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Latin American labor market and labor policy under the impact of the COVID-19 epidemic

Gao Qingbo

Abstract: In order to explore the impact of the COVID-19 epidemic on the Latin American labor market, this article examines the changing characteristics of the Latin American labor market and the response policies of various countries under the impact of the COVID-19 epidemic, and analyzes the impact of the epidemic on the Latin American labor market and labor policies. In the context of the COVID-19 epidemic, Under the impact of the epidemic, the Latin American labor market's already slowly deteriorating key indicators such as employment, unemployment, working hours and wage levels have deteriorated rapidly across the board. Informal employment, which had played a counter-economic cycle role in the past, is also shrinking under the impact of the epidemic, resulting in many Workers have withdrawn from the labor market. In order to cope with the impact of the COVID-19 epidemic, Latin American countries have mainly adopted various forms of job retention policies and employment subsidy policies. However, the active employment policies that once dominated the labor policies of Latin American countries are difficult to deal with the epidemic alone. However, in view of the fundamental changes in the demographic structure of Latin America, the fiscal balance pressure faced by various countries, and the inherent problems in the labor market, the emergency job retention policies and employment subsidy policies of various countries are difficult to last. In the future, Latin

American labor market policies are more likely to Return to the path of focusing on active employment policies.

Keywords:

COVID-19, labor market, active employment policies, job retention, employment subsidies. About the author: Gao Qingbo, PhD in management,

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In 2020, the COVID-19 epidemic swept the world, and Latin America and the Caribbean (hereinafter referred to as "Latin

America") were also deeply affected. As of the end of 2021, a total of 48 million people have been reported to be infected with COVID-19

in Latin America. The death toll exceeded 1.5 milliony. This major disaster with the characteristics of a "pandemic" has severely

damaged many pillar sectors in Latin America through dual cyclical and structural paths, worsening the regional economy that has

suffered from sluggish growth in recent years. The long-standing problems in Latin American society have Issues such as poverty,

inequality, and lack of social protection have been exposed by the impact of the epidemic. The labor market, which connects the

economy, society, and people's livelihood, has also suffered a huge impact during the epidemic, and has shown different characteristics from the past.

The Latin American labor market under the impact of the COVID-19 epidemic

In the early stages of the COVID-19 outbreak, most Latin American countries quickly took drastic measures to prevent the spread of the epidemic (except for some countries such as Brazil). Specific measures included national or regional quarantines, travel bans, and the closure of most public places. However, these measures only delayed the spread of the epidemic. Although the epidemic is spreading rapidly, it cannot stop the spread of the epidemic. The reasons are: first, the health service level in Latin America is limited, and the health systems of many countries are overwhelmed. Second, before the epidemic, Latin American society had widespread poverty and informal employment problems. In response to the epidemic, These measures have caused a considerable number of groups to fall into survival difficulties. Under such circumstances, while the Latin American labor market has shown an all-round deterioration trend under the impact of the epidemic, there have also been varying degrees of fragmentation and fragmentation.

(1) Employment and

unemployment labor demand, as a derived demand, requires the participation of other factors before it can be transformed into production factors. Therefore, the structural characteristics of the labor market in a specific period are closely related to the degree of economic development. In the long term, the labor market is still It is affected by society and demographic structure. However, in the short term, the demographic structure is almost impossible to change. The speed of social development and evolution is relatively slow. Therefore, in the short term, economic shocks have a more direct impact on the labor market. Under the

impact of the new crown epidemic, Latin America's major trade Partners' economic activities have declined, demand for tourism services has plummeted, and the impact of the epidemic has led to a decline in commodity prices, disruption of global industrial value chains, increased investor risk aversion, and deterioration of the international financial environment (remittances have dropped significantly). Under the influence of the above multiple factors ÿ Latin America's GDP growth rate in 2020 was -69% ÿÿ Affected by the epidemic, it is estimated that more than 2.7 million companies

ÿ Data sourced from WHO Coronavirus (COVID-19) Dashboard With Vac cination Data https://covid19

ÿ This will inevitably lead to the reduction of jobs, and directly lead to a decline in employment and an increase in unemployment. From 2019 to 2020, the

proportion of Latin America's employed population in the total population dropped rapidly from 59.6% to 67 percentage points. At the percentage , same time, At the same time, the unemployment rate climbed rapidly to 10% and above 529%, with an increase of 23 points. It is estimated that the employment situation will improve in 2021, but the unemployment rate will continue to rise, and it is not expected to recover by 2022. to the level before the outbreak (see Figure 1) ÿ

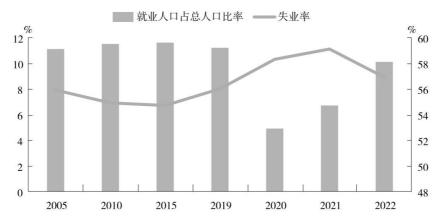


Figure 1 Overview of changes in the employment-to-population ratio and unemployment rate in Latin America in recent years

Note: The data statistics time is 2020 or the latest year. The effective coverage rate is the proportion of the number of insured people to the number of people who should be insured. The data in 2021 and 2022 in the figure are the predicted values of ILCO.

Data source: Compiled based on ILOSTAT data. https://ilostatiloorg/[2021 - 11 - 30]

During the epidemic, the labor market performance of Latin American countries varied. In terms of employment, compared with the same period before the epidemic (second quarter of 2020), the country with the most serious decline was Peru, where the proportion of employed population in the total population plummeted by 28%. 1 percentage point. The proportion of employed population in the total population in countries such as Argentina, Chile, Colombia and Mexico also dropped by more than 10 percentage points. In terms of unemployment, the country with the largest increase in unemployment rate was Costa Rica, whose unemployment rate increased by 12% year-on-year. By 1 percentage point, the unemployment rate in Colombia increased by 10 percentage points. The unemployment rates in other countries also increased to varying degrees (see Figure 2).

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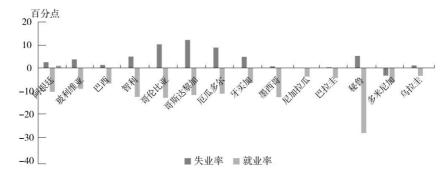


Figure 2 Year-on-year changes in unemployment and employment rates in some Latin American countries in the second quarter of 2020

Note: These data are not strictly comparable. The reasons are: First, different countries and regions define labor indicators.

The methods are different. Secondly, the COVID-19 epidemic has led to limited information collection. This problem exists in the country-based comparisons in the following article.

Source: ECLAC Social Panorama of Latin America 2020 (LC/ PUB 2021 / 2 - P)ÿ Santiago de Chile

According to the previous calculation of the proportion of employed population, it can be seen that from 2019 to 2020, the employed population in Latin America decreased by 28 million, while the unemployed population increased by 5 million, which means that 23 million people have withdrawn from the labor market. This change starts from the labor market. This can be visually verified from the participation rate indicator - from 2019 to 2020, the labor participation rate in Latin America dropped from 64.3% to 58.9%, and the corresponding labor participation population dropped from 31.5 billion to 29.2 billion.ÿ

Under the impact of the COVID-19 epidemic, Latin America has seen a rare phenomenon in the labor market in the past - a large number of workers have withdrawn from the labor market (converted into the non-labor force). In the past, during economic crises in Latin America, unemployment and informal employment often increased at the same time. The size of the labor force will not decliney. The more likely reason for the decline in the size of the labor force in Latin America is the way unemployment statistics are defined. Although unemployment statistics standards vary across the world, the commonly used definition method is: in a specific During the period (usually one month), workers within the working age who have the ability to work and the willingness to work, and have taken corresponding actions but are still not employed (the paid labor time is less than a certain number of hours). This definition starts from the date of birth. There is a problem of "frustrated" deeply unemployed people, that is, people who are not unwilling to look for work but who really can't find a job and finally give up looking for a job. According to the statistical definition of unemployment, they are not unemployed (Because no action was taken, they were considered to have no willingness to find employment) and were instead defined as non-labor force. Under the impact of the epidemic, job

opportunities have dropped significantly in the short term, which will inevitably lead to a large number of labor force people unable to find jobs.

The epidemic prevention policy has directly restricted the action of looking for work. According to the definition of unemployment statistics, both "frustrated" workers and workers who are unable to take action will be counted as non-labor force, and the size of the labor force has therefore rapidly increased. Decline ÿ Generally speaking, under the impact of the epidemic, the employment rate has declined, the unemployment rate has increased, and the labor participation rate has declined. The Latin American labor market is at its worst moment since the beginning of the 21st century.

(2) Working hours and wages

The impact of the COVID-19 epidemic on the labor market is also reflected in the reduction of working hours and lower wages. On the one hand, this is the result of the impact of the epidemic. The loss of job opportunities will inevitably lead to the reduction of working hours. On the other hand, this is also the result of the measures taken by all parties to respond to the epidemic. ÿ In order to maintain the employment relationship, companies in Latin America have adopted measures such as early leave, reduction of working hours, implementation of job retention schemes or temporary work suspensions. which have resulted in reduced working hours and lower wages.

Under the impact of the COVID-19 epidemic, the lost working time in Latin America (compared to before the epidemic) was as high as 16.7%.

ÿ It is the most severely damaged region in the world. The country with the most lost working time in Latin America is Peru, with a loss of 29% in 2020.

Argentina, Panama and Honduras also lost more than 20% of their working hours. It should be pointed out that although Brazil adopted different epidemic prevention policies during the COVID-19 epidemic, Brazil still lost 15.7% of its working hours, which was even slightly higher than that in Latin America. It is estimated that Latin America will continue to face a loss of working hours in 2021 (see Figure 3).

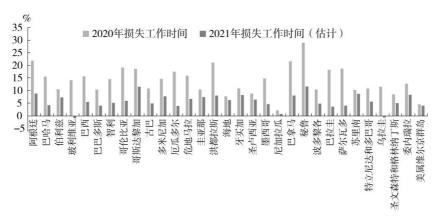


Figure 3 Overview of working hours lost due to the COVID-19 epidemic in Latin America

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ÿ Under normal conditions, labor market participation decision-making is the result of workers comparing the cost-benefit of labor and leisure with the equilibrium value of the labor market. Under the impact of the epidemic, there are obviously factors that reduce work income. This will be discussed later. Detailed analysis of wace decline.

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If calculated based on each person working 48 hours per week, the working hours lost in Latin America in 2020 is equivalent to 36 million full-time jobsÿ. If calculated based on 40 hours worked per week, it is equivalent to the loss of 43.2 million full-time jobs. Both are much larger than the sum of the population who have withdrawn from the labor market and the unemployed population (28 million) in the previous article. It should be pointed out that the standard of 8 hours per day is used to calculate the loss of full-time job data (the two standards are the European upper limit standard and the Chinese upper limit standard), and U.S. standards). However, due to the low unemployment statistical standards in various countries - usually based on less than a few hours of paid work per month (the minimum is only one hour), the calculation result is far lower than the true number of jobs lost. ÿ does not fully represent the extent of the deterioration of the labor market in Latin America.

The loss of working hours is accompanied by a decrease in wages. In 8 countries with available data: Argentina, Belize, Brazil,

Dominica, Ecuador, Mexico, Paraguay and Uruguayÿ, wage decreases occurred to varying degrees in 2020. Phenomenon. Among them,

Brazil, which relies on tourism as its economic pillar, has many loose epidemic prevention policies.

The situation in Dominica is the most serious. Its salary level is only 74.3% of the pre-epidemic $\,^{_{\bar{y}}}$

level. It has not been able to escape the decline in wages. Its salary is only 82.7% of the pre-epidemic level (see Figure 4).

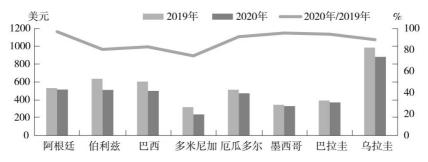


Figure 4 Wage changes in some Latin American countries before and after the epidemic

Data source: Drawn based on ILOSTAT data. https://ilostatiloorg/data/[2021 - 11 - 30]

The decline in wages has directly led to an increase in the size of the working poor in Latin America. In 2019, the total number of working poor (income less than 32 US dollars/day) in Latin America was 23 million people, of which 900 were extremely poor workers with incomes less than 19 US dollars/day. Thousands. In 2020, the working poor population in Latin America expanded to 28 million people, of which the number of extremely poor workers increased to 10 million. The total number of working poor people in the working population

ÿ The average wage may also rise during a crisis. The reason is the structural contradiction of unemployment. In a crisis, low-wage workers are often unemployed in large numbers. As a result, the statistical average wage rises. Although there is a lack of official data, it is estimated that there is a high probability in some Latin American countries. There has been a rise in average wages in a statistical sense, especially in countries with skyrocketing unemployment rates. Therefore, wage changes under the impact of the epidemic are not strictly comparable, and there is a tendency to underestimate the seriousness of the problem.

The proportion also increased from 8% to 10 6% ÿ. Under the impact of the epidemic, the poverty problem that has long plagued Latin America has become

More serious

(3) Informal employment and skills structure

In Latin America, informal employment plays a countercyclical role to some extent.

When the economy is booming, the proportion of informal employment in the population decreases, and in times of economic crisis, employment from the formal private sector is absorbed.

The unemployed in the labor force. For example, under the impact of the "subprime" crisis and the European debt crisis in 2008-2009, although

GDP in Latin America has declined, but employment has maintained a growth of 11% y, mainly due to the unemployment of unemployed workers.

people turn to informal employment. What is different from the past is the rapid shrinkage of informal employment during this epidemic.

is shrinking faster than total employment, which prevents most workers who have lost their jobs from converting into informal employment.

The reasons for this are: first, the number of jobs has dropped sharply in a short period of time; second, the widespread adoption of measures to prevent the epidemic Social distancing policies have a greater impact on practitioners with lower levels of education and skills—in

Among Latin American informal workers, 64.4% have never gone to school or have only received primary educationÿÿ

The epidemic has also quietly changed the skill demand structure of the labor market in Latin America. In low-skilled positions,

In terms of employment, low-skilled jobs employed 82 million people in 2019, accounting for 28.3%. In 2020, low-skilled jobs accounted for 28.3% of the total.

- - ÿ Gao Qingbo: "Latin American Labor Market and Informal Employment", in "Latin American Studies", Issue 4, 2010, pp. 49-54.
- - ÿ The data is queried from ILOSTAT

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The number of skilled jobs decreased by 8 million, accounting for 28.2% of the total employed population. § In middle-skilled positions

The total number of medium-skilled jobs in 2019 was 14.8 billion, accounting for 51% of the total number of jobs. In 2020, the number of medium-skilled jobs decreased by 16 million, accounting for 51% of the total number of jobs. In 2019, the total number § in high-skilled positions

of high-skilled jobs was 60 million, accounting for 207%. In 2020, the number of high-skilled jobs dropped by 3 million, but their proportion in the total number of jobs increased to 21 7% ÿÿ

During the epidemic, although "social distance" policies are being used almost all over the world, not all jobs can be worked from home the more low-wage, low-skilled, and low-educated workers are, the more affected they will be by the epidemic. For the vast majority of workers
working in the informal economy, working from home has never been a realistic option. While the epidemic has worsened the overall labor market
situation, it has also

Increased the degree of differentiation in the labor market.

2. Main labor policies in response to the epidemic in Latin American countries

During the epidemic, although the health measures and socioeconomic policy models of Latin American countries in response to the crisis varied from country to country, in the labor market, the emergency policies of each country were basically the same, mainly consisting of various forms of job retention policies and employment subsidies. Policy compositionÿÿ

(1) Job Retention Policy During the

epidemic, the blockade and isolation policies adopted to prevent the epidemic directly interrupted labor activities. Under this situation, it is necessary to allow as many employees as possible to stay in their jobs, maintain the employment relationship, and maintain workers' income.

The job retention policy has become a natural choice for Latin American countries. It should be noted that the job retention policy adopted by Latin America during the epidemic is not a new policy. This policy is essentially part of the traditional (negative) employment policy. There were many successful cases during the global financial crisis in 2009. Economic crises occurred frequently in Latin America, and most countries had some experience in implementing job retention policies. In the sudden outbreak of the COVID-19 crisis, this policy was once again used urgently and expanded. Coverageÿ

Argentina has adopted a direct payment subsidy approach and banned layoffs and forced vacations. Brazil has authorized companies to significantly reduce working hours and maintain wages unchanged within a certain period of time. Colombia, Costa Rica, Peru, Dominica, El Salvador, Paraguay, and Trini Both Darfur and Tobago are

ÿ Other translations of the term "job retention" include job retention, job maintenance, etc.

Enterprises or employees provide direct cash transfers. In terms of funding sources, in addition to finance at all levels, some countries have made use of existing social security projectsy. For example, Paraguay implements subsidy policies through the Social Security Institution (IPS), and Peru implements subsidy policies. Using funds from social health insurance (ESSalud), Argentina allows companies to reduce pension contributions by 90% to 95% (see Table 1).

Table 1 Wage subsidy policies adopted by nine Latin American countries during the COVID-19 epidemic

nation	main content			
Argentina issues wage	subsidies, bans dismissals and compulsory leave, and reduces pension plan (SIPA) contributions by 90% to 95%			
Brazil	Authorized companies can reach an agreement with individuals to reduce working hours to 25% of original working hours , 50% or 70% , while keeping wages unchanged (up to 90 days), and allow up to 60 days of leave.			
Colombia	Employers can apply for a subsidy equivalent to 40% of the minimum wage for each contributor (PILA) between May and December 2020 by providing proof of income reduction of 20% or more. The upper limit of the number of employees applying is those registered in February of the same year. Number of peopleÿ			
costa rica	Provide temporary income transfer payments to workers who have experienced a reduction in income, including being laid off, having their hours reduced, or being furloughed.			
dominican	A cash transfer program that provides emergency relief to workers in the sectors most affected by the epidemic. The government provides each worker with a monthly cash transfer of 5,000 to 8,500 pesos (equivalent to 70% of salary).			
El Salvador provides a	El Salvador provides a 50% wage subsidy for employees of small and medium-sized enterprises and provides preferential financing to the informal sector.			
Paraguay	Provide suspension or vacation subsidies to workers whose income does not exceed twice the minimum wage. The cash transfer amount is equivalent to 50% of the minimum wage and is implemented by the Social Security Institution (IPS).			
Peru	Furloughed workers can receive benefits through health insurance channels. In addition, private sector employers will receive a subsidy of not more than 35% of their employees' total monthly remuneration (up to a maximum of 1,500 soles per person).			
Trinidad and Tobago	Provide employees affected by the epidemic with a monthly subsidy of 1,500 Trinidad and Tobago dollars for three months.			

In addition, Latin American countries have also expanded the scope of unemployment insurance payment and provided various forms of subsidies for reductions in work income caused by vacations (mandatory or in advance), suspension of working relationships, and reductions in working hours. For example, the governments of Chile and Uruguay Provide leave subsidies and bear half of the reduction in work income. In order to make up for the decline in work income, Colombia allows insured persons to withdraw funds from the unemployment insurance severance account, Costa Rica allows withdrawals from the unemployment insurance capital accumulation account, and Peru allows withdrawals from the unemployment insurance capital accumulation account. Funds are withdrawn from the Unemployment Insurance Working Years Fund (see Table 2).

ÿIn the Chinese context, even the narrow sense of social security includes all social insurance projects including pension insurance. However, in the Latin American context, the term social security is basically equivalent to the pension insurance system. The term social security here is Chinese Social security in context. In the following article, Paraguay's social security institution is essentially a pension insurance institution (but its name is still a social security institution).

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Table 2 Five Latin American countries' attempts to expand unemployment insurance payment coverage during the COVID-19 epidemic

nation	Eligibility criteria and benefits payments			
Chile	Three special circumstances have been added to the qualifications: temporary closure of the company, vacation and temporary reduction of working hours. The benefit level of vacation remains the same as that of dismissal. The benefits of reduced working hours are shared between the employer and the insurance - the employer pays the work part, and the insurance covers it Half of the unworked part			
During the Colombian epidemic, part of the employee's income reduction can be made up by withdrawing part of it from the severance pay account.				
costa rica	When wages fall due to factors such as the suspension of the employment relationship or the reduction of working hours, workers can withdraw funds from the accumulation of labor capital funds to make up for it.			
Peru	Employees on leave are allowed to withdraw up to 2,400 soles per month from the length of service compensation fund.			
Uruguay extends	Uruguay extends work suspension and reduced working hours to workers.			

In the first year of the COVID-19 outbreak in Latin America, various forms of job retention policies dominated labor market policies in various countries. It is estimated that these policies saved about 5 million jobsy. Overall, although job retention policies Certain results have been achieved, but it is still far from the goal of eliminating the impact of the epidemic.

(2) Employment subsidies

After overcoming the initial impact of the epidemic, Latin American countries have gradually relaxed epidemic prevention policies to varying degrees. In order to restore normal labor market conditions as soon as possible, Latin America urgently needs to take measures to encourage the unemployed and non-labor force groups to re-engage in employment., and restore formal employment levels. To this end, some

Latin American countries introduced employment subsidy policies in 2021, which are generally the same as the countermeasures adopted by developed countries. Employment subsidy policies provide various types of subsidies to companies that employ workers to reduce employment costs. Cost-effective labor policy, which aims to influence the labor market equilibrium by changing the employment costs of enterprises and improve the overall employment level of society. The Latin American employment subsidy project began in 2003 as the national work stimulus project implemented by Brazil.

(PNPE), this project aims to enable first-time workers aged 16 to 24 to gain work experienceÿÿ

During the epidemic, the focus groups of employment subsidy policies in different countries were obviously different. Argentina and the Bahamas focused on small, medium and micro enterprises. Argentina provided a 12-month subsidy for young workers newly hired by small and medium-sized enterprises. The Bahamas provided subsidies to small and micro enterprises employing less than 10 people. Businesses provide subsidies. Colombia focuses on

For light workers, the subsidy amount is 25% of the salary. Peru's employment subsidy obtains funds from the medical security fund, and the beneficiaries are private enterprises that hire new employees. Uruguay's employment subsidy consists of different policies for four groups of people: 1. It is a temporary subsidy for hiring unemployed youth. The second is a subsidy for hiring young workers (first-time workers). The third is a policy for college graduates and unemployed youth aged 15 to 29. There are two implementation methods: subsidies and paid training. Fourth It is the employment of other special vulnerable groups, including workers over 45 years old and people with disabilities. Chile provides cash subsidies to newly hired employees, employees returning to work from leave, and employers with the above situations. There are two subsidy qualifications. The requirements are clear. First, each enterprise must have a maximum of 199 people. Second, workers' wages must reach more than twice the minimum wage standard (see Table 3).

This means that the purpose of Chile's employment subsidy policy is to rebuild formal employment relationships with a certain quality.ÿ

Table 3 Employment subsidy programs in six Latin American countries

nation	Target groups	content	Replenish
Argentina	Small and medium-sized enterprises that employ workers aged 18 to 24 (with secondary education or above)	Provide new employees with a 12-month subsidy equivalent to 50% to 90% of the total salary. Among them, the per capita subsidy amount for micro enterprises is 18,000 pesos/month, for small enterprises 14,000 pesos/month and for medium-sized enterprises 11,500 pesos/month. In addition ŷ Social security contributions in the first year of employment are reduced by 95% (for women) and by 90% for men.	The program offers the possibility of integration with the previous training program - the Micro, Small and Medium Enterprises Program (MSME). MSME provides vocational training lasting several months.
Bahamas	Companies hiring new employees	Companies are able to claim VAT credits - up to BHD\$400 per employee per week. Applications are capped at 10 new employees.	The company must have good social security and tax reputation, and new employees must be hired full-time.
Chile	Employees with new employment contracts	This benefit is paid directly to eligible workers. Among them, 50% of the monthly gross salary for men between 25 and 55 years old, with a ceiling of 200,000 pesos; for women, young people between 18 and 24 years old, men over 55 years old, and persons with disabilities For disability pensioners, the subsidy amount is 60% of the gross monthly salary, subject to a maximum of 250,000 pesos.	From August 2021 to December of the same year, workers' wages must reach twice the minimum wage or more.
	Employers with furloughed employees returning to work (February-December 2021)	160,000 pesos per month for men aged 24 to 55 years, 200,000 pesos per month for women, young people between 18 and 24 years old, men over 55 years old, persons with disabilities and disability pensioners.	Maximum of 199 employees. The labor contract shall be effective before May 31, 2021. The workers' monthly salary is 3 times the minimum wage or more and they have taken leave in accordance with the Employment Protection Law.

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Chile	Employer Employment Incentives (June-December 2021)	Subsidies for those who are not on the payroll as of May 31, 2021: 50% of gross monthly salary for men between 25 and 55 years old, capped at 200,000 pesos, women, young people between 18 and 24 years old, men over 55 years old, persons with disabilities and disability pensioners are subject to a maximum monthly gross salary of PHP 250,000.	The maximum number of employees is 199, and the number of employees must be increased after May 31, 2021. The monthly salary of workers is 3 times the minimum wage or above.
Colombia	Employers who employ employees aged 18 to 28 (March-December 2021)	The subsidy amount per person is equivalent to 25% of the minimum waga	Employers are required to add workers starting from March 2021.
Peru	Private businesses hiring new employees	Receive subsidies from social medical insurance, the amount does not exceed 2400 soles / person.	Sales volume has dropped by 20% or more, has a tax number and tax registration address, and declared and paid workers' wages, social health insurance contributions and income tax withholding, the total number of employed workers has increased (compared to October 2020), and wages must not be lower No collective layoffs are allowed while receiving the subsidy of 2,400 soles.
Uruguay	Employers who employ the following people: people over 45 years old, people with disabilities, young except between 15 and 23 years old, workers who have been unemployed for 12 consecutive months, workers who have been unemployed for more than 15 months in the past two years, and people between 15 and 24 years old who have no work expe	(a) Temporary subsidy for hiring unemployed youth, the maximum subsidy amount is 9,000 pesos/month, the maximum period is 1 year; (b) First-lime workers (15 – 24 years old), the subsidy amount is 6,000 pesos/month for men and 7,500 pesos for women pesos/ month, it can be paid until the employee reaches 25 years old, otherwise it will be for 12 months. (c) Job placement for college graduates (15 – 29 years old), the subsidy amount is 15% of the national minimum wage The subsidy period is 6 to 12 months. (d) Youth guaranteed job (15 to 29 years old). For unemployed youth whose income is below the poverty line, the subsidy can reach 80% of the salary and does not exceed the national minimum wage. The duration is 6 – 12 years old), the subsidy amount to training institutions is 50% – 75% of serethe national minimum monthly wage, calculated based on the time of payment, lasting 12 months. (f) Employment 45 Benefits for workers over 20 years old and disabled people, the subsidy amount is 7,000 to 9,000 pesos per person per month. The subsidy lasts for one year for women who have dependents, and two years for those who have been continuously unemployed.	The proportion of each target group in the company's population of this category shall not exceed 20% within 90 shall be days of applying for the subsidy. No layoffs allowed within 90 days. No layoffs shall be allowed during the duration of the subsidy.

3. Evaluation of Latin American labor market policies and prospects for the post-epidemic era

In less than two years since the outbreak of the epidemic, Latin American labor market policies have gone through two stages.

However, in this process, the active employment policy system that dominated in the past, except for employment subsidy policies, has been difficult to adapt to the COVID-19 epidemic. (1) Active employment policies are

difficult to cope with the impact of the epidemic. Since the beginning

of the 21st century, the most important change in the Latin American labor market has been the adoption of various forms of active employment policies. The so-called active employment policies are related to passive (passive) employment policies. Relatively speaking, passive employment policies refer to labor policies that provide income replacement plans for unemployed workers. Various forms of job retention policies mainly adopted by Latin American countries in 2020 are such labor market policies. Active employment policies originate from In the 1990s, the Organization for Economic Co-operation and Development (OECD) countries used various means to stimulate employment in response to unemployment, especially among young people. These policies were later summarized as active

employment policiesÿ. The initial goal of active employment policies was to reduce the unemployment rate. Later , The goals are constantly expanding and currently mainly include the following: reducing the unemployment rate by reducing job search time, improving the quality of employment by improving skill levels, motivating enterprises and individuals to actively participate in work and create job opportunities ÿ Active employment policies have triggered widespread imitation in Latin American countries ÿ Since entering the 21st century, it has gradually become the main body of labor policies in Latin American countriesÿ, and in practice has formed an active employment policy system that mainly includes the following five categories: (1) Training. Various training policies in Latin American countries are included in all active employment policies. The proportion is 44%. (2) Entrepreneurship subsidies for self-employment and small and micro enterprises, represented by the "Unemployed Head of Household Plan" established by Argentina in 2001, including financial and equipment support, continuous subsidies and technical support, etc. (3) Public Career employment opportunities, such as the "Building Peru" plan, the "Uruguay Jobs" plan and Colombia's "Get Started" plan, etc.ÿÿ (4) Labor market services, mainly including career planning, career guidance, career matching and vocational training, etc., with the purpose of In reducing labor occupation matching time, (4)

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This type of policy was rarely used before the epidemic - it only accounted for 5% of various active employment policies ÿÿ

Generally speaking, the epidemic has a greater impact on workers in the following types of work (or status): First, physical and manual work, such as manual work, repairing equipment, and operating heavy machinery; second, work that requires face-to-face contact, such as The third is jobs that require contact with customers, the public and students; the third is jobs that rarely use communication tools or computers. These are the largest group of Latin American workersÿ. Faced with the sharp decline in labor demand caused by the new crown epidemic, various purposes Active employment measures to improve workers' skills and reduce information search costs simply cannot work. Education and training policies require time to accumulate. Under the impact of the epidemic, the labor market needs more policies to maintain income. Therefore, various forms of job retention plans It is used urgently by various countries in order to survive the initial impact moment.

(2) Outlook for the Latin American labor market in the post-epidemic

era in 2021. The COVID-19 epidemic is still raging around the world, and the Latin American labor market is still in an abnormal state.

Compared with 2020, the labor market has recovered in 2021. Second The quarterly labor participation rate (year-on-year) has risen to 60%, an increase of 68 percentage points from the same period last year, but it is still lower than 27 percentage points in the same period in 2019. It is still more than 6 percentage points away from the peak in 2014-2015. The employed population The proportion of the total population has also recovered from 47.2% to 54%, but it is still lower than the 3.4% in the same period in 2019.

percentage pointsÿÿ

Under the impact of the COVID-19 epidemic, Latin American countries have generally used two emergency labor policies: job retention and employment subsidies. However, these two policies themselves also have certain negative impacts. In particular, the job retention policy is not a policy that can be implemented in the normal labor market. It is a tool that will be used for a long time under the current situation (not conducive to labor supply). In addition, under the realistic pressure on the fiscal balance and expenditure of Latin American countries, these two policies have no possibility of long-term sustainability. In the post-epidemic era, Latin America has begun to recover. How the labor market and labor policy system evolve is an issue worthy

of further attention. Looking back at the Latin American labor market and labor policy system, its formation is related to changes in demographic structure, the driving force and pressure of economic development, poverty and uneven income distribution, changes in labor union strength and other factors. Closely related. Under the combined effect of these factors, Latin American labor policy developed from heavy state intervention before the 1980s to labor reforms aimed at improving efficiency in the 1990s. Since the 21st century, it has transformed into

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Focusing on active employment policies. Although the impact of the COVID-19 epidemic directly led to the comprehensive and rapid deterioration of key labor market indicators and brought about market differentiation, it did not change these key external constraints affecting the development of the labor market.

Since the beginning of the 21st century, the average population growth rate in Latin American countries has slowed down. After 2005, the growth rate has been less than 1%. ÿ Although the total economically active population still maintains growth, the growth rate continues to decline. In the future, there will be a population of 0 to 14 years old. Negative growth coupled with the continued rise of the elderly population will lead to fundamental changes in the labor force structure. Demographic structural changes and economic factors will directly determine the labor participation rate in Latin America. There is not much room for Latin America to continue to increase the labor participation rate in the future.

In addition, the impact of the epidemic has not changed the inherent problems of the Latin American labor market—market segmentation and institutional rigidity have not achieved substantial breakthroughs since the 21st century. Trade unions are powerful and labor legislation reform is difficulty. The impact of the epidemic has also intensified the existing existing problems a social problems, poverty and redistribution problems are more serious than before the epidemic.

Under the joint constraints of economic, social, demographic and fiscal factors and the inherent path of the labor market operation, in the limited labor policy space, active employment policies have the ability to promote employment, improve employment quality, reduce poverty rates, and improve labor market fairness. It is more likely to dominate the post- epidemic era again. In the short term, employment subsidies and small and micro enterprise entrepreneurship subsidies can be used to increase employment and reduce unemployment. In the post-epidemic era, labor market service policies will need to be relied upon. Reduce unemployment, increase employment, and enhance human capital stock through education and training, thereby improving employment quality, labor productivity, and wage levels.

(Editor Huang Nian)

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