

Adecco

Labor Market Report & Political Perspectives in Latin America

Q3 - 2024



- Labor Market Report & Political Perspectives in Latin America -

Q3 - 2024



Dear client,

I am pleased to present you the “Labor Market Report & Political Perspectives in Latin America”, a tool designed to offer you a comprehensive and updated analysis to support your strategic decisions in the region.

This report covers a detailed vision of labor markets and labor policy trends in Argentina, Brazil, Chile, Colombia, Ecuador, Mexico, Peru and Uruguay; countries in which Adecco Group has a presence.

This report marks the first issue of a quarterly initiative that seeks to provide you with continuous and relevant information on the labor and political landscape of Latin America. From now on, every quarter you will receive this document, designed to keep you informed about the latest trends and changes in the region, as well as to support you in making strategic decisions to expand operations in Latin America.

The “Labor Market Report & Political Perspectives in Latin America” has been prepared by our regional Public Affairs area, who has worked meticulously to offer you an exhaustive and detailed analysis of relevant labor issues.

I am confident that this collaboration will be of great use to you and your management team and will add value in optimizing your strategies and operations.

Additionally, I understand that each company has unique needs. Therefore, if at any time you wish to have a personalized report that meets your specific requirements, we will be happy to collaborate with you to develop a tailored analysis that responds to your particular interests and objectives. In that case, on the last page of the report you can find the link to contact us.

Sincerely,

RAÚL GIMENEZ
SVP ADECCO LATAM

KEY POLITICAL EVENTS

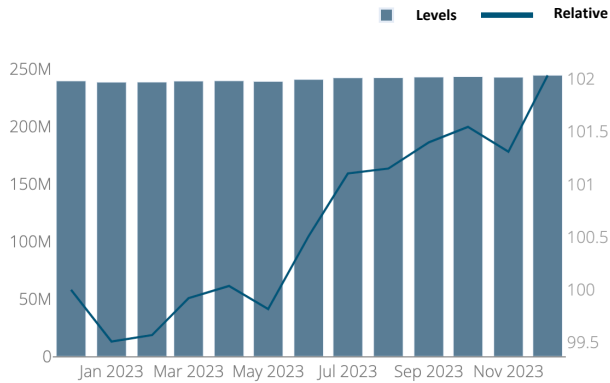
- Argentina** - The Chamber of Deputies sanctioned the draft "Law of Bases and Starting Points for the Freedom of Argentines", which had been given half a sanction at the end of April and which returned from the Senate with modifications. After a 14-hour session, the deputies endorsed the Bases Law with 147 votes in favor, 107 votes against and 2 abstentions, accepting the changes to the wording proposed by the Senate. On July 8, the Government promulgated the Base Law, through decree 592/2024 published in the Official Gazette.
- Brazil** - The president of Brazil, Luiz Inácio Lula da Silva, highlighted the achievements achieved by his administration after a year and a half of Government which, he said, have allowed the economic growth of the nation, drastically reduced hunger and the country has returned to normal. international scene. According to the Brazilian president, the country is growing again, driven by the industry and thanks to the million-dollar investments announced by the sector in recent months and the repositioning of Brazil abroad. Lula also highlighted the political role that Brazil has had in the global sphere with the G20, a forum that will have its presidential summit in November in Rio de Janeiro, in which the country will present the Global Alliance against Hunger and Poverty, one of the pillars promoted by the South American country as president of the bloc.
- Chile** - The approval of the Chilean president Gabriel Boric - pressured by the security crisis that the country is experiencing - plummeted to its historic low since the beginning of his mandate, in 2022, marking only 22.2%. Boric's approval fell 3.8% compared to the month of June. In parallel, his disapproval grew by 3%, reaching 63.2%. 14.5% of those surveyed indicated that they did not know how to evaluate their management at the head of the government.
- Colombia** - Petro urges a national agreement to approve its reforms. The government hopes to present to Parliament a new reform to the justice system, the educational system, and health, and to continue the labor reform process. In the new legislature, the government is expected to present a new reform to the justice system, the educational system, and health, and to continue the process of the labor reform, which has three debates left to be approved.
- Ecuador** - After eight months in office, President Daniel Noboa's approval rating is on the decline. Although its popularity is not bad, it does show a drop of at least 20 points this year. The president has had to face the security crisis and has taken anti-popular measures such as increasing VAT or eliminating the subsidy for some fuels. Added to this is citizen demand for employment, health and education.
- Mexico** - August will be a key month for the discussion and approval of the opinions of the 18 constitutional reform initiatives that President Andrés Manuel López Obrador presented in the Chamber of Deputies of the Federation on Monday, February 5, 2024. The purpose is that the opinions They are approved in commissions from the month of August, so that starting in September they can vote and approve the reforms to the Constitution promoted by López Obrador.
- Peru** - The president of Peru, Dina Boluarte, announced that she will call elections next year and that these will be held in 2026, as mandated by the Constitution. Additionally, Boluarte predicted that the growth of the economy in 2024 will be higher than the forecast of 3.1% and emphasized that the conditions that have made possible the reactivation of key sectors such as mining and manufacturing. The ruler has the support of only 5% of Peruvians, according to several surveys, the lowest currently among Latin American leaders.
- Uruguay** - Uruguay held its internal elections on Sunday, June 30, with low participation, thus defining the presidential candidates for the general elections on October 27. With 36% of eligible voters going to the polls, below the 40% registered in 2019, the results highlighted Yamandú Orsi, from the Frente Amplio; Álvaro Delgado, of the National Party, and Andrés Ojeda, of the Colorado Party as the main contenders

GENERAL REGULATION OF THE LABOR MARKET

Country	Description	Status	More information
Argentina	The Bases Law seeks to modernize and make the Argentine labor market more flexible, to promote competitiveness and job creation. These reforms represent a significant step towards a labor market more adapted to current realities, although their full impact remains to be seen. The approval of Law 27,742 marks a milestone in Argentine labor legislation and projects profound changes that seek to balance the needs of workers in a context of economic and social transformation..	Adoption	Link
Brasil	Last May, the Government of Luiz Inácio Lula da Silva created a working group to develop labor regulations for home delivery workers and drivers linked to mobile applications in Brazil. The initiative was published in the Official Gazette, on the occasion of International Labor Day, and seeks to create a proposal to legislate those jobs derived from the activity of digital platforms.	In discussion	Link
Chile	The president of Chile Gabriel Boric will present his long-awaited pension system reform in August and promised a universal minimum retirement for everyone over 65 years of age of 250,000 Chilean pesos (about \$300). The five axes of its reforms are: social rights, democracy, justice and security, inclusive growth and the environment.	In discussion	Link
Colombia	The government initiative seeks to substantially modify the current law on labor matters. An example of this is the intended modification in terms of collective rights, such as collective labor bargaining, the exercise of the right to strike and the solution to collective conflicts. Articles of the labor reform that seeks to revive the Petro Government could end independent workers.	In discussion	Link
Ecuador	The new Law for the eradication of workplace violence and harassment in all types of work is now in force after being published in the Official Registry 559 of this Thursday, May 16, 2024. With this new Law, which was ratified in the Assembly National on May 8, a new definition of workplace harassment is established and comes into force.	Adoption	Link
México	To guarantee fair and stable remuneration for workers in Mexico, the Constitutional Points Commission of the Chamber of Deputies unanimously approved an opinion that reforms article 123 of the Constitution, in order to ensure that the minimum wage does not fall below the inflation observed during its validity. The opinion establishes that the setting and annual review of general or professional minimum salaries must be adjusted to the inflation rate to prevent the salary from losing purchasing power. In addition, it prohibits the use of the minimum wage as an index, unit, base, measure or reference for purposes other than its nature.	In discussion	Link
Perú	Since the beginning of 2024, it was known that the Ministry of Labor and Employment Promotion saw that it was too early to discuss the RMV (minimum vital remuneration), which has been stagnant since May 2022 at S/1,025, when it was enacted. the increase by former president Pedro Castillo. But little by little, while Minister Daniel Maurate saw that the economy was indeed recovering (a condition that allowed him to discuss the issue), he announced that everything indicates that this increase could be discussed in the second half of the year.	In discussion	Link
Uruguay	The Chamber of Deputies approved a bill to regulate digital apps and will now go to the Senate. Among the main characteristics of the project that was approved in Deputies, it is established that digital platform workers will have their working hours limited to 48 hours per week and will be included within the general regulations on work accidents and occupational diseases, under the umbrella of the Bank. of State Insurance (BSE). Likewise, it is established that the employer has the duty to inform its workers about the existence of automated monitoring systems that are used to control work. The regulations state that workers have the right to receive an explanation from the company regarding any decision made by the employer that affects their working conditions. The company must also train the worker regarding traffic regulations, occupational hygiene and health.	In discussion	Link

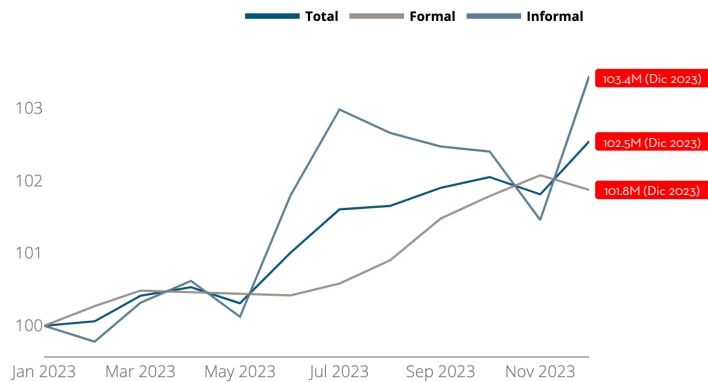
RELEVANT LABOR DATA AT REGIONAL LEVEL

Total Employment



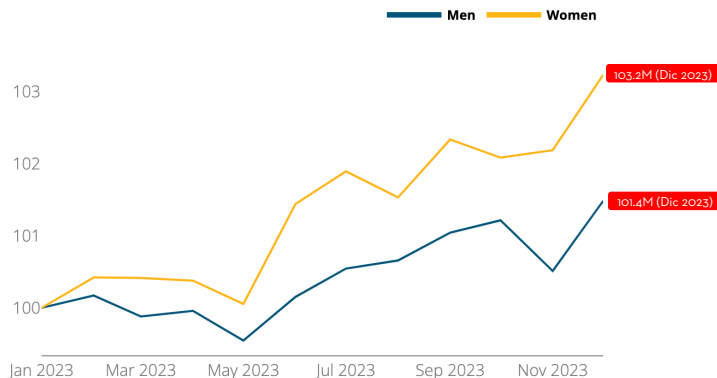
Source: Inter-American Development Bank

Evolution of Formal Employment



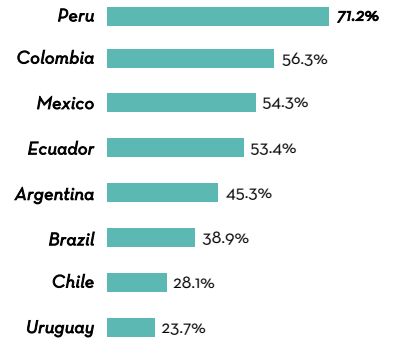
Source: Inter-American Development Bank

Change in Total Employment by Gender

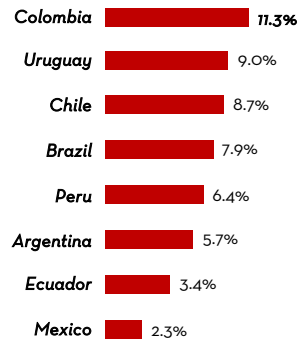


Source: Inter-American Development Bank

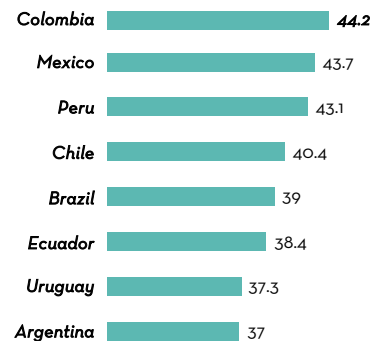
Informality Rate



Unemployment Rate



Hours Worked Per Week



ARGENTINA

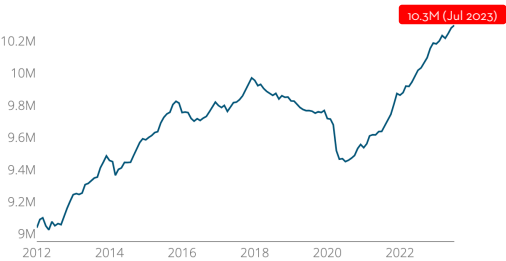
LABOR MARKET

The government of Javier Milei announced that it will audit the 1,222,000 pensions for work disability that there were in Argentina as of last December. This is a replica of the study that was carried out at the end of 2016, during the Cambiemos administration, when pensions were 1,037,931 throughout the country, the equivalent of 6.9% of the Economically Active Population (PEA) at that time. . Now they make up 8.6% of the EAP and 2.65% of the total population of Argentina.

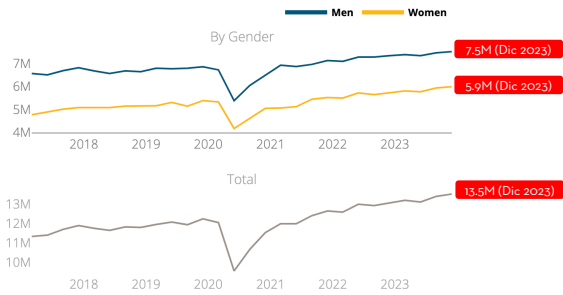
Continue reading [here](#)

Total population	47,076,507
Working population	21,842, 876
Formal Workers	13,353,273
Informal Workers	8,489,603
Unemployment Rate	5.7%
Informality Rate	45.3%
Minimum Wage	\$234.315,12

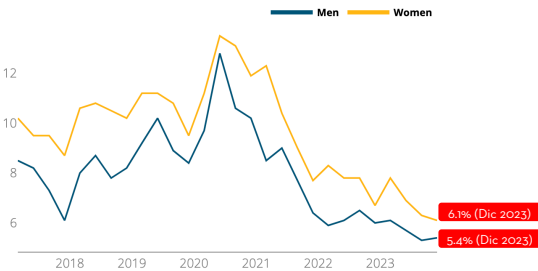
Evolution of Formal Employment



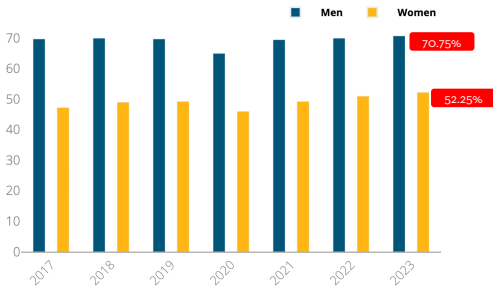
Total Employment by Gender



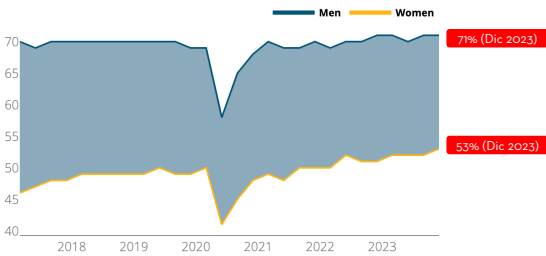
Unemployment Rate by Gender (%)



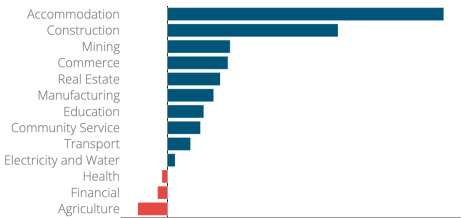
Labor Participation by Gender (%)



Gender Gap in Labor Participation Rate (%)



Year-on-Year Employment Growth by Economic Sector (%)



Note: People with registered salaried employment in the private sector, according to branch of main occupation activity

BRAZIL

LABOR MARKET

Brazil reaches one million formal jobs in the first five months of 2024. Employment growth during the first five months of the year has been driven by all main groups of economic activities. The Services sector leads the rebound, with a balance of 623,920 formal jobs, which is equivalent to 57.3% of the total generated in the period.

Continue reading [here](#)

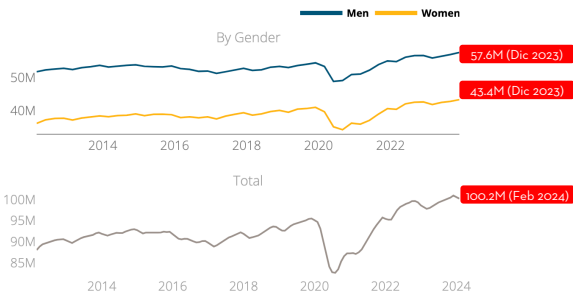
Total population	220,412,554
Working population	108,695,239
Formal Workers	50,856,000
Informal Workers	38,800,000
Unemployment Rate	7.9%
Informality Rate	38.9%
Minimum Wage	R\$ 2,081.50

Evolution of Formal Employment

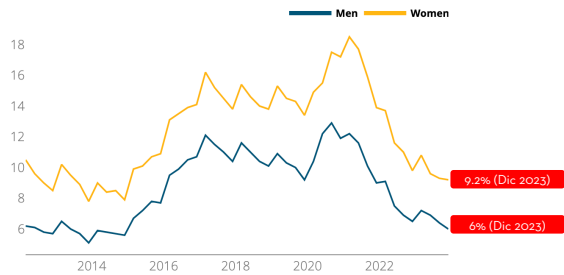


Nota: Desde 2016 se incluyeron empleadores y trabajadores por cuenta propia con CNPJ

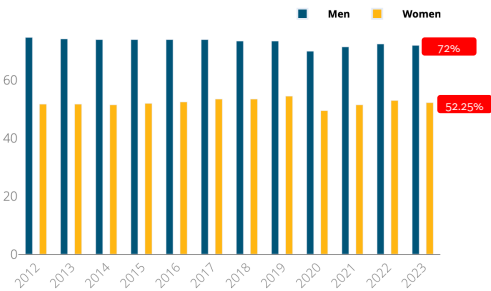
Total Employment by Gender



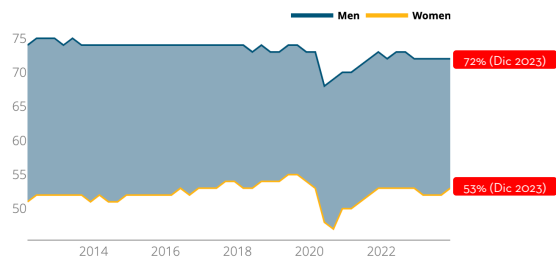
Unemployment Rate by Gender (%)



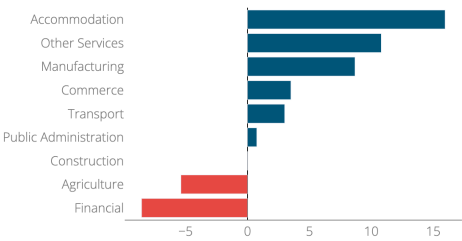
Labor Participation by Gender (%)



Gender Gap in Labor Participation Rate (%)



Year-on-Year Employment Growth by Economic Sector (%)



LABOR MARKET

On August 1, the Karin Law comes into force, which takes its name in memory of Karin Salgado, TENS who took her life in 2019, after suffering workplace harassment at the Herminda Martin Hospital in Chillán, Nuble Region. This is Law No. 21,643 that modifies the Labor Code to present indications on the prevention, investigation and punishment of workplace, sexual harassment or gender violence. This legislation protects employees who have a fixed-term, indefinite, work or task contract, in addition to independent workers who regularly provide services in the same place.

Continue reading [here](#)

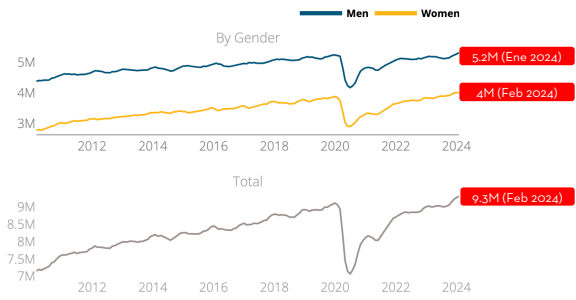
Total population	19,943,639
Working population	10,174,908
Formal Workers	9,339,296
Informal Workers	2,614,641
Unemployment Rate	8.7%
Informality Rate	28.1%
Minimum Wage	\$460,000

Evolution of Formal Employment

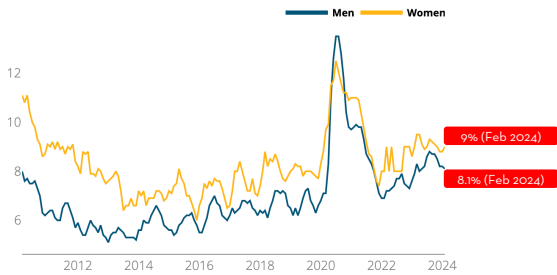


Nota: Desde 2016 se incluyeron empleadores y trabajadores por cuenta propia con CNPJ

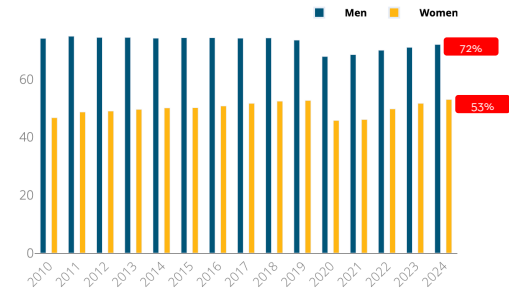
Total Employment by Gender



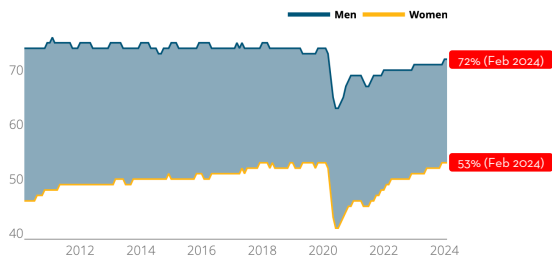
Unemployment Rate by Gender (%)



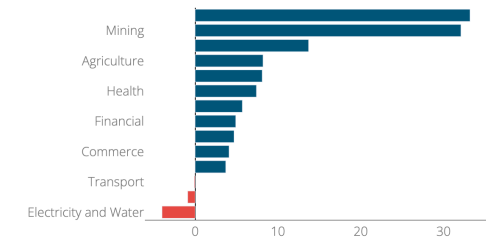
Labor Participation by Gender (%)



Gender Gap in Labor Participation Rate (%)



Year-on-Year Employment Growth by Economic Sector (%)



COLOMBIA

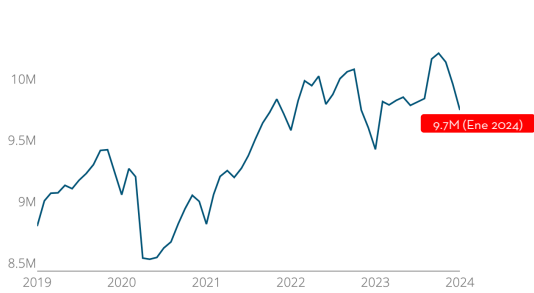
LABOR MARKET

Gustavo Petro promulgates pension reform in Colombia. This is his first achievement among the social proposals he promised during the campaign; The new scheme has a solidarity pillar, a semi-contributory pillar, another contributory pillar and a complementary voluntary savings component. The reform will benefit two million older adults. The new pension regime will start next July 2025.

Continue reading [here](#).

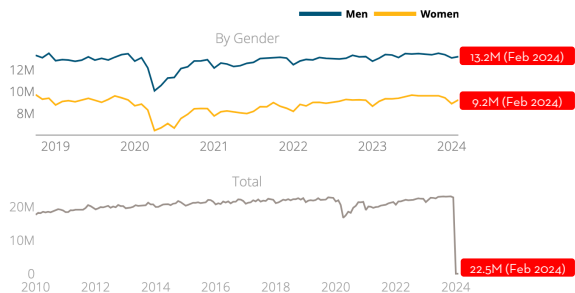
Total population	52,215, 503
Working population	22,700,000
Formal Workers	9,919,900
Informal Workers	12,780,100
Unemployment Rate	11.3%
Informality Rate	56.3%
Minimum Wage	\$1,300,000

Evolution of Formal Employment

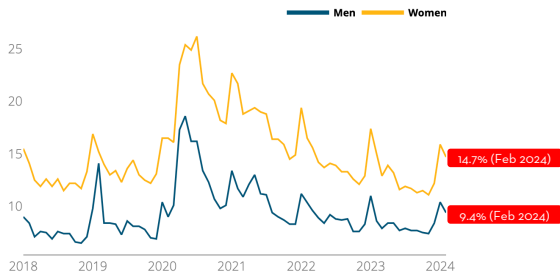


Nota: Desde 2016 se incluyeron empleadores y trabajadores por cuenta propia con CNPJ

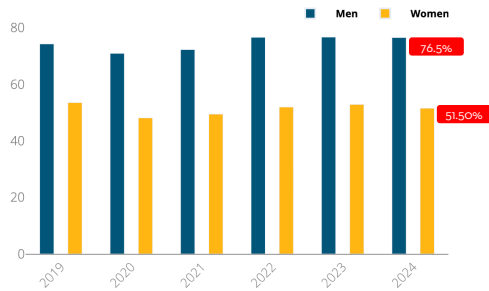
Total Employment by Gender



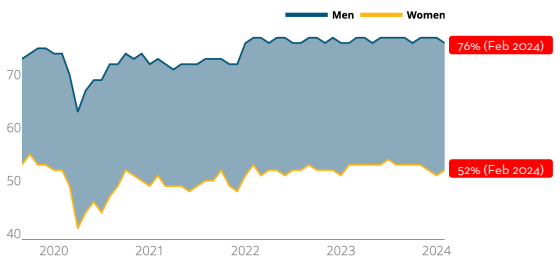
Unemployment Rate by Gender (%)



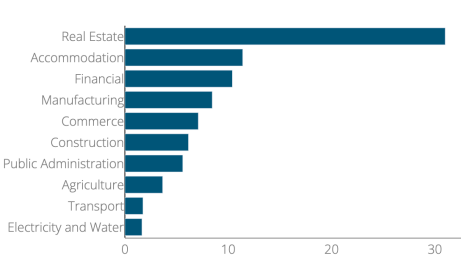
Labor Participation by Gender (%)



Gender Gap in Labor Participation Rate (%)



Year-on-Year Employment Growth by Economic Sector (%)



ECUADOR

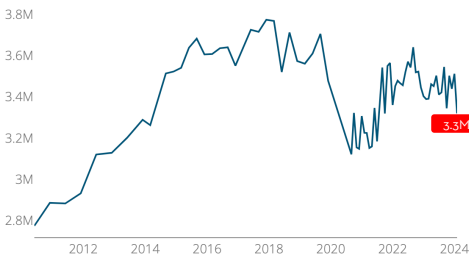
LABOR MARKET

On June 20, 2024, a new legal initiative was presented in the National Assembly to promote the use of Artificial Intelligence (AI) in Ecuador. The project, in its 83 articles, seeks to develop a comprehensive regulatory framework to regulate the current and future impact of AI on fundamental rights, equality, diversity and social cohesion in the country. Furthermore, it recognizes the transformative potential of AI to accelerate the country's economic, social and environmental progress, and improve the efficiency of public and private services. The initiative will also seek to promote the training of human talent to develop technical, ethical and socially responsible capabilities necessary in an inclusive digital ecosystem and guarantee the protection of personal data in all processing activities carried out by AI systems. In addition, four levels of risk are established to be considered in the implementation of AI systems: low risk, when it may minimally impact the rights and well-being of people; moderate risk, if they affect the legal interests of people; high risk, if it causes serious or irreversible damage to the integrity of people and; extreme risk, if it directly attacks human dignity, democratic principles or national security.

Continue reading [here](#)

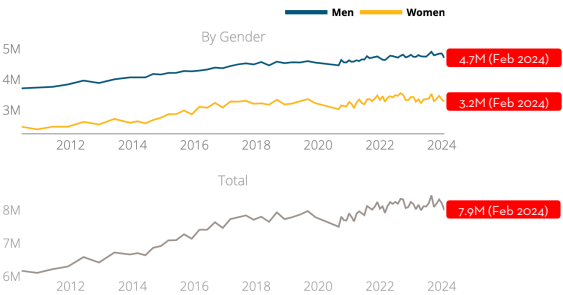
Total population	18,738,860
Working population	8,608,443
Formal Workers	3,300,000
Informal Workers	4,440,613
Unemployment Rate	3.4%
Informality Rate	62.9%
Minimum Wage	USD 460

Evolution of Formal Employment

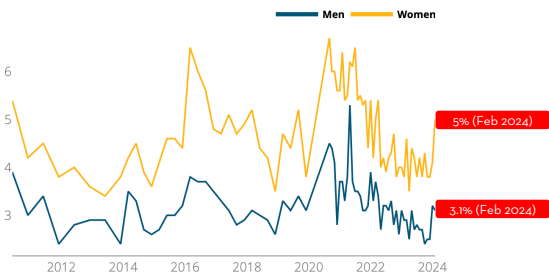


Note: Since 2016, employers and self-employed workers with CNPJ were included

Total Employment by Gender



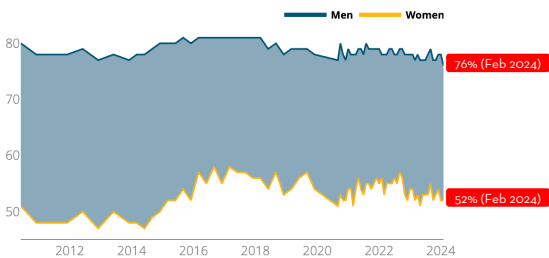
Unemployment Rate by Gender (%)



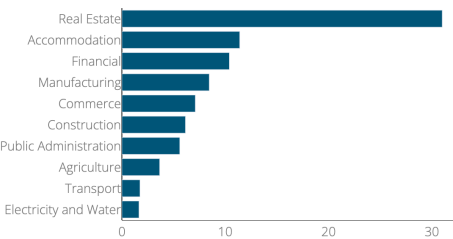
Labor Participation by Gender (%)



Gender Gap in Labor Participation Rate (%)



Year-on-Year Employment Growth by Economic Sector (%)



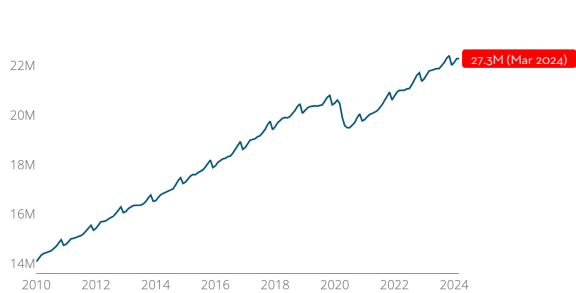
LABOR MARKET

The Constitutional Points Commission of the Chamber of Deputies began with the analysis of the proposals for reform of the Political Constitution, sent by the head of the Federal Executive. The first ruling endorsed by the legislative body was the one that modifies article 123 of the Magna Carta, which seeks that the State grant monthly economic support equivalent to at least a current minimum wage to young people between 18 and 29 years old who are in work or school unemployment. The project, which was endorsed with 37 votes in favor and one abstention, states that said support will help young people train for work for a period of up to 12 months in businesses, companies, workshops, stores and other economic units.

Continue reading [here](#)

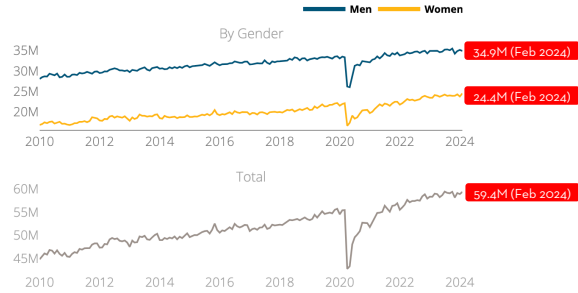
Total population	136,152,072
Working population	60,663,120
Formal Workers	27,334,828
Informal Workers	32,483,446
Unemployment Rate	2.3%
Informality Rate	54.3%
Minimum Wage	\$7,571.62

Evolution of Formal Employment

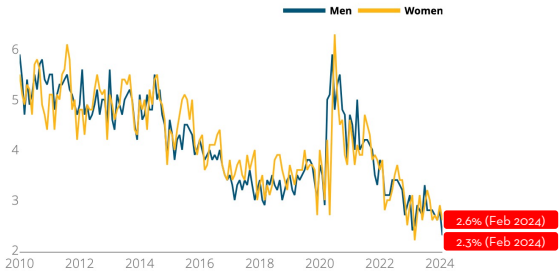


Note: Since 2016, employers and self-employed workers with CNPJ were included

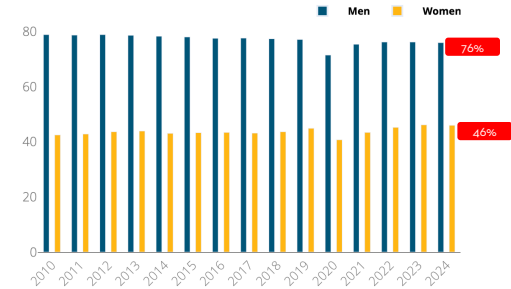
Total Employment by Gender



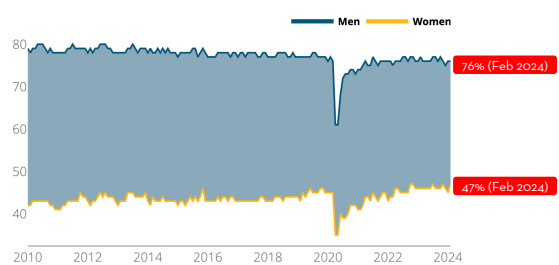
Unemployment Rate by Gender (%)



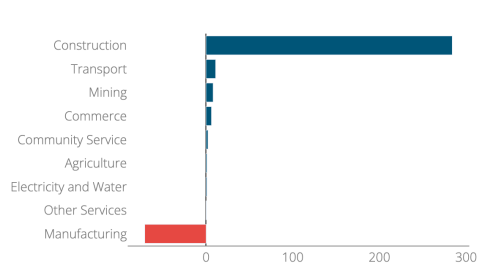
Labor Participation by Gender (%)



Gender Gap in Labor Participation Rate (%)



Year-on-Year Employment Growth by Economic Sector (%)



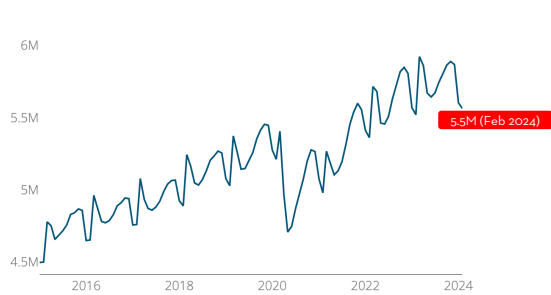
LABOR MARKET

The Minister of Labor and Employment Promotion, Daniel Maurate, revealed that, according to figures from the National Institute of Statistics and Informatics (INEI), employment among women increased to 6.3%, while among men it increased to 3.3%. This is an indicator that 2024 is being a favorable year economically. According to Minister Maurate, last April the Peruvian economy grew more than 5%; the same thing happened in May.

Continue reading [here](#)

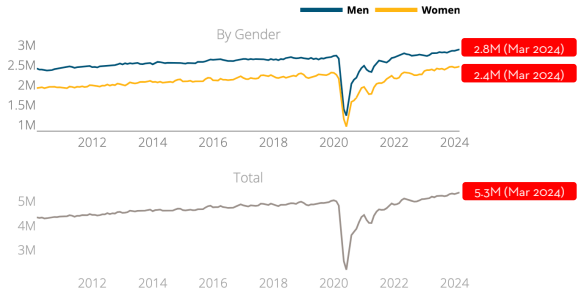
Total population	34,683,883
Working population	18,328,900
Formal Workers	5,500,000
Informal Workers	12,255,513
Unemployment Rate	6.4%
Informality Rate	71.2%
Minimum Wage	1.025 soles

Evolution of Formal Employment



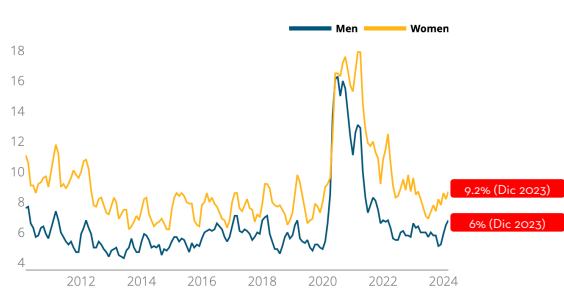
Note: Since 2016, employers and self-employed workers with CNPJ were included

Total Employment by Gender



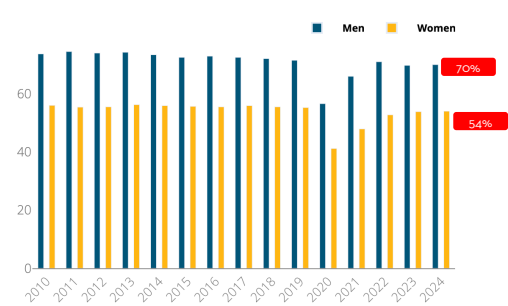
Note: These data correspond to the Metropolitan Lima area

Unemployment Rate by Gender (%)



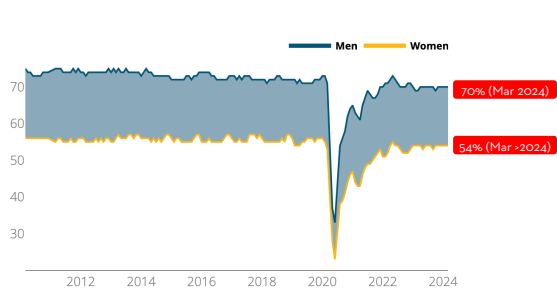
Note: These data correspond to the Metropolitan Lima area

Labor Participation by Gender (%)



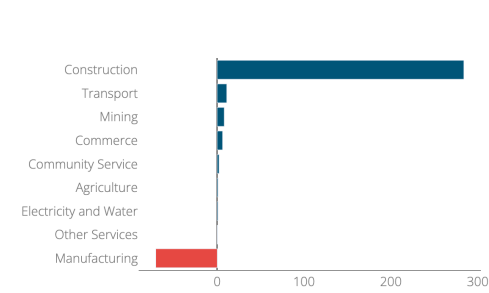
Note: These data correspond to the Metropolitan Lima area

Gender Gap in Labor Participation Rate (%)



Note: These data correspond to the Metropolitan Lima area

Year-on-Year Employment Growth by Economic Sector (%)



Note: These data correspond to the Metropolitan Lima area

URUGUAY

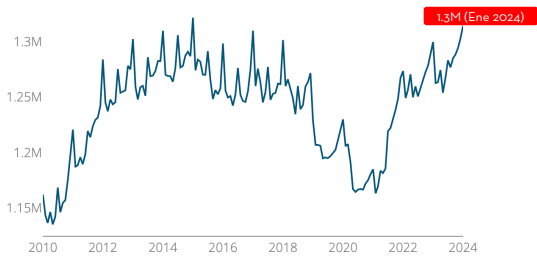
LABOR MARKET

The Uruguayan Senate unanimously approved a bill that extends paternity leave to 20 consecutive days and establishes a “paternal jurisdiction” to prevent companies from firing those during the 30 days following their return to work. The proposal, which had already been discussed in the Chamber of Deputies, became law.

Continue reading [here](#).

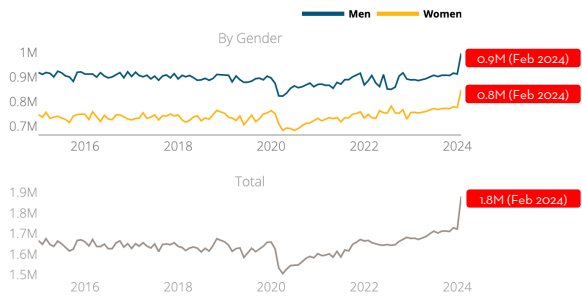
Total population	3,519,263
Working population	1,775,121
Formal Workers	1,550,000
Informal Workers	386,330
Unemployment Rate	9.0%
Informality Rate	23.7%
Minimum Wage	\$ 22,268

Evolution of Formal Employment

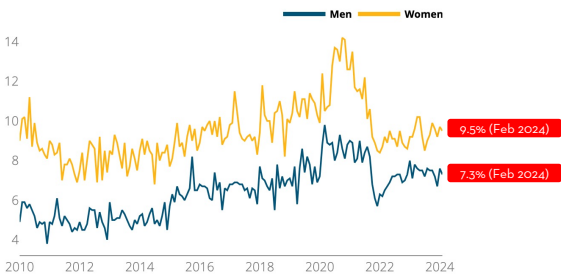


Note: Since 2016, employers and self-employed workers with CNPJ were included

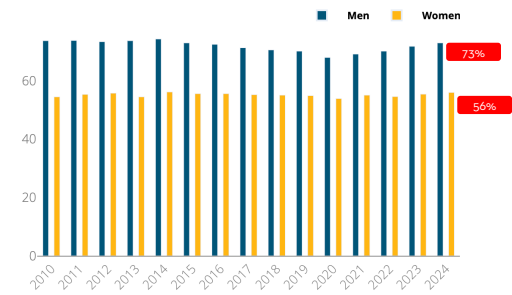
Total Employment by Gender



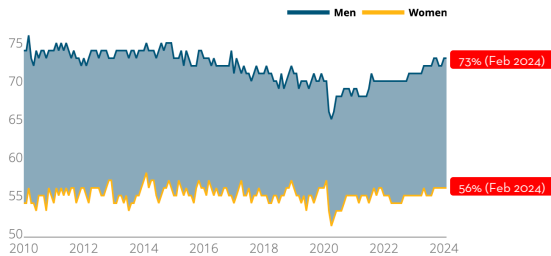
Unemployment Rate by Gender (%)



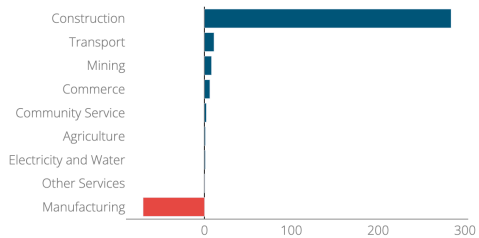
Labor Participation by Gender (%)



Gender Gap in Labor Participation Rate (%)



Year-on-Year Employment Growth by Economic Sector (%)





Labor Market Report & Political Perspectives in Latin America

This is a publication for clients, where we share an overview of the evolution of public labor policies in the Latin American countries where the Adecco Group has a presence.

For more information about the report or to request a customized report, contact [Public Affairs Latam](#) by clicking [here](#).