

## • COUNTRY INFORMATION SHEET •

# PARAGUAY



## GENERAL COUNTRY DATA



**Surface Area:** 406.752 km<sup>2</sup>



**Total Population:** 7.252.672 (2020)



**Life Expectancy:** 75 anos



**Poverty:** 19.5% of the total population (2018)



**Economically Active Population (EAP):** 3.608.838 (2020)



**GDP per capita (annual):** USD 5.415 (2019)

### Brief Overview of the Socioeconomic Scenario

Soybean is the main export product (**24.4%**), covering **62.8%** of the cultivated land area, followed by electric power (**23.3%**) and beef (**12.2%**). The economic activity is concentrated in commodities, leading to substantial dependence on the import of processed goods.

Data prior to the pandemic indicate that the unemployment rate reached **6.6%** and, of the total number of employed persons, **49.4%** were wage-earners, **30.3%** were

self-employed, **75%** worked in the domestic sector, **26%** in commerce, **21.1%** in agriculture and **11.5%** in manufacturing, among the industries with the strongest presence (2019 data). In 2018, **19.5%** of the population was poor, of which **31.9%** lived in rural areas. Extreme poverty reached **6.5%**. The informality rate is high in Paraguay: **51.5%** in 2018, of which **57.3%** were women and **42.7%** were men.

The population is unevenly distributed, concentrated in the Eastern Region where cities such as Asunción and Ciudad del Este are located, while the rural population is widespread in the Chaco (Western Region).

## Main Violations of Workers' Rights

The right to work is recognized in the Constitution of Paraguay. The country has a Labor Code, as is the norm in almost all countries of the American region. Paraguay was a member of the **ILO** between 1919 and 1937, and has been from 1956 to date. It has ratified **39** international conventions: all those referring to Fundamental Rights (8), plus **2 of the 4** on Governance and **29** technical conventions.

The latest observations made by the **ILO** Committee of Experts on the Application of Conventions and Recommendations (2019) related to Conventions **117** (social policy, basic aims and standards), **122** (employment policy), **138** (minimum age), **182** (worst forms of child labor) and **189** (domestic workers).

At the moment, the country has three active cases in the ILO Committee on Freedom of Association for complaints filed by the Sindicato Nacional de Trabajadores de la Prensa and the Central Unitaria de Trabajadores Auténtica; a second complaint filed by the Federación de Trabajadores Bancarios y Afines del Paraguay, with the support of the Central Unitaria de Trabajadores Auténtica and UNI Finance; and a third case filed by the Central Unitaria de Trabajadores Auténtica for dismissals and other forms of discrimination in two companies of the transport sector.

## Important Issues of the context <sup>1</sup>

Unjustified dismissals have increased in the period of the pandemic and have most impacted labor rights in comparison with other consequences in other countries, such as salary cuts, non-payment of overtime or non-payment of compensation, as well as the rise in cases of harassment and violence at work.

Violations of freedom of association have also surged in all sectors of activity. Collective bargaining was put on hold, making it very difficult to agree on measures to palliate the economic paralysis and take care of the economic and social emergency. Judicial responses to the situation of certain helplessness caused by the pandemic and the consequent violations of labor regulations occurring during this period have been delayed and their implementation has encountered obstacles.

There have been instances of social dialogue to deal with the issues caused by the appearance of **COVID-19**, and trade unions have participated in these spaces. However, workers' organizations were summoned only to endorse policies that the Executive Branch had already decided to implement. This means that the content of said dialogue has been, in general, irrelevant. The issues addressed related to the protection of employment and the measures adopted have been implemented mainly in large companies with sufficient equity to sustain them. Health protection forced an early lockdown of the population, to then progressively open up the economy per sector of activity.

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<sup>1</sup> Las consideraciones que se hacen en adelante se tomaron de la encuesta a sindicatos sobre la efectividad de las respuestas de las políticas públicas a la crisis del COVID19 y de información sistematizada por parte de la CSA.

Self-employed workers received a subsidy equal to 50% of the minimum salary, but its scope is very limited as the figure does not comply with the principle of sufficiency of social protection benefits. In terms of social security, **COVID-19** has not been recognized as an occupational disease and the protection measures mandated by the government, such as hygiene, social distancing, provision of personal protection elements, have not been complied with to the full. Unemployment insurance has been temporarily flexibilized during the pandemic to allow workers with shorter time of contribution to receive it. However, the subsidy does not reach some categories of workers, such as the domestic sector and rural workers. These have remained completely on the margins of the government's weak social protection policies.

The domestic and care sector have denounced illegal dismissals, without payment of the respective settlement, and situations of discrimination.

## Trade Union Proposals and Initiatives

**Trade unions have denounced the above social situation and the non-compliance with the rights recognized in the Paraguayan legal system, and have conveyed this information to international organizations.**

Trade unions have proposed medium and long-term measures to address structural problems that had already been identified before the pandemic, such as the need to promote a fair and progressive fiscal policy, the recovery of Paraguayan rights as fundamental pillars for economic and social recovery by facilitating the implementation of economic aid programs for the working class, including subsidies to micro, small and medium-sized enterprises, and investment in existing social CCT programs, such as Tekoporã and the Older Adults (Tercera Edad) program.



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