

SDG DECADE OF ACTION
TRADE UNION POLICY RESPONSES

**EXECUTIVE
SUMMARY**

**THE SDGs FOR
RECOVERY AND RESILIENCE**
CASE STUDIES:
BRAZIL AND THE DOMINICAN REPUBLIC

TIME FOR



**THE CLOCK IS TICKING
FOR A NEW SOCIAL CONTRACT**



THE SDGs FOR RECOVERY AND RESILIENCE CASE STUDIES: BRAZIL AND DOMINICAN REPUBLIC

Two and a half years have gone by since the outbreak of the Covid-19 pandemic. In Latin America and the Caribbean, the medical emergency has heightened the structural deficits driving the inequalities and poverty that were already weighing heavily on the region prior to 2020. It has also exacerbated the huge challenges already faced by Latin American governments in meeting the goals of the 2030 Agenda. The Sustainable Development Goal 8 (SDG 8), one of the fundamental pillars of the Agenda to promote decent work for all, coupled with inclusive and sustainable economic growth, has suffered serious quantitative and qualitative setbacks since the outbreak of the health crisis.

SOCIOECONOMIC AND EMPLOYMENT IMPACTS OF THE PANDEMIC IN LATIN AMERICA

Covid-19 broke out in the midst of an already complex situation in a region weighed down by deep-seated structural problems. The measures adopted by Latin American governments in response to the pandemic mainly consisted of direct economic, energy and food aid to the most vulnerable families, bans on dismissals, price controls and financial support for SMEs and the most affected sectors. Although insufficient, they were successful in preventing even direr consequences. They did not, however, succeed in alleviating the problems already faced by society, and which were exacerbated by the pandemic, such as precarious employment, which continued to weigh most heavily on women, young people and the historically most marginalised identity groups, the lack of decent and stable employment, labour rights violations and discrimination. The deep structural roots of these problems in the region meant that Covid-19 disproportionately affected Latin America, which experienced its worst economic and social crisis in a century. In 2020 alone, 49 million people lost their jobs in the region and working conditions collapsed: 78% of Latin Americans saw their incomes reduced, while labour abuses increased. The pandemic reinforced gender inequalities at home and at work, given the higher burden of unpaid care work and the extraordinary pressure on health care services, both of which are areas where women are most present.

The Economic Commission for Latin America and the Caribbean (ECLAC) reported, this year, that the social impacts of the health crisis persist and yet public spending to alleviate them is falling. The organisation warned this could give rise to a regressive structural shift that would deepen the region's dependence on the primary sector, running counter to the targets set under SDG 8.2 (economic diversification, technological modernisation and innovation), SDG 8.4 (decoupling economic growth and environmental degradation) and SDG 8.5 (full employment and decent work).

CASE STUDY: BRAZIL

When the pandemic broke out, Brazil's economy had already been stagnant for three years. To counter the social effects of Covid-19, school meals programmes were launched, as well as financial assistance to vulnerable families and informal workers not covered by the pre-existing social assistance systems. Measures were also taken to protect against energy supply disconnection, to bring forward wage benefits and to defer debt repayments. Many of these initiatives are now being cut, which could deprive many families of protection at a time of high unemployment, a fall in real wages and ever more precarious work.

To keep the economy afloat, the government created programmes to provide access to credit for SMEs and investment in infrastructure, along with business support measures for tourism and cultural and audiovisual production. But, for many, the measures were insufficient or came too late, and one in four SMEs in the country closed down.

There were measures that dealt a terrible blow to the working class, further undermining social dialogue and seriously eroding collective bargaining. Some measures gave individual bargaining precedence over legislation and collective agreements, in direct violation of international labour standards. Labour inspections were also restricted, an "hours bank" (compensatory time instead of overtime pay) was introduced, and a measure was approved to allow employers to suspend workers' wages for up to four months but was not subsequently implemented thanks to trade union pressure. The pandemic led to the creation of an exceptional legal scenario, without precedent in the country, that amounted to a flagrant violation of consolidated labour rights and made Brazil one of the world's ten worst countries for working people, according to the International Trade Union Confederation (ITUC).

EXECUTIVE SUMMARY

In the meantime, the health system collapsed and medical unions denounced the Brazilian federal government's policy, for its failure to coordinate with the regional authorities and its violation of human rights through the promotion of misinformation regarding Covid-19. In addition, 85% of medical workers suffered some form of violence or harassment in the workplace.

With regard to energy policies, the pandemic was used as an opportunity to deregulate environmental protection. The measures taken are not consistent with the ILO's policy guidelines for a just transition.

CASE STUDY: DOMINICAN REPUBLIC

The pandemic led to a significant rollback of the progress the country had been making in tackling poverty and unemployment in the years prior to its onset. The main measures taken in the country in response to the Covid-19 crisis focused on financial aid and food assistance to the most vulnerable households. A ban was also placed on the disconnection of electricity and telecommunications for non-payment, and temporary banking measures were offered to defer certain payments. Dismissals of public sector employees were prohibited, tax flexibility measures were introduced for the sectors most affected by the pandemic as well as financial support for SMEs, and a Responsible Recovery Plan for Tourism, a sector that lost 150,000 jobs in 2020, most of which have been recovered thanks to the measures taken. The trade unions note that the successful recovery of the tourism sector, which is vital for the country, was also underpinned by a fruitful social dialogue that enabled the renegotiation of collective bargaining agreements.

At the start of the pandemic, medical personnel were given temporary financial compensation for the risk and excessive workload they had to endure but, in 2021, the abuses, the dismissals and the discriminatory pay increases established by the government led health workers to take action to defend their rights. At the beginning of 2022, "technical negotiations" were finally set up, with government and union representatives, to address the workers' demands. Meanwhile, the country is still without new environmental sustainability measures, despite its high exposure to climate change risks, and no reference was made to the "just transition" in its 2021 plans regarding the 2030 Agenda.

Social dialogue has improved since September 2020, with the arrival of a new government, giving rise to the establishment of a tripartite (government, employers and trade unions) Labour Advisory Council (CCT), which has raised hopes among trade unions that more substantial progress will now be made.

CONCLUSIONS AND RECOMMENDATIONS

The short-term policies adopted to tackle the pandemic cushioned its impact but were not able to prevent a worsening of structural problems such as the inequalities, poverty and lack of decent employment, present across the whole region, and that can only be reversed with long-term policies. The recommendations set out below are crucial to achieving a sustainable recovery in line with the 2030 Agenda, and SDG 8 in particular.

FOR GOVERNMENTS: Drive a real socioeconomic transformation, based on decent work for all in the context of a just transition; establish comprehensive and universal social protection systems; guarantee a living wage and remove wage gaps; combat violence and harassment at work; strengthen the care economy and improve its working conditions; ensure digital inclusion and literacy; support SMEs and the social and solidarity economy; finance recovery through tax reforms and the control of tax evasion; and, above all, strengthen social dialogue, involving trade union organisations in the formulation of consensual and sustainable policies.

FOR INTERNATIONAL COOPERATION DONORS: Increase official development assistance (ODA) and improve its effectiveness; target aid towards integrating informal workers into the formal economy, reducing inequality gaps in pay and working conditions and strengthening social protection systems; include the labour dimension in ODA eligibility criteria; and implement transparency and accountability mechanisms for ODA managed by the private sector; ensure coherence between the cooperation policies of the most industrialised countries and their other policies (trade, finance, ecological transition, taxation), so that they do not compromise the potential for sovereign development in Latin American countries.

A NEW SOCIAL CONTRACT: Six Workers' Demands for Recovery and Resilience

- 1. Creation of decent and climate-friendly jobs with Just Transition.** Job-creating industrial transformation to achieve net-zero carbon emissions, along with decent jobs in health, care, education and other quality public services.
- 2. Rights for all workers,** regardless of their employment arrangements, to fulfill the promise of the ILO Centenary Declaration with its labour protection floor including rights, maximum working hours, living minimum wages and health and safety at work.
- 3. Minimum living wages and equal pay policies** by enforcing statutory minimum wages that guarantee dignity for all workers and their families, and putting forwards equal pay policies to guarantee equal pay for work of equal value.
- 4. Universal social protection,** including the establishment of a Social Protection Fund for the least wealthy countries.
- 5. Equality. Ending all discrimination,** such as by race or gender, through inclusive labour market policies, redistributive public policies and collective bargaining.
- 6. Inclusion.** Ensuring a truly inclusive multilateral system, engaged in redressing the current imbalance of power and wealth, and where developing countries have the policy space to define their developmental models and use social dialogue as a key means of implementation of the 2030 Agenda.

The full report can be found at:

<https://www.ituc-csi.org/sdgs-for-recovery-and-resilience-in-latin-america-brazil-dominican-republic>



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