Occasional Paper Series 14
Measuring of Progress of Decent Work to Support the MDGs and Post-MDGs

Luis Linares
Julio Prado
MEASURING OF PROGRESS OF DECENT WORK
TO SUPPORT THE MDGs AND POST-MDGs

Southern Voice Occasional Paper 14

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The Southern Voice on Post-MDG International Development Goals was born in the spirit of collaboration, participation and broad academic inquiry. It is a network of 48 think tanks from Africa, Latin America and South Asia which has identified a unique space to contribute to the post-2015 dialogue. By providing quality data, evidence and analyses derived from research in the countries of the global South, these think tanks seek to inform the discussion on the post-2015 framework, goals and targets, and to help to shape the debate itself.

With these goals in mind, Southern Voice launched a call for papers among its members to inform the global debate based on the research they have already carried out, to strengthen national or regional policy discussions. The objective of the call was to maximise the impact of the knowledge that already exists in the global South, but which may have not reached the international arena.

In response to the call, we received numerous proposals which were reviewed by Southern Voice members. The research papers were also peer reviewed, and the revised drafts were later validated by the reviewer.

The resulting collection of ten papers highlights some of the most pressing concerns for the countries of the global South. In doing so they explore a variety of topics including social, governance, economic and environmental concerns. Each paper demonstrates the challenges of building an international agenda which responds to the specificities of each country, while also being internationally relevant. It is by acknowledging and analysing these challenges that the research from the global South supports the objective of a meaningful post-2015 agenda.

In connection with the ongoing debates on post-2015 international development goals, Measurement of Progress of Decent Work and its support to Achieving MDGs by Luis Felipe Linares López (Executive Secretary) and Julio Prado (Assisting Investigator) at Asociación de Investigación y Estudios Sociales (ASIES), Guatemala City, reports the results of a study conducted in Guatemala concludes that national commitment to provide opportunities for decent work alongside a progress measurement framework would facilitate attainment of MDGs and ensure a sustainable development for the country.

I would like to gratefully acknowledge the contributions of Ms Andrea Ordóñez (Research Coordinator of the initiative) and Ms Mahenaw Ummul Wara (Research Associate, Centre for Policy Dialogue (CPD) and Focal Point at the Southern Voice Secretariat) in managing and organising the smooth implementation of the research programme.

I would like to gratefully acknowledge the contributions of Dr Ibrahima Hathie (Director, Research, IPAR) for peer reviewing, and Michael Olender for copy editing the paper.

I would also like to take this opportunity to recognise the support of Think Tank Initiative (TTI) towards Southern Voice, particularly that of Dr Peter Taylor, Programme Leader, TTI.

I hope the engaged readership will find the paper stimulating.

Dhaka, Bangladesh
June 2014

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Abstract

This paper presents a study conducted in Guatemala to measure the progress of decent work. The results indicate that a commitment to provide opportunities for decent work alongside a progress measurement framework like the System of Decent Work Indicators for Guatemala would support the achievement of the Millennium Development Goals and sustainable development going forward. The study engages with the concepts of sustainable development, human development and decent work according to the human rights approach. It emphasises poverty eradication, which requires, among other things, the promotion of decent work and environmental sustainability. Measurement of the progress of decent work in Guatemala follows the methodology suggested by the International Labour Organization and uses data from Guatemala’s 2012 National Survey of Employment and Income to assess the main features of the labour market. This paper’s findings illuminate aspects such as the impacts caused by the high levels of informal work and poverty in the country, and point to valuable conclusions for the ongoing dialogue on the post-2015 development framework.
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## Acronyms

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<th>Full Form</th>
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<tbody>
<tr>
<td>ASIES</td>
<td>Association for Research and Social Studies of Guatemala</td>
</tr>
<tr>
<td>EAP</td>
<td>Economically Active Population</td>
</tr>
<tr>
<td>EC</td>
<td>European Commission</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organization</td>
</tr>
<tr>
<td>INE</td>
<td>National Survey of Employment and Income (Guatemala)</td>
</tr>
<tr>
<td>MDG</td>
<td>Millennium Development Goal</td>
</tr>
<tr>
<td>SDSN</td>
<td>Sustainable Development Solutions Network</td>
</tr>
<tr>
<td>SITDG</td>
<td>System of Decent Work Indicators for Guatemala</td>
</tr>
<tr>
<td>UN</td>
<td>United Nations</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>USD</td>
<td>United States Dollar</td>
</tr>
<tr>
<td>WAP</td>
<td>Working-Age Population</td>
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</table>
Measuring of Progress of Decent Work to Support the MDGs and Post-MDGs

Luis Linares
Julio Prado

The purpose of this paper is to assess the contribution of progress on decent work to the achievement of the Millennium Development Goals (MDGs) in Guatemala. The study is based on indicators outlined in the Development of the System of Decent Work Indicators for Guatemala (SITDG in Spanish; see Coyoy (2013)), which was developed by the Association for Research and Social Studies of Guatemala (ASIES in Spanish) within the frame of the project “Strategic Dialogue on Decent Work and Informal Economy” that was executed by ASIES with the support of the European Union during 2011–13. Data were provided by Guatemala’s 2012 National Survey of Employment and Income (INE 2012).

With the United Nations (UN) Millennium Declaration, adopted by the UN General Assembly in September 2000, countries committed to “spare no effort to free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty, to which more than a billion of them are currently subjected” and “to making the right to development a reality for everyone and to freeing the entire human race from want” (UNGA 2000: 4). To establish the right to development, they identified the eight MDGs and the year 2015 as their target for achievement.

As pointed out in An Action Agenda for Sustainable Development, the Sustainable Development Solutions Network (SDSN): “The Millennium Declaration and the Millennium Development Goals have successfully focused world attention and action on ending extreme poverty in all its forms and reducing gender inequality” (SDSN 2013: 1). Nevertheless, not all countries will achieve all the goals by the end of 2015. Hence, the outcome document of the 2012 UN Conference on Sustainable Development, widely known as Rio+20, stated the need to continue with the task of ending extreme poverty and hunger, emphasising poverty eradication to be “the greatest global challenge facing the world today and an indispensable requirement for sustainable development” (UN 2012: 1).

This link between poverty eradication and sustainable development is undoubtedly a major breakthrough. As pointed out by the SDSN, sustainable development is a holistic concept that addresses four dimensions of society: “economic development (including the end of extreme poverty), social inclusion, environmental sustainability, and good governance including peace and security” (SDSN 2013: 1). The holistic nature of the concept implies the need to take action on all four of these dimensions, since failure or insufficient progress on one affects progress on the others.

An important aspect highlighted by the SDSN is that the world has experienced changes between 2000 and 2015 that have resulted in the need to reconsider the focus of the MDGs. The SDSN (2013: 2) suggests that the post-MDGs need to be relevant for the real world of 2015-30, taking into account five major global shifts: “(i) the feasibility of ending extreme poverty in all its forms, (ii) a drastically higher human impact on the physical Earth, (iii) rapid technological change, (iv) increasing inequality, and (v) a growing diffusion and complexity of governance” (SDSN 2013: 2).

The Millennium Declaration also states countries’ commitment to “develop and implement strategies that give young people everywhere a real chance to find decent and productive work” (UNGA 2000: 5). This commitment should be extended to the entire world population, regardless of age, in the post-
MDGs, which could be part of a goal on decent work. Job precariousness affects the vast majority of workers in developing countries. This is the case in Guatemala, as evidenced by the SITDG.

The link between decent work and the MDGs is easily demonstrated. According to the International Labour Organization (ILO), the objective of decent work helps to accomplish the eight MDGs within the context of the global fight against poverty: “Efforts to achieve the MDGs should place full and productive employment and decent work at the centre of economic and social policies, and should be based on the four equally important strategic pillars of the Decent Work Agenda, as summarized in the ILO’s Global Jobs Pact” (ILO 2010). MDG 1 (eradicate extreme poverty and hunger), MDG 7 (ensure environmental sustainability), and MDG 8 (develop a global partnership for development) are priorities for reducing poverty that are inextricably linked to the concept of decent work, since dignified paid work is a key factor in improving family income, and thereby overcoming poverty.

Moreover, MDG 3 (promote gender equality and empower women) is a condition that must be met to achieve all the MDGs, and equality in employment and remuneration is one of the fundamental aspects of equality between men and women. MDG 2 (achieve universal primary education) depends largely on decent work for parents, a comfortable transition from school to working life, and the elimination of child labour. Decent work is key to achieving both goals. Progress on MDGs 4, 5 and 6, each relating to health, can be accelerated if there is good coverage by social protection programmes, especially social security programmes.

The MDGs should be addressed in concert, since together they form a comprehensive development vision (Maurás 2005), this paper will focus on MDGs 1, 2 and 3 due to space limitations and the fact that the concept of decent work is integral to the achievement of these MDGs. The three MDGs, their targets, and associated indicators are presented in Table 1.

Table 1: Select MDGs, Targets and Indicators

| MDG 1: Eradicate Extreme Poverty and Hunger | 1.1 Proportion of population below USD 1.25 (purchasing power parity) per day*  
| 1.2 Poverty gap ratio  
| 1.3 Share of poorest quintile in national consumption  
| 1.4 Growth rate of gross domestic product per person employed  
| 1.5 Employment-to-population ratio  
| 1.6 Proportion of employed people living below USD 1.25 (purchasing power parity) per day  
| 1.7 Proportion of own-account and contributing family workers in total employment  
| 1.8 Prevalence of underweight children under-five years of age  
| 1.9 Proportion of population below minimum level of dietary energy consumption |
| Target 1.A: Halve, between 1990 and 2015, the proportion of people whose income is less than 1.25 dollar per day  
| Target 1.B: Achieve full and productive employment and decent work for all, including women and young people  
| Target 1.C: Halve, between 1990 and 2015, the proportion of people who suffer from hunger |
| MDG 2: Achieve Universal Primary Education | 2.1 Net enrolment ratio in primary education  
| 2.2 Proportion of pupils starting grade 1 who reach last grade of primary  
| 2.3 Literacy rate of 15-24 year-olds, women and men |
| Target 2.A: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling |
| MDG 3: Promote Gender Equality and Empower Women | 3.1 Ratios of girls to boys in primary, secondary and tertiary education  
| 3.2 Share of women in wage employment in the non-agricultural sector  
| 3.3 Proportion of seats held by women in national parliament |
| Target 3.A: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015 |


Note: The international poverty line was set at USD 1.00 a day at the time the MDGs were established, but since 2008, the World Bank has defined people living in extreme poverty as those living on less than USD 1.25 a day, reflecting higher price levels in many developing countries than previously estimated.
The precise indicators included in the SITDG make it an exceptional instrument to measure progress on decent work. Such progress contributes directly to the achievement of MDGs 1, 2 and 3 and indirectly to the rest. As evidenced by ASIES’s experience in the study published in 2013, the system is easy to implement and keep updated, insofar that periodic surveys on employment and incomes, or proxy indicators, are available.

**Conceptual Framework**

This paper’s conceptual framework is built upon the three key concepts of sustainable development, human development, and decent work approached from a human rights perspective, as developed by the UN Office of the High Commissioner for Human Rights, United Nations Development Programme (UNDP) and ILO.

The traditional view of human rights is based on the three generations of rights. The rights of the first generation – individual and political – were classified as essential, immediately applicable, and enforced by the state. Those of the second generation – economic, social and cultural – and the third generation, collective rights, were only regarded as desirable goals and their realisation was not a state obligation.

The human rights approach employed in this paper finds its basis in the principles contained in the 1993 Vienna Declaration of the World Conference on Human Rights, which states on Article 5 that human rights are universal, indivisible, interdependent, and interrelated; all individuals should be treated equally and that their rights bear the same weight, their national and regional specificities must be taken into account; and it is the duty of the state to promote and protect all human rights and fundamental freedoms. This means that the fulfillment of a right is related to the satisfaction of other right(s) and that, conversely, the interference with a right affects the other right(s) to which it is connected (Jiménez 2007: 4).

Sustainable development, according to the prioritisation of the following definition in the Rio+20 outcome document, may be defined in the post-2015 development framework as:

> promoting sustained, inclusive and equitable economic growth, creating greater opportunities for all, reducing inequalities, raising basic standards of living, fostering equitable social development and inclusion, and promoting the integrated and sustainable management of natural resources and ecosystems that supports, inter alia, economic, social and human development while facilitating ecosystem conservation, regeneration and restoration and resilience in the face of new and emerging challenges (UN 2012: 1).

This definition acknowledges that democracy, good governance and the rule of law at the national and international levels are essential for sustainable development.

A complementary concept is that of human development, formulated by the UNDP, which consists of “The expansion of people’s freedoms to live long, healthy and creative lives; to advance other goals they have reason to value; and to engage actively in shaping development equitably and sustainably on a shared planet.” Such expansion empowers people to actively participate in developing a shared planet and focuses on essential freedoms – to live a long and healthy life, acquire knowledge, enjoy a decent standard of living, and build one’s own destiny. These freedoms, valued by themselves by many people, are also means. According to this concept, development goals should focus on the real freedoms of people and promote positive social contexts for those freedoms (UNDP 2010: 22). This concept is directly linked to the aforementioned human rights approach, since it covers all the rights of all people with the understanding of development based on the exercise of freedom.

The concept of decent work, understood as promoting “opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and human dignity” (ILO 1999: 3), is also directly linked to the human rights approach, since rights at work – necessary conditions to work in an environment of freedom and fairness – especially those recognised as
fundamental rights, which are human rights, and the achievement of decent work is essential for
attaining a decent standard of living by the majority of people, as postulated by the concept of
human development. The achievement of decent work involves four key pillars:

1. Promoting work within a sustainable institutional and economic environment;
2. Respecting, supporting, and implementing fundamental core labour standards and rights;
3. Embracing and broadening the scope of social protection;
4. Encouraging social dialogue and tripartite activities.

The aforementioned dimensions of sustainable development – economic development (including the
end of extreme poverty), social inclusion, environmental sustainability, and good governance
including peace and security – complete the conceptual framework that guides this paper. These
dimensions are essential for realising the three key concepts using a human rights approach.

This conceptual framework is consistent with the ideas typically mentioned during discussions on
the post-2015 development framework that was largely outlined by countries at Rio+20. The
outcome document reiterates that “eradicating poverty is the greatest global challenge facing the
world today and an indispensable requirement for sustainable development” (UN 2012: 1). Among
the actions that will facilitate poverty eradication are “promoting full and productive employment
and decent work for all”, which should be complemented with “effective social policies, including
social protection floors” (UN 2012: 5).

The outcome document comprises 26 thematic areas and intersectional issues. Under the area
“promoting full and productive employment, decent work for all and social protection” there is
concern about the conditions of the labour market and shortage of decent work opportunities,
especially for women and youth. It recognises that “workers should have access to education, skills,
health care, social security, fundamental rights at work, social and legal protections, including
occupational safety and health”, a reference to the rights contained in the International Covenant on
Economic, Social and Cultural Rights. It also highlights the roles that governments, unions, workers,
and employers should play in the dialogue on the concept of decent work (UN 2012: 28-30).

In a communication entitled A Decent Life for All: Ending Poverty and Giving the World A Sustainable
Future, the European Commission implies that there is a fundamental link between poverty
eradication and global environmental sustainability and indicates that European Union proposals in
the preparations for Rio+20 emphasised the need to “focus on resources which represent public
goods and basic ‘pillars of life,’ such as energy, water, food security, oceans, sustainable consumption
and production, as well as social inclusion and decent work” (EC 2013: 8, italics added).

The European Commission also emphasises the link between poverty eradication and sustainable
development: “experience by countries that have succeeded in pulling themselves out of poverty,
demonstrate the vital role played by key drivers for inclusive and sustainable growth, in particular
in providing essential human development services and creating growth and decent jobs.
Structural transformation should be sought by all countries in all stages of development, to allow
for market-friendly, open economies that promote inclusive and sustainable growth, improve
productive capacities, promote private sector development, investment and wealth creation,
promote the transition towards the inclusive green economy and ensure that the benefits are
widely shared” (EC 2013: 9). To accomplish such a transition, the key pillars on the achievement of
decent work must be pursued.

**Measurement of Decent Work in Guatemala**

Since the ILO endorsed the concept of decent work, attempts have been made to address the
difficulties of measuring the multidimensional nature of decent work. The ILO Declaration on Social
Justice for a Fair Globalization stressed the importance of national and regional strategies for decent
work, and “the establishment of appropriate indicators or statistics, if necessary with the help of the
ILO, to monitor and evaluate progress made” (ILO 2008: 14). The ILO has made numerous efforts to measure decent work, including pilot projects to develop a system of indicators that can be applied by all countries. In the 2003 issue of International Labour Magazine, a group of experts from the ILO published an article on measuring decent work with statistical indicators in which they suggest a set of categories for measuring the various dimensions of decent work. This set is intended to enhance the awareness of standards, guidelines and sustainability of decent work (Anker et al. 2003: 168). The concept of decent work is disaggregated into 10 categories, with an 11th on the economic and social context for decent work.

Since 2011, ASIES, with support from the European Union, has been implementing the project “Strategic Dialogue on Decent Work and Informal Economy”, with the objective of building the capacities of civil society to monitor public policies that aim to formalise the informal sector under a decent work framework.

Project activities include the elaboration of a “Proposal of National Decent Work Agenda”, which contains guidelines for improving the employment situation in Guatemala and requires a plan that includes the four key pillars on the achievement of decent work.

As recommended by the aforementioned ILO experts, ASIES developed the SITDG, which includes the following categories related to decent work:

- Employment opportunities
- Unacceptable work
- Adequate earnings and productive work
- Decent hours
- Stability and security of work
- Fair treatment in employment and at work
- Safe work environment
- Social protection
- Combining work and family life
- Social dialogue and workplace relations
- Economic and social context of decent work

The database generated by the National Survey of Employment and Income (ENEI 2012), executed by Guatemala’s National Institute of Statistics was used to develop the indicators, complemented with information from the Ministry of Labour and Social Welfare and the Guatemalan Institute for Social Security.

In the rest of this section, the relevant characteristics of the job market in Guatemala are discussed and, in order to determine the most important problems or differences that cause difficulties in it, the job market is analysed according to the four pillars on the achievement of decent work. Of the 11 Figures that are shown below, the first 9 present data related to the first pillar of decent work and Figures 10 and 11 refer to the second pillar. To further develop the ‘Strategic Dialogue on Decent Work and Informal Economy’ project, this paper directly applies the data provided by the National Survey of Employment and Income and database generated by the SITDG.

**Promoting Work within a Sustainable Institutional and Economic Environment**

The Economically Active Population (EAP) in Guatemala is 6.24 million people, 64 per cent of whom are men and 36 per cent women (INE 2012). Figure 1 shows that the unemployed population represents only a minimal share of the EAP. It also shows that nearly one-fifth of the population is visibly underemployed (individuals working fewer hours than they desire or need).
It becomes obvious from this data that, unlike developed countries, which have unemployment insurance, the most important variable in our environment is unemployment, which results in the underutilisation of labour and an income lower than what the occupied workers expect to earn. The main reason behind this is that, in the absence of unemployment insurance, a person who either becomes or cannot get a job, has to engage in order to survive in any available economic activity, most of the time becoming self-employed, or unpaid worker in a family-operated business.

The SITDG (2013) indicates that hours worked per week by the EAP can be broken down as follows:

<table>
<thead>
<tr>
<th>Hours of work per week</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 20 hours</td>
<td>14.5%</td>
</tr>
<tr>
<td>Between 20 and 40 hours</td>
<td>33.3%</td>
</tr>
<tr>
<td>Between 41 and 48 hours</td>
<td>24.8%</td>
</tr>
<tr>
<td>Over 48 hours</td>
<td>27.4%</td>
</tr>
</tbody>
</table>

The duration of the work day is a useful indicator for determining the quality of work. The ILO called decent work hours those which correspond to working hours lawfully admitted, which are set at a maximum of 8 hours a day and 48 hours a week at agreement number 1 (Convention # 1 hours of work industry) hours of work, while the Political Constitution of Guatemala maintains a limit of 8 hours of work a day, but 44 a week. A not-decent work day, that is, as Anker observes, excessive hours of work per day “are often harmful to physical and mental health and prevent reconciling work and family life. Excessive time is often a sign that the hourly wage is insufficient, while a very short time often indicates that there are not enough jobs ..” (Anker et al. 2003: 174).

Figure 2 divides the EAP by area of economic activity, being the most relevant information from the facts presented that agriculture, farming, forestry and fishing industries continue to be the principal sources of work in the country.

This figure evidences low labour productivity in agriculture, the involvement of this branch of economic activity in the gross domestic product (GDP) does not correspond to the percentage of workers employed in the same; according to the SITDG 2013, GDP per worker in 2011 amounted to USD 4,416, while the GDP per worker in agriculture reached only USD 1,506. The 35.4 per cent should be contrasted with the participation percentage that these industries together contribute to the GDP – only 10.9 per cent. The next most important area of economic activity is wholesale and retail trade, which also includes industries such as transport, storage, lodging and restaurants, and other food-related activities.
Figure 2: EAP by Economic Activity

![Figure 2: EAP by Economic Activity](image)

Source: INE (2012).

Figure 3: Distribution of Underemployed EAP by Economic Activity

![Figure 3: Distribution of Underemployed EAP by Economic Activity](image)

Source: INE (2012).

Figure 3 disaggregates the visibly underemployed population by branch of economic activity. Agriculture, farming, forestry and fishing industries, and wholesale and retail trade activities have the greatest number of underemployed individuals.

Figure 4 shows the EAP by occupational category. The first four categories, which are made up of salaried workers, include public sector employees, private sector employees, farm-hands and labourers, and domestic employees, and together account for 48 per cent of the EAP. Employers and
Figure 4: EAP by Occupational Category

Source: INE (2012).

Figure 5: Comparison of Economic Activities by Constituting Occupational Categories

Source: INE (2012).
partners account for less than 3 per cent, therefore, the other half of the EAP is made up of self-employed and unpaid workers.

Figure 5 compares economic activities by constituting occupational categories. Agriculture, farming, forestry and fishing industries are largely made up of unpaid workers, with farm-hands and labourers forming the next largest segment. In communications and information, finance and insurance, real estate, and professional, technical and scientific activities, salaried private sectors employees form the largest segments. Non-agricultural self-employed workers have an important presence in industrial, trade and other service activities.

A set of indicators related to unemployment provided by the SITDG (2013) are shown below:

Youth aged 15-24 (3,091,422) represent 32 per cent of the 9,531,370 individuals in the Working-Age Population (WAP). Of those, 23.7 per cent (732,667) do not work or study, forming the group known as who neither work nor study. People of the WAP aged 15-64 who are employed represent 65.4 per cent.

Figure 6 shows the distribution of the unemployed, out of a total of 179,238 individuals, which demonstrates the link between levels of education and unemployment. The group of individuals without any education and the group with complete superior education are the groups that have the least percentages of unemployed, with the former group having the smallest percentage. Surprisingly, the three groups with some education show high levels of unemployment. Topping the chart with 39 per cent of individuals unemployed is the group with complete secondary education. Overall, the groups with some and complete primary and secondary education account for 83.6 per cent of the unemployed.

**Figure 6: Unemployment and Level of Education**

For the employed, salaries are affected by laws and additional instruction. Guatemala has enforced minimum monthly salaries for a range of activities. Professional instruction appears to be a positive factor on improving the salaries of individuals.

<table>
<thead>
<tr>
<th></th>
<th>GTQ</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Median real salary (affected by the consumer price index)</td>
<td>1,728.50</td>
<td></td>
</tr>
<tr>
<td>Employed with less income that two-thirds of the median (GTQ 1,140.81)</td>
<td>35.10%</td>
<td></td>
</tr>
<tr>
<td>Minimum salary as a percentage of the median salary</td>
<td>152.66%</td>
<td></td>
</tr>
<tr>
<td>Salaried employees who received professional instruction in the past year</td>
<td>4.90%</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** SITDG (2013).
Figure 7: EAP Distribution by Income

![Pie chart showing EAP distribution by income](image)

Source: INE (2012).

Figure 7 divides the EAP by ranges of income. It clearly illustrates pervasive precarious conditions, with 52.18 per cent of individuals having an income less than or equal to the enforced minimum monthly salary for agricultural activities (GTQ 2,012, equivalent to USD 251.5) and an additional 3.22 per cent earning less than or equal to the enforced minimum monthly salary for non-agricultural activities (GTQ 2,290, equivalent to USD 286.25). This results in an approximate total of 55 per cent of individuals earning less or equal to the enforced minimum monthly salaries. Only 0.39 per cent of the EAP earn over GTQ 20,000, which is equivalent to USD 2,500 per month. The figure shows that a considerable number of respondents (18.6 per cent) did not provide data about their income (system missing), resulting in incomplete information for the income situation of the EAP.

Figure 8 presents the monthly salary differences between men and women. With salaries up to GTQ 10,000, the proportion of men to women is nearly the same. Above GTQ 10,000 per month, however, there is a decline in the proportion of women, reaching 8 per cent when it comes to monthly salaries of GTQ 20,000 or greater, which is equivalent to USD 2,500 or more.

Women who are part of the EAP can be further disaggregated by comparing their participation by job type to men’s, as follows:

<table>
<thead>
<tr>
<th>Job Type</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>Directors and managers</td>
<td>44.8%</td>
<td>55.2%</td>
</tr>
<tr>
<td>Scientific and intellectual professionals</td>
<td>54.0%</td>
<td>46.0%</td>
</tr>
<tr>
<td>Medium level technicians and professionals</td>
<td>32.4%</td>
<td>67.6%</td>
</tr>
<tr>
<td>Administrative support</td>
<td>45.4%</td>
<td>54.6%</td>
</tr>
<tr>
<td>Sales persons on commerces and markets</td>
<td>60.8%</td>
<td>39.2%</td>
</tr>
<tr>
<td>Qualified agriculture, forestry and fishing technicians</td>
<td>9.0%</td>
<td>91.0%</td>
</tr>
<tr>
<td>Operative and mechanical trade officers</td>
<td>27.1%</td>
<td>72.9%</td>
</tr>
<tr>
<td>Operating machinery or in an assembly line</td>
<td>16.6%</td>
<td>83.4%</td>
</tr>
<tr>
<td>Unskilled labour occupations</td>
<td>32.1%</td>
<td>67.9%</td>
</tr>
</tbody>
</table>


Women have a high presence at the director and manager level, where they show a participation rate of only 5 per cent less than men. They surpass men at the scientific and intellectual professional level by 4 per cent, and are almost in equal proportion to men in administrative support. They have
the highest participation rate in jobs related to selling in commercial and farmers markets (60.8 per cent), but salaries at this level are lower than at other levels. They have a low presence in the agriculture, forestry and fishing industries at only 9 per cent. Women operating machinery and working on an assembly line have a participation rate of 16.6 per cent. At 32.1 per cent, the participation of women in proportion to men in unskilled labour occupations is almost equal to that shown for their total participation at the EAP.

Respecting, Supporting, and Implementing the Core Labour Standards and Rights

The ILO Declaration on Fundamental Principles and Rights at Work adopted by the International Labour Conference in 1998 states that there are four principles and rights at work that are recognised as fundamental both inside and outside of the ILO (ILO 2010). They are:

- Freedom of association and the effective recognition of the right to collective bargaining
- Elimination of all forms of forced or compulsory labour
- Effective abolition of child labour
- Elimination of discrimination in respect of employment and occupation

Guatemala has ratified the associated conventions, which have been integrated into the Guatemalan Political Constitution, making the promotion and protection of the four fundamental principles and rights a government responsibility.

The ‘freedom of association and the effective recognition of the right to collective bargaining’ is the most important, since it entitles employees to negotiate working conditions with their employers, including issues related to labour compulsion, child labour and discrimination for the access and right to work.

From the perspective of human rights, the exercise of human rights at work, as well as other economic and social rights such as the right to education, health and housing are considered as a guarantee for the exercise of civil and political rights, since the former creates minimum material conditions for the exercise of the latter (Jiménez 2007: 35). The close relationship and interdependence between different families or generations of rights is evident in the fact that in
societies with higher levels of civil and political freedom more favourable conditions are found for the exercise of labour rights, especially the right to association and collective bargaining.

Figure 9 shows the percentage of the EAP in Guatemala that holds a job at a private company or public institution with an existing or functioning labour union.

Figure 10 shows the percentage of labour union membership in Guatemala. From Figures 9 and 10, it can be inferred that one out of every three workers from the 4 per cent of workplaces with a labour union is associated to a union. The SITDG (2013) indicates that the total union membership in Guatemala is 1.4 per cent of the EAP.

**Figure 9: Distribution of EAP Access to Union Association**

![Pie chart showing access to union association](image1)

*Source: INE (2012).*

**Figure 10: Distribution of Union Membership**

![Pie chart showing union membership](image2)

*Source: INE (2012).*
The only situation highlighted by the ILO with respect to the elimination of all forms of forced or compulsory labour has been the imposed obligation on the employees of some companies to work overtime in Guatemala. The ILO indicates that employees are only obligated to the legal ordinary workday, and that any overtime work must be a result of a mutual agreement between employers and employees.

Considering the effective abolition of child labour in Guatemala, 19 per cent of children aged 7-14 are involved in some kind of economic activity. This percentage goes up to 25 per cent for this age group in rural areas, with male children representing 71 per cent and females 29 per cent. Ethnicity can be a great disadvantage. Indigenous children represent 60 per cent of the child labour force. Notably, 81 per cent of working children are classified as unpaid workers. By economic activity, 67 per cent are employed in the agriculture sector. By type of occupation, 79 per cent work in non-skilled labour occupations (INE 2012).

Regarding the elimination of discrimination in respect of employment and occupation, discriminatory practices have been observed at some companies in Guatemala, especially in relation to opportunities for women to access the job market. For instance, some of these companies require a pregnancy test, the result of which affects a woman’s employability. Some have dismissed employed pregnant women without right and proper justification. The country's labour code maintains that once an employer is notified that an employee is pregnant, she cannot be dismissed unless there is just cause, which must be brought to and proved at a labour tribunal.

All of the above statistics and considerations are clear evidence that working conditions in Guatemala are precarious. Precarious labour is defined as labour activities that deviate from the legal standards of formal employment. These standards include access to social security and employment benefits, a continuous, normal salary, uncontrolled labour union association, and a safe and secure workplace. In a precarious job, some or all of the following attributes are missing:

- Employment contract for a fixed or undetermined term
- Social security benefits
- Income equivalent to that of an employee working in the formal sector
- Guarantee of conventional working conditions
- Easily identifiable employer
- Work performed at employer’s installations
- Complete workday (an incomplete workday, or consistently not working enough hours, results in underemployment and is one of the reasons why precarious workers have lower incomes than workers in the formal sector (Lacchini y Zuccotti 2010)

**Embracing and Broadening the Scope of Social Protection**

Social protection in Guatemala is determined primarily by affiliation to the health and pension system administered by the Guatemalan Institute for Social Security. At the time of writing, coverage by the institute is limited to employees in the public and private sectors who work on a relation of dependency for an employer who is affiliated to the system. But even for those employees in a dependency relation – 48 per cent of the EAP (approximately 3 million people) – only about 33 per cent are covered by social security. In accordance with the affiliated population reported by the Guatemalan Institute for Social Security for the year 2012, (IGSS 2013: 3) shows 1,185,866 members, which is equivalent to 19 per cent of the EAP.

In Guatemala, 65 years is the eligibility age for a government pension. The SITDG (2013) reports that 353,064 individuals (48 per cent) of those over 65 years of age receive a pension, but of that total 32 per cent receive income from the National Programme for Older Persons, which assigns only a minimal non-contributory monthly pension of GTQ 500, which is equivalent to USD 62.5.
Figure 11: Distribution of Employment Vulnerability

Source: INE (2012).

Figure 11 presents the vulnerable circumstances of the EAP. Employment vulnerability is an aspect that helps identify the level of social protection for workers. The INE understands vulnerability to be the situation where employees are not covered by social security or do not enjoy the advantages of salaried workers such as public and private employees, and in some instances, even farm-hands and labourers.

Regarding health and occupational safety, the SITDG (2013) reports a rate of 2,281 work accidents for every 100,000 employees covered by social security. There is no information on the accident rate for the rest of the population not covered by social security.

Encouraging Social Dialogue and Tripartite Activities

The tripartite structural design of the ILO – it is the only tripartite UN agency whose upper management bodies (Governing Body and International Labour Conference) participate as equal representatives workers’ organisations, employers, together with the representatives of the Governments of the Member States, as provided in Articles 3 and 7 of the ILO’s Constitution, adopted in April 1919, becoming the XIII part of the Treaty of Versailles, which ended the World War I. In 1946 the ILO became the first specialised agency of the United Nations (www.ilo.org/global/about-the-ilo/lang-en/index.htm) – supports social dialogue, defined as the permanent relation between government, employers and employees, for consultation and negotiation on topics related to work and the regulation of labour relations, as the most adequate way to create rigorous standards and policies that contribute to democratic governance, stability and social cohesion.

Social dialogue is defined by the ILO as “all types of consultations and negotiations – and even the mere exchange of information – among government representatives, employers and employees on themes of common interest related to economic and social policies” (Ghai et al. 2006). Strong partnerships are required in order to have successful social dialogue and enforce negotiated agreements. The two main modes of social dialogue are collective negotiations between employers and employees, which can be held within the scope of private companies or by economic sector, and tripartite dialogue between government, employer and workers’ representatives.

Due to low union membership and fragmentation suffered by labour unions in Guatemala, collective negotiations between employers and employees are limited. In 2012, only 35 collective agreements on working conditions were registered – 10 of those were for private companies and 25 for public institutions. Limited collective negotiations in the country indicate the importance of...
tripartite dialogue on agreements that prevent and solve labour disputes and accords on themes of common interest.

The main space for tripartite dialogue in Guatemala is the Tripartite Commission on International Labour Affairs. Established in 1995, it brings together the Ministry of Labour and Social Welfare, employers and employees. In 2012, the Guatemalan National Congress created the Economic and Social Council (CES in Spanish), conceived according to the model of councils existing in various European countries, a model that has also been adopted by councils in Honduras and El Salvador. The CES is a permanent consulting body that provides support to government on economic and social public policies. It includes eight representatives from each of the following sectors: cooperatives, employers and employees; and its primary purpose is to provide space for ongoing social dialogue.

**MDG Advancements in Guatemala**

As mentioned, the concept of decent work is integral to the achievement of MDGs 1, 2 and 3. In Guatemala, progress on these goals has been fraught by difficulties related to labour. Issues affecting the achievement of each of these goals will be analysed in turn.

**MDG 1: Eradicate Extreme Poverty and Hunger**

The UN uses two indicators on poverty for this goal – extreme and general poverty – that necessarily relate to hunger. Changes in poverty in Guatemala over time are illustrated in Table 2.

**Table 2: Poverty Indicators for MDG 1**

<table>
<thead>
<tr>
<th>Poverty</th>
<th>Base year</th>
<th>Subsequent Evolution</th>
<th>Meta</th>
<th>BRECHA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extreme Poverty (%)</td>
<td>18.1</td>
<td>15.7</td>
<td>15.2</td>
<td>13.3</td>
</tr>
<tr>
<td>Population (Million)</td>
<td>N.A.</td>
<td>1.8</td>
<td>2.0</td>
<td>1.9</td>
</tr>
<tr>
<td>General Poverty (%)</td>
<td>62.8</td>
<td>56.2</td>
<td>51.0</td>
<td>53.7</td>
</tr>
<tr>
<td>Population (Million)</td>
<td>N.A.</td>
<td>6.4</td>
<td>6.6</td>
<td>7.9</td>
</tr>
</tbody>
</table>

*Source: SEGEPLAN (2010, Objetivo 1, 16).*

Table 3 compiles a number of evident trends related to labour since the base year of 1989.

**Table 3: Labour-related Trends Relevant to MDG 1**

<table>
<thead>
<tr>
<th>Description</th>
<th>1989</th>
<th>2000</th>
<th>2006</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution from the lowest quintile of the population to national income</td>
<td>N.A.</td>
<td>2.80</td>
<td>2.90</td>
<td>-</td>
</tr>
<tr>
<td>Contribution from the highest quintile of the population to the national income</td>
<td>N.A.</td>
<td>61.80</td>
<td>60.30</td>
<td>-</td>
</tr>
<tr>
<td>Growth rate of labour productivity</td>
<td>0.09</td>
<td>-1.70</td>
<td>-0.80</td>
<td>-</td>
</tr>
<tr>
<td>Relation employment/population</td>
<td>48.70</td>
<td>57.40</td>
<td>57.70</td>
<td>64.50</td>
</tr>
<tr>
<td>EAP living in extreme poverty</td>
<td>N.A.</td>
<td>12.70</td>
<td>12.40</td>
<td>-</td>
</tr>
<tr>
<td>EAP self-employed or working in a family business</td>
<td>49.90</td>
<td>45.70</td>
<td>47.40</td>
<td>-</td>
</tr>
</tbody>
</table>

*Source: SEGEPLAN (2010, Objetivo 1, 26 and 29).*

Conditional cash transfers are one of the preferred instruments used by Latin American governments to reduce extreme poverty. Guatemala started a programme called *Mi Familia Progresa* (My Family Makes Progress) in 2008 that provides conditional targeted cash transfers to help families living in extreme poverty conditions and ensure children’s health and education. The programme has reached 302 out of 334 municipalities, covering 862,000 families with a total of 4.8 million beneficiaries (33 per cent of the country’s population), which includes 2.3 million children. The transfer is GTQ 300 (USD 37), divided into a health bonus for women with children aged 0-6 years that is conditioned on compliance with a regime of health controls and an education bonus for
families with pre-school and primary school children aged 6-15 years that is conditioned on a school attendance record of at least 90 per cent. In 2011, these transfers totalled GTQ 1.2 billion, equivalent to USD 150 million. With respect to eradicating hunger, bags of food under the name *bolsa solidaria* (solidarity bag) were delivered to poor families in urban areas.

The conditional cash transfers programme is currently the responsibility of the Ministry of Social Development, which was created in 2012. Now using the name *bono seguro* (assured bonus) but offering the same benefits as before, the government in 2013 reported covering 308 municipalities and 776,390 beneficiaries. Funding of GTQ 783 million, equivalent to USD 98 million, was allocated to the programme. *Bolsa segura* (assured bag) is now the name the government has for the bags of food that it is delivering to poor families in urban areas within the department of Guatemala. These bags include 33 pounds of diverse food essentials, such as rice, beans and cooking oil.

**MDG 2: Achieve Universal Primary Education**

The effective abolition of child labour is a significant goal that will effectively allow children to gain a primary education and develop their potential as envisioned in MDG 2. As mentioned, the problem of child labour is concentrated in rural areas. In contrast to the 25 per cent child employment rate in rural areas, the metropolitan area of the department of Guatemala, where the capital of the country is located, has 7 per cent of children involved in an economic activity ENEI (2012). SISCA (2013) underlines the fact that primary school attendance has indeed improved in Guatemala. The net rate of schooling at the primary level reached 98 per cent in 2009, with the percentage of students who start and finish primary school increasing from 48 per cent to 78 per cent and the ratio of girls to boys in enrolment at the primary level reaching 93 per cent and 90 per cent at the secondary school level.

**MDG 3: Promote Gender Equality and Empower Women**

A useful indicator for the achievement of MDG 3 is the share of women in wage employment in the non-agricultural sector. In Guatemala, women represented 35 per cent of salaried workers in this sector in 1989, 37.6 per cent in 2006 (SEGEPLAN 2010, Objetivo 3: 17), and 47 per cent in 2012 (INE 2012). Another important indicator for gender equality is the percentage of women covered by social security. In 2011, women represented 37 per cent of the EAP, which is problematic when only 18.89 per cent of the total population (IGSS 2011: 36) in Guatemala is covered by social security and a dependency relation in formal employment is required for coverage.

**Conclusions**

Progress on decent work is essential to achieving the MDGs, with measurement of such progress remaining a challenge moving into 2015. A commitment to provide opportunities for decent work alongside a progress measurement framework should be a part of the post-MDGs. Ten conclusions are evident from this study that would be valuable in discussions on such a commitment and framework during the ongoing dialogue on the post-2015 development framework.

1. The human rights approach emphasises the universality, indivisibility and interdependence of the various categories of human rights and the responsibility of the state to promote and protect them. This approach leads to the understanding that sustainable development is a result of the effective realisation of individual, political, economic, social and cultural rights. The human rights approach deserves to be applied in the post-MDGs.
2. It has become increasingly clear that the achievement of decent work, poverty eradication and sustainable development are inextricably linked. It is particularly relevant that the Rio+20 outcome document identifies the promotion of decent work for all as one of the most important aspects in the eradication of poverty. The ongoing dialogue on the post-2015 development framework should recognise these things.
3. Given that decent work is an essential element in the achievement of poverty eradication, the development of the SITDG in Guatemala is an important step that allows the assessment of the
various categories comprising the concept of decent work according to a set of indicators that can be applied by all countries.

4. In Guatemala, there is a lag in the incorporation of women into the labour market, which influences the incomes of families, particularly affecting the earning capacities of households headed by women. Such lags must be addressed there and worldwide.

5. Guatemala’s low unemployment rate can be explained by the absence of unemployment insurance and this lack forces people who cannot get salaried jobs to join the informal economy either as independent workers or through self-employment. Extending social security must be a priority in the post-MDGs.

6. In Guatemala, only one out of four workers are employed within the ordinary hours of the legal workday, one out of four works more hours than the legal workday, and 17 per cent of the EAP are underemployed, working fewer hours than they would like. The legal workday should be a focus in the ongoing dialogue on the post-2015 development framework.

7. The agriculture sector remains the largest employer in Guatemala, despite the agriculture, farming, forestry and fishing industries together contributing only 10.9 per cent to the GDP. This explains low labour productivity, which actually fell between 1989 and 2006, according to the latest data available. Specific attention must be given to decent work in the agriculture sector and labour productivity both in and outside the sector in the post-MDGs.

8. In Guatemala, the high degree of informality in the labour market remains a problem. Self-employed workers in agricultural and non-agricultural activities account for just over 27 per cent of the labour force, while unpaid workers (usually working in family businesses) represent almost 20 per cent. These workers are part of the two-thirds of Guatemala’s working population who are not covered by social security. Informal labour must be urgently addressed alongside the extension of social security in the post-MDGs.

9. Of the unemployed segment of the EAP in Guatemala, more than half of people have completed secondary and superior education, which implies that limited employment opportunities exist for people who have higher levels of education than the average worker. It is thus necessary to conduct studies on the demand for jobs to determine activities, especially in the services sector, with growth potential that can provide jobs commensurate with the educational levels and demonstrated skills and abilities of the unemployed segment of the EAP. Employment opportunities for young people aged 15-24 who neither work nor study, representing one in four people in this age range, should be a priority. The SITDG (2013) shows the scale of the challenge in education – only 18 per cent of adults have completed secondary education and 2 per cent have completed superior education. Education, particularly secondary school and superior education should be linked to the commitment on decent work in the post-2015 development framework.

10. The low rate of union membership in Guatemala and consequently reduced presence of collective bargaining, especially in the private sector, affects the ability of workers to effectively participate in social dialogue processes, especially in direct dialogue with employers in the field of business or the different branches of economic activity. This highlights the need to strengthen social dialogue spaces existing at the macro level, such as the Tripartite Commission on International Labour Affairs, and the Economical and Social Council, where agreements to advance the goal of decent work can be achieved, especially in the dimension related to the respect of fundamental rights of workers.
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Southern Voice on Post-MDG International Development Goals (Southern Voice) is a network of 48 think tanks from Africa, Latin America and South Asia, that has identified a unique space and scope for itself to contribute to the post-MDG dialogue. By providing quality data, evidence and analyses that derive from research in the countries of the South, these institutions seek to inform the discussion on the post-2015 framework, goals and targets, and to help give shape to the debate itself. In the process, Southern Voice aims to enhance the quality of international development policy analysis, strengthen the global outreach capacity of Southern think tanks, and facilitate professional linkages between these institutions and their respective governments. Southern Voice operates as an open platform where concerned institutions and individuals from both South and North interact with the network members. Southern Voice Occasional Papers are based on research undertaken by the members of the network as well as inputs received at various platforms of the initiative. Centre for Policy Dialogue (CPD), Dhaka works as the Secretariat of the Southern Voice.