



Adecco

Analysis of the work environment
in **Latin American countries**

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Introduction

This study presents a detailed analysis of the labor situation and the regulation of agency work in Latin American countries.

The analysis covers Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Peru and Uruguay considering various key aspects for each country. Each chapter focuses on a specific country and covers the following tasks:

General file of the country: Includes information on the Executive branch and relevant indicators in labor matters.

Executive Branch: The work of the Executive is summarized and the person in charge of labor issues is identified along with the main institutions in the field.

Legislative Branch: An updated view of the correlation of forces in Congress is offered.

Legislative process: The route that a bill or reform follows until its enactment is detailed.

Work environment: The main actions in labor matters during the last years are summarized. Subsequently, each of them is analyzed in depth.

Agency work regime: The current situation of agency work is described in each country.

General balance: The future scenario of the country is analyzed, contemplating declarations and intentions of reforms in labor matters.



Adecco assessment and positioning

In our organization, we decisively support all actions that contribute to improving the working conditions of workers in **Latin America and the world**. We recognize that the region is going through a process of regulatory transformation that seeks to balance labor rights and economic competitiveness. However, we firmly believe that any reform or new legislation must be implemented gradually, allowing companies to adapt in a sustainable way. This approach avoids negative impacts that could harm both organizations and the workers themselves.

In addition, we highlight the importance of promoting a labor framework that combines flexibility, formality and training. These elements are essential to meet the challenges of current markets and to maximize the results of these reforms. Only through a balanced and collaborative approach will we be able to strengthen labor and economic development in the region, benefiting all sectors involved. In this context, temporary employment agencies represent an alternative model that not only generates formal job opportunities, but also facilitates the flexibility that current markets require. In Europe, for example, this model has proven to be an effective tool to combat labor informality and promote inclusion in the labor market. Countries such as the Netherlands and Germany have integrated temporary employment as a solution to respond to demand spikes in strategic sectors, allowing workers to access social benefits and training, while offering companies the agility they need to compete.

In Latin America, where levels of labor informality exceed 50% in some countries, temporary employment agencies can be a key driver to reduce this problem. These models promote formality by guaranteeing that hired workers enjoy labor rights and social security, closing the gap between informal employment and decent employment.

Another significant trend in Latin America is the regulation of employment through digital platforms. This movement seeks to

improve the benefits and security of workers who depend on these platforms while ensuring fair competition in the labor market. However, it is essential to safeguard the labor flexibility that these models offer, as it provides opportunities for many individuals who need adaptable working conditions to balance their personal and professional lives. A balanced approach will be key to ensuring that these regulations benefit workers without compromising the dynamic nature of platform-based work.

Therefore, we consider that any labor reform must recognize and support these schemes as part of an inclusive and dynamic labor ecosystem. **By combining flexibility, formality and training, labor and economic development in the region is strengthened, benefiting workers, companies and society in general.**

We hope that this analysis of the regional work environment becomes a useful reference tool for key decision makers in their organizations. Our objective is to offer a clear and informed perspective that facilitates the design of labor strategies aligned with market needs and that promote sustainable development in Latin America.

Approved reforms in Latin America in recent years

Reform	Argentina	Brazil	Chile	Colombia	Ecuador	Mexico	Peru	Uruguay
Reduction of working hours			✓	✓				
Minimum wage			✓			✓		
Remote Work			✓			✓		
Pension Reform				✓		✓		✓
Labor Rights			✓		✓	✓	✓	✓
Labor Flexibility	✓						✓	✓
Incentives for Companies	✓		✓		✓		✓	✓
Agency Work					✓*	✓	✓	✓
Digital Application Workers			✓					

* In Ecuador, agency work was prohibited in 2008.

According to the results, in recent years, there has been a marked trend in the region, firstly, towards the regulation of issues such as workers' rights, labor flexibility and job creation, and incentives and support for companies.

Secondly, the regulation of pensions, followed by the reduction of working hours, teleworking, agency work and the minimum wage. Finally, the regulation for digital application workers is an initiative that continues to be treated and discussed, but still does not have an agreement between all the sectors involved.

Of the 8 countries analyzed, 6 of them stand out where, in recent years, there are active processes or new regulations approved that are highly relevant on the subject, within each of the countries.

First

In **Argentina**, the so-called Ley Bases was approved, which among its reforms seeks the modernization and flexibility of the labor market. Specifically, it is aimed at regularizing labor relations, simplifying the registration of new jobs and eliminating fines for deficient records, among other changes.

Second

In **Chile**, the reforms approved in this matter have focused on the gradual reduction of the working day (40 hours), increasing the minimum wage, regulating teleworking, as well as preventing and sanctioning workplace harassment and regulating the contract of workers of digital service platform companies. The approval of a pension reform is pending.

Third

In **Colombia**, a reform is already in force that gradually reduces the working day (42 hours). And during the administration of President Petro, a pension reform was approved to expand coverage of the target audience. A reform is pending in the Legislative Branch that, among other things, regulates teleworking and agency work.

Fourth

In **Mexico**, the approved reforms in labor matters have focused on increasing the minimum wage, increasing vacation days, prohibiting agency work, as well as 2 pension reforms. Pending reforms like the reduction of the working day and the increase in the Christmas bonus which have been mentioned by President Claudia Sheinbaum, in the morning people's conference, and have broad support in both chambers.

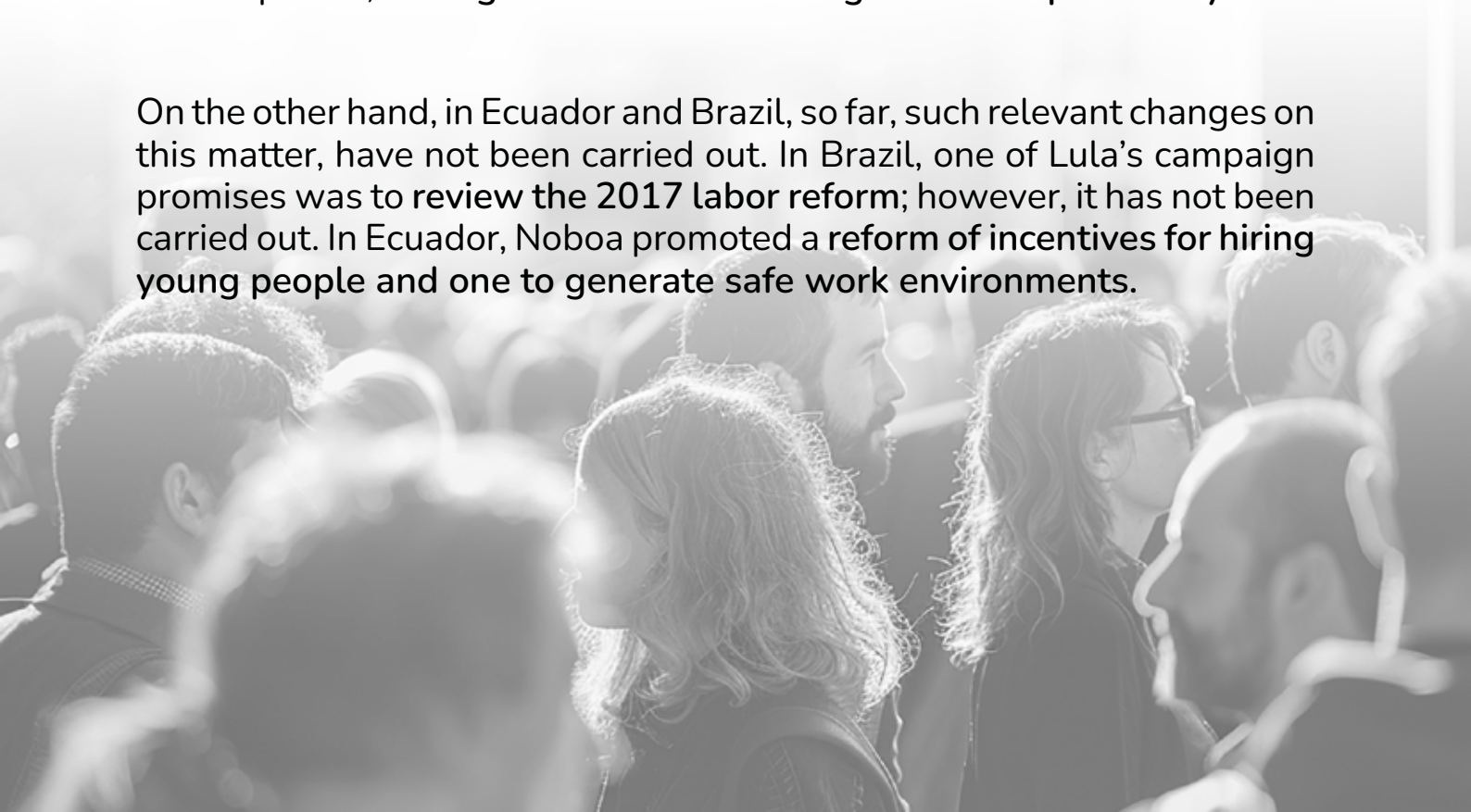
Fifth

In **Peru**, Boluarte has faced resistance to get reforms approved, although changes have been achieved in terms of the **prohibition of agency work in core business activities**, the establishment of Bereavement Leave, the creation of a certificate to simplify the job search process and promote the labor insertion of young people.

Sixth

In **Uruguay**, the changes are summarized in reforms such as those that contemplate **support for small and medium-sized companies**, subsidies for companies, the regulation of teleworking and a new pension system.

On the other hand, in Ecuador and Brazil, so far, such relevant changes on this matter, have not been carried out. In Brazil, one of Lula's campaign promises was to review the 2017 labor reform; however, it has not been carried out. In Ecuador, Noboa promoted a reform of incentives for hiring young people and one to generate safe work environments.



Reforms in discussion in Latin America

Reform	Argentina	Brazil	Chile	Colombia	Ecuador	Mexico	Peru	Uruguay
Reduction of working hours						✓		
Increase in minimum wage						✓		
Remote Work				✓				
Pension Reform			✓					
Labor Rights				✓		✓		
Labor Flexibility and Job Creation				✓				
Agency Work				✓				
Digital Application Workers	✓	✓		✓	✓	✓	✓	✓

In terms of work in digital applications, **there is an evident tendency to regulate the issue in the region**. 7 of the 8 countries analyzed have dialogues or initiatives promoted by the Executive or by the National Assembly. It is expected that in the coming years there will be significant progress on the subject.

However, in terms of agency work, 6 of the 8 countries (Argentina, Brazil, Chile, Colombia, Peru and Uruguay) analyzed include provisions that allow and regulate agency work. Ecuador and Mexico are the only countries that currently explicitly prohibit agency work in general, although they allow it in some cases from complementary industries that are not the company's main activity.

In Argentina, Brazil, Chile, Colombia and Uruguay, agency work is allowed even in the main activities of the company. Peru is the only one that, so far, prohibits agency work in core business activities.

Finally, 7 of the 8 countries require that the company that subcontracts workers be jointly and jointly responsible for them. In Brazil, the company is only subsidiarily responsible, that is, it is only liable if the other company does not pay.



Current characteristics of agency work regime in Latin America

Country	AGENCY WORK STATUS	PARTICULARITIES OF AGENCY WORK	JOINT LIABILITY
Argentina	Yes agency work	Allows agency work even in core activities of the contracting company.	The contracting company is jointly liable for the obligations contracted with the workers.
Brasil	Yes agency work	Allows agency work even in core activities of the contracting company.	The contracting company is subsidiarily responsible for the obligations contracted with the workers.
Chile	Yes agency work	Allows agency work even in core activities of the contracting company.	The parent company is jointly liable for the employment and provisional obligations.
Colombia	Yes agency work	Allows agency work even in core activities of the contracting company.	The beneficiary of the work will be jointly liable with the contractor, except when the work is different from the line of business of the contracting company.
Ecuador	No agency work is not allowed.	It allows agency work for complementary activities (Surveillance-security, food, courier and cleaning).	The company that hires workers for complementary activities will be jointly liable.
México	No agency work is not allowed.	Outsourcing of specialized services that are not part of core activity is allowed.	The parent company is jointly liable for the employment and provisional obligations.
Perú	Yes agency work	Prohibits core business outsourcing (This could change if decree 001-2022 TR is repealed).	The contracting company is jointly liable.
Uruguay	Yes agency work	Allows agency work even in core activities of the contracting company.	The contracting company is jointly liable for the subcontracted workers.

* In Ecuador and Mexico, the agency work is prohibited. In Ecuador it is allowed only in complementary activities, and in the case of Mexico, only the subcontracting of Specialized Services is permitted in activities complementary to the corporate purpose of the company.

** In Brazil, it is subsidiarily responsible.



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EXECUTIVE SUMMARY 2024

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