health.

**In Ecuador** massive layoffs without compensation and flexibilization of labor contracts have been enforced without any penalization whatsoever by authorities. In late September, the **IMF** approved a loan for USD **6.5** billion until 2022 tied to an orthodox program that will condition the disbursement of the funds and, in the coming years, Ecuador's sovereign decision-making most of all.

**In the Plurinational State of Bolivia,** under the de facto government that applied a policy of repression and persecution, companies suspended contracts and illegally enforced the reduction of work hours and wages. Labor, administrative and jurisdictional procedural activities were suspended, thereby also suspending the guarantees for the exercise of labor and union rights.

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<sup>1</sup> J. Weller et al., The impact of the COVID-19 health crisis on Latin American labor markets, Project Documents (LC/TS.2020/90), Santiago: Economic Commission for Latin America and the Caribbean, 2020, in [https://repositorio.cepal.org/bitstream/handle/11362/45864/4/S2000495\\_es.pdf](https://repositorio.cepal.org/bitstream/handle/11362/45864/4/S2000495_es.pdf)

<sup>2</sup> Sources of information: progress reports of the national trade union federations affiliated to the TUCA, national and international press, governments' public communications.

<sup>3</sup> Source of information: Indepaz Colombia. Information updated to 11/10/2020, in <http://www.indepaz.org.co/informe-de-masacres-en-colombia-durante-el-2020/>

# Analysis: government measures addressing the pandemic

From the perspective of the trade union movement, far from diminishing the impacts of the health and economic crisis, the policies implemented by these Andean governments have mostly aggravated them. In this regard, on many occasions, both companies and governments have taken advantage of the unusual situation of the pandemic to reinforce policies to reduce labor costs, increase work precarity, implement massive layoffs, circumvent protective mechanisms and collective bargaining, and completely disregard trade union representation.

This is the preponderant positioning of the socio-labor policies in the Andean subregion. Three specific measures exemplify the general trend of government responses to address the crisis:

## 1 Circulars 21 and 33 of the Colombian Labor Ministry:

Authorized employers to unilaterally and individually evaluate their workers' functions to establish the telework (which does not respect stipulations in this country's legislation); flexibilize work hours; impose unpaid leave or schedule earlier holidays; among others, without requiring prior notice to those affected.

## 2 The Humanitarian Support Law and Ministerial Agreements 077 and 080 in Ecuador:

Authorized companies to enforce individual «agreements» with workers to modify working conditions, and to unilaterally define the suspension, reduction and modification of the working day, work on weekends and vacation time.

## 3 Application and extension of the perfect work suspension in Peru:

Authorizes companies to declare themselves at risk of bankruptcy due to force majeure and to suspend workers without paying their wages or contributions to the health system, and authorizes workers to withdraw part of the private pension funds and of their compensations for seniority. Under this modality, far from preserving jobs, layoffs have been massive, as confirmed by the labor market scenario between 2019 and 2020.

# TRADE UNION PROPOSALS:

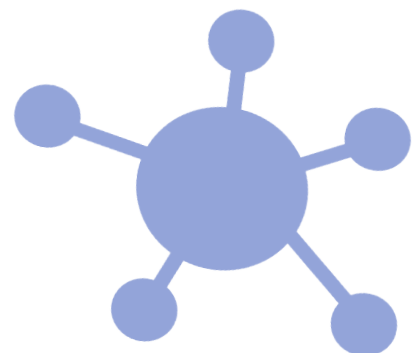
Despite each country's particularities and unique historical background, the common features connecting Andean countries become highly relevant at the time of building and projecting unified policies and actions with the trade union movement. The socio-political gravitas of the Andean indigenous-peasant movement is a decisive element to be taken into account when reflecting and defining the lines of action and strategic articulation of the trade union movement. The complexity of the context entails huge challenges for the working class. Without guarantees for the exercise of human and labor rights, without respect for democracy and without social and environmental justice, there can be no progress as regards decent work and sustainable development.

In order to move forward, the Andean trade union movement is demanding the establishment of real and institutionalized bodies for social dialogue in order to ensure that the voice and proposals of all workers and their representative organizations are taken into account in the definition, orientation, planning and implementation of any recovery policy.

As a priority, the Andean trade union movement demands a ban on dismissals, suspensions and arbitrary reduction of work hours, irregular payment of wages and any mechanism that undermines job stability and violates collective bargaining under the guise of promoting economic growth or saving businesses.

It is urgent to increase and expand the coverage of direct and indirect economic benefits, and provide assistance to informal and self-employed workers, those who have lost their jobs or whose

working hours and income have been reduced, and to retirees and pensioners. Access to quality food and water, health, housing, essential public utilities, education and connectivity must be guaranteed. The trade union movement proposes schemes to control the prices of food and medicine, prohibit evictions, moratoriums for the payment of rentals, family debts and public utilities for the benefit of the most vulnerable sectors, instead of exemptions to guarantee the profit of large corporations. Foreign and public debts contracted before or during the pandemic cannot condition the sovereign decisions of the States.





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