



## Impacts of the world crisis on the labour market in Central America and the Dominican Republic

### EXECUTIVE SUMMARY



May 6, 2009

## **Presentation**

- (1) For policy design, information on the impact of the world crisis on the labour market is a vital instrument. In the Central America and the Dominican Republic sub-region, there is a lack of systematized information on the current situation of labour markets. Due to this, it becomes necessary to answer this need for information by contributing to the adequate identification of the main challenges and priorities when confronting the impact of the crisis on real economy and its differentiated impacts on both women and men, as well as to provide verification methodologies with very few data requirements.
- (2) It is to be expected that the insufficient generation of employment will not respond adequately to growth in the labour supply; and therefore, unemployment levels will rise. A significant increase is also expected in precarious and informal jobs, child labour, youth unemployment, and in gender gaps, hence the need to create policies that tackle these problems.
- (3) From the viewpoint of how many people shall see their employment permanence affected, it is necessary to understand the relationship between national production and the impact that it has on the generation and maintenance of the jobs, especially on productive employment and decent job. After observing behaviour through time, as well as the correlation between production and employment (the employment intensity of economic growth) the expected impact of the crisis may be analyzed (projections by the end of 2009). The purpose of the intertemporal behaviour analysis is to estimate the magnitude of job losses (those that were eliminated as well as those that, due to the crisis, were not generated). The purpose of elasticities (intensity) is to provide quantitative evidence when estimating the impact of the crisis in different economic sectors of activity and demographic groups, thus contributing to identify the most troubled sectors and to indicate a method to assess the crisis.
- (4) Complementarily, since access to social security presents a more strict approximation to what decent labour is, it is necessary to observe its behaviour and to identify the potential loss of jobs covered by social security that occurs within the framework of the crisis. Based on the difference on the projections between a scenario without crisis and the current situation, the consequence that economic deceleration has on the labour market will be observed.
- (5) Governments have already announced plans to face the current crisis regarding employment and income, by combining measures to maintain jobs and purchasing power, as well as by promoting the generation of micro and small enterprises; furthermore, for those who end up unemployed, by developing options to continue providing them social protection and reconversion of their labour competencies, even though the measures do not present clarity as to the gender perspective. It is necessary to connect such responses to the main challenges indicated by empirical evidence regarding employment/unemployment and social security, in the interest of providing recommendations for their strengthening or to complement the measures adopted.

## **Brief economic and labour panorama of Central America and the Dominican Republic**

- (6) After a period of accelerated average growth over the past 5 years (Costa Rica, Honduras, Panama, and the Dominican Republic have experienced an annual average growth above 5.5%), with direct incidence on per capita income, current perspectives are of strong

deceleration and even possible cases of stagnation or contraction of the GDP in the Central America and the Dominican Republic sub-region .

- (7) In Central America and the Dominican Republic, there have already been news on job losses related to the crisis on the first quarter of 2009. Due to this, it is necessary to reduce the magnitude of the losses and to gauge the effects of the crisis in order to implement policies to contain this situation. After a long period with an increasing trend of the Monthly Economic Activity Index, it started to decline after the second quarter of 2008 in Costa Rica, El Salvador, and Honduras. For the rest of the countries, by January 2009, a slight deceleration could be observed.
- (8) The occupational distribution presents higher concentrations of people working in trade, hotels, and restaurants, manufacturing, agriculture, and community services. This means that these are the sectors to analyze more deeply regarding the work force and the prioritization of monitoring.
- (9) With a work force of around 21 million men and women, this sub-region faces the current global crisis with pending issues regarding the structural weakness of the labour markets to generate decent labour, which is represented by a deficit in formal jobs for practically half its work force of 10.5 million people.
- (10) A little less than half the workers (48%) is incorporated to the labour market under a wage regime. This percentage reaches 58% in urban areas and 36% in rural areas. On the other hand, almost 4 out of every ten workers are incorporated to the labour market as independent workers, especially self-employed (approximately 1 out of 3). It is in the rural sector where there is a higher intensity in self-employment. Micro and small enterprises account for approximately 3 out of 4 jobs. This proportion jumps to 8 out of 10 in the rural sector. Sub-employment varies between 17% (Panama) and 38% (Nicaragua). It is higher for women (between 14% and 41%) and for young people (between 21% and 48%).
- (11) Likewise, there are many differences in labour insertion rates and in the realities of each demographic group. Women have not been able to become fully inserted, either due to discrimination in hiring, or most probably, due to the persistence of cultural patterns that do not support the balance between domestic, social, market labour amongst genders. Care for dependent people in the household has been practically fully assumed by women, and the lack of public infrastructure for care forces many women to become inserted into jobs in the informal economy, so that they can accommodate their schedule to comply with their family responsibilities. On the other hand, it is evident that the low participation of young people is due to their ongoing training process, but it must not be forgotten that there is a group among them that does not have access to working or education opportunities, which leads to a higher unemployment rate and loss of development of their potential.
- (12) This structural weakness that is predominant in the labour markets in the sub-region explains to a great extent the high levels of poverty and extreme poverty, especially in rural areas, that tends to increase in times of crisis, thus reverting the decreasing trends in poverty of the last years.
- (13) Therefore, economies of Central America and the Dominican Republic face these times of crisis with great challenges to prevent the worsening of socio-labour indicators, already in deficit, which might set democratic governance at risk. The current context for facing the

crisis might represent an opportunity for achieving productive answers to generate employment and decent work which at the same time will serve to mitigate the effects of the crisis on production and employment and that will become a path to follow in order to build societies which are more economically developed, fairer and more stable.

### Employment Intensity of economic growth

- (14) Table 1 presents data on how occupation and the salaried population react to changes in GDP. Except for Nicaragua, the average elasticity of occupation to production is within the results for other studies (0.7). However, when analysing the behaviour of the elasticity of salaried workers, an interesting phenomenon may be observed. In several countries, the elasticity of salaried workers is equal to or greater than that of the occupied population. This situation may be associated to a process of generation of more formal productive initiatives in which employee/employer structures and relationships are developed, as well as processes in the productive units in which production is expanded and “awarded” with the recognition of the working relationship. On the other hand, this means that in periods of economic contraction, enterprises may initiate an adjustment process in which, for example, workers are no longer considered as employees but are hired by task.
- (15) As to differences in gender, in most countries the elasticity of occupation is greater for women than for men. This may be due to two factors: on one hand, the gradual increase in the insertion of women due to slowly equalizing roles, as well as a reaction to a period of bonanza of the GDP. This difference by gender is less clear for salaried workers in which the elasticity is greater in several countries, but not in all. As data shows, the differences in elasticity present a need to consider the differentiated impact of the crisis.
- (16) The analysis of the behaviour of elasticity by activity shows that the elasticity of salaried workers is, in general, greater than that of occupied workers. This means that in a period of bonanza, the formalisation processes of the working relationship occurred regardless of the activity. On the other hand, in a crisis context, it is to be expected that people turn to the agricultural sector to carry on activities for survival or for their own consumption, thus increasing the occupied population in this activity as well as in informal trade activities. This informalization might present, when the crisis is well advanced, an increase in the occupied population but not in salaried workers, as women and men seek for a space to generate any income in small businesses in the informal sector.

**Table 1: Central America and the Dominican Republic: Growth rate in GDP, Occupied and Salaried Worker Population; Elasticity for occupied and salaried worker population. Total and by gender (2001-2007)**

	Growth							Elasticity					
	GDP	Occupied Population			Salaried Worker Population			Occupied Population			Salaried Worker Population		
		Total	Male	Fem.	Total	Male	Fem.	Total	Male	Fem.	Total	Male	Fem.
<b>Costa Rica</b>	6.1%	3.7%	3.2%	4.6%	4.8%	4.2%	5.8%	0.61	0.57	0.68	0.74	0.69	0.83
<b>El Salvador</b>	2.8%	1.9%	1.2%	2.9%	3.1%	2.7%	4.0%	0.62	0.44	0.90	1.10	1.09	1.15
<b>Guatemala</b>	3.0%	3.0%	2.3%	4.2%	5.1%	4.6%	6.1%	1.00	0.76	1.41	1.70	1.53	2.03
<b>Honduras</b>	5.5%	3.7%	3.1%	4.8%	3.2%	3.2%	3.2%	0.67	0.59	0.85	0.50	0.53	0.44
<b>Nicaragua</b>	4.3%	1.6%	2.2%	0.7%	3.4%	3.7%	3.1%	0.36	0.39	0.15	0.79	0.65	0.57
<b>Panama</b>	7.2%	4.4%	3.3%	6.6%	5.0%	4.9%	5.2%	0.59	0.70	1.47	0.64	0.86	0.99

Dom. Rep.	5.9%	2.8%	2.5%	3.5%	2.5%	1.9%	3.4%	1.05	0.88	1.38	0.89	2.07	0.88
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Source: Elaborated based on national surveys and using the definitions in each country. See preliminary analysis of the sources.

- (17) Since a great deal of the growth in the region’s manufacturing sector is due to the assembly industry (*maquila*), and since this industry has seen its future benefits shortened throughout the estimated period, now, in the framework of the crisis, it is a sector that might generate a great loss in the occupied population, and even more, in salaried women in the sector.
- (18) Taking into account that manufacturing, trade, restaurants and hotels, and community, social and personal services, bring together most of the women who have found work, it is to be expected that the crisis will have a greater impact on women.

### **Expected impact of the crisis on the occupied population, on salaried workers, and on those with social security**

- (19) The present study shows that, in function of the strong reduction in economic growth, there will be insufficient employment generation to face the growth of the Economically Active Population (EAP), resulting in an increase in unemployment levels after showing a systematic reduction in unemployment and a relative improvement in the quality of employment in the last five-year period. It is estimated that up to 460 thousand jobs will cease to be generated in the sub-region (excluding Guatemala) for 2009, with a total of 285 thousand jobs corresponding to salaried workers. As a result, the unemployment rates will present increases between 1 and 4.5 percent points, with 3 percent points as the average for the sub-region (going from an unemployment rate estimated in 6% for 2008 and 9% for 2009, with a reversion in the reduction observed in the past five years).
- (20) It is important to clarify that the unemployed population that is being projected is the worst case scenario. This is because the assumed growth rate of the economically active population only responds to demographic growth, without being affected by the different scenarios or by the implementation of new policies. What might occur in reality is that in view of the loss of working opportunities, some people might decide to withdraw from the labour market.
- (21) The job loss is more serious for women: women will account for almost half the increase in unemployment (even when they represent 39% of the total EAP), and an increase of 3.5 percent points in the unemployment rate. The youth population (15-24 years), in turn, will experience an increase of approximately 2 percent points in the unemployment rate against an increase of 3.5 percent points for the adult population (25 years and more).
- (22) The relative loss of salaried work is higher than for total working population, after salaried work grew at a higher rate than that of total employment during the last five years, hence, an “informalisation” of employment will occur. The loss of jobs will be concentrated in trade, restaurants and hotels, manufacturing, and construction, all of which were highly encouraged by governments (promotion of tourism and free trade zones).
- (23) Together with the loss of salaried jobs, an important decrease has been observed in the number of jobs with social security protection. Available data for social security for Costa Rica,

El Salvador, Nicaragua, and the Dominican Republic shows that the majority of salaried workers with social security in these countries pertain to the private sector even though the relative importance tends to vary considerably from one country to another (Costa Rica 57%, El Salvador 81%, Nicaragua 65%, and the Dominican Republic 73%). Since most of the employees are from the private sector, a great part of the evolution of total social security is a reflection of what occurs in this sector.

- (24) Around the last quarter of 2008, in every country, an atypical reduction was noticed in workers with social security. Again, trade, restaurants and hotels, manufacturing, and construction are the activities that present a higher reduction. Additionally to these, in Costa Rica and the Dominican Republic, social security for activities such as real estate and transportation also present a contraction in growth rates while in El Salvador, the Dominican Republic, and Nicaragua, financial intermediation has been reduced. This strong reduction in social security levels impacts the quality of employment (reduction of social protection) and collection by the State.
- (25) When analyzing the recent evolution of social security in these countries, when the behaviour before the crisis is projected, and when this projection is compared to the results observed, an abnormal decrease in social security can be detected. Starting in Costa Rica, as of September 2008, the model used in this study predicts, for the worst case scenario, approximately 4,640 less workers with paid social security than with previous growth rates compared to this deceleration. This difference, far from being reduced during the following months, continues to increase, reaching 70,000 workers with social security in the private sector as of February 2009<sup>1</sup>. The outlook is not very different in the other countries that were analyzed. El Salvador began to report losses of employees with social security since August 2008 (1,016), reaching a peak of 31,582 in January 2009. Likewise, the impact in Nicaragua started in August 2008 (1,407), and reached its climax in November 2008 (approximately 19,000), and it was slightly reduced in December 2008 (14,500). In the Dominican Republic, it was estimated that there would be approximately 897,046 employees with social security; however, the reported figure was 858,089, or 30,513 less.
- (26) In Costa Rica, it can be confirmed that the activity that has been the hardest hit is by the crisis is construction, registering losses in social security close to 20,500 for the last projected month. This does not mean that this is the only affected sector as drastic decreases are being estimated for trade (12,000), followed by industry and real estate (approximately 10,000 workers with social security in both), and finally, hotels and restaurants. During the first months of the crisis, most of the total loss of workers with social security from the private sector was clearly concentrated in the previously mentioned sectors; but as the situation has worsened, other activities seem to be affected as well. By February 2009, the accrued loss of workers with social security in construction, trade, industry, hotels and restaurants, and real estate activities was of 55,000, while that for the private sector as a whole it was of 70,000. This means that the rest of the sectors lost around 15,000 employees with social security.

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<sup>1</sup> This figure comprises the real downfall of the total amount of individuals with social security, as well as of the potential creation of new ones; the figure does not necessarily imply that, for example, 70,000 workers that already had social security will cease to have it. This total figure cannot be interpreted as a loss of the already existing jobs.

- (27) Even though in El Salvador construction is also one of the most affected sectors (5,427), the greatest losses occurred in trade and in industry. Both activities show differences of around 11,000 workers with social security in January 2009. The fall in finance is close to 3,600 employees with social security. Finally, the crisis in Nicaragua seems to be lead basically by the manufacturing industry, since this activity has shown the greatest reduction in social security coverage (10,500 employees in November 2008, and 9,186 in December 2008).
- (28) As it is expected that the crisis will be long-lasting, it will be a challenge not only to mitigate the potential loss in the generation of 460,000 jobs for occupied and of which 285,000 jobs for salaried workers, but also to mitigate the reduction in the social security coverage rate, with a potential between the unemployed and the jobs that were not generated for more than 110,000 people in the 4 countries analysed, as well as to generate mechanisms that achieve the reinsertion of the population with greater and more adequate competencies for the potential of each country.
- (29) Due to the exogenous nature of the crisis and the size of the economies of the countries, the capacity of the governments is not very broad. Even so, it is necessary to think not only in assistance policies, but also in policies that leverage recovery processes.

### **Policy responses to the imminence of the crisis**

- (30) The countries of the sub-region have been reacting in different ways to the aggravation of the international financial crisis and to the impact that this might have on their economies. For most of them, plans or programs have been elaborated to face the crisis. The announced and/or adopted measures are diverse, which responds to the fact that the impact of the crisis strikes countries differently and also their margins to react are different. Even so, it is clear that the current situation creates a series of risks for the countries, but this can also be an opportunity to think upon the development model to be implemented, not only internally, but also to strengthen the spaces for integration at the sub-regional level.
- (31) Even though the proposed anti-crisis programs are not visualized from a gender perspective, it is clear that many of the proposals set forth, mainly those of assistance nature or social policy, are designed to benefit or to favour the most vulnerable groups, among them women who are heads of their households and young people. An example of this are the programs called *Red Solidaria* (Solidarity Network) and *Alianza por la Familia* (Alliance for the Family) in El Salvador, *Mi Familia Progresada* (My Family Progresses) in Guatemala, *PROJOVEN* (PRO-YOUTH) in Costa Rica, among others.
- (32) In general, measures adopted by the countries deal, in the first place, the financial sphere and fiscal caution (meaning that there will be expenses that produce a deficit, though controlled). In the second place, they try to strengthen a social network for the people who are at risk of losing their jobs or that are unemployed; therefore, specifically for employment, four measures are designed:
- *Protection for existing jobs and for emergency jobs*: in Costa Rica, changes in shifts are proposed; other countries prefer to use minimum wages as an instrument for adjustment

(SV, HN, NI) but with components for temporary contracts (GU). On the other hand, for the unemployed, there are policies to reduce frictional unemployment (HN) as well as to introduce temporary working contracts in public infrastructure (mainly roads, education and health), public procurement from small food producers (GU) and better labour intermediation (HN). For public infrastructure, even though a control in investment is mentioned, the countries also mention investment programs (CR, GU, HO, NI), some specifying this as intensive for local employment (GU).

- On the other hand, the plan to *improve the potential for labour (re)insertion and social security* is centred on reconversion. Some countries aim at this through conditioned transferences (GU, HN); others through reconversion while the employer only pays for social security charges (CR); whereas others just promote this (PA).
- *Social assistance*: aside from the measures to maintain coverage for social and health security (CR, ES), there are food supply programs (HN), conditioned transferences to school-aged youngsters under existing programs (CR), and tax reductions and free access to education for impoverished people (ES).
- The *initiatives for entrepreneurial promotion* mention, in most cases, access to credit (CR) (SV) (GU), attraction of direct foreign investment (GU), incentives, exemptions and deferrals (HN), but also support to specific sectors like agriculture (NI), and establishment of new initiatives (NI) with an important potential for recovery.

(33) As was mentioned regarding the difference in gender, if specific measures are not taken for these policies to reach working women, who according to this study will be the most affected by the crisis, and since there was greater decent job deficit for this group before the crisis started, gender gaps will widen and many of the advances achieved in the last decades might be lost. Therefore, the operability of these measures should be explored, and necessary corrective actions should be introduced to take care of the needs of every worker, man or woman. For example, in theory, measures to support micro and small enterprises should benefit women due to their greater presence in this sector. However, it is women who traditionally have had less access to credit, which has rendered the formalisation process of their microenterprises difficult, keeping them in the most precarious activities within the informal sector. Likewise, the conditional transference programs should take into account that compliance with conditionality normally falls on women, thus increasing their workload. These programs could in fact be linked to training and micro-entrepreneurial programs so that they can actively contribute to the economic autonomy of women.

(34) In summary, in these measures a “cleaning up” of the financial sector can be seen, as it is as the main source of problems in the portfolios, as well as the promotion of access to credit and financing, particularly necessary due to the deficits in the current account balances that the countries may face. In addition, there is an intention to mitigate the impact of the crisis as well as to favour the reinsertion of unemployed workers into other sectors or new initiatives. The abundance of programs that use conditioned transferences draws special attention.

(35) As to job losses, policies oriented towards keeping jobs must be highlighted, as expressed in the plans presented by Costa Rica, Guatemala, Nicaragua, and the Dominican Republic. This is based on the fact that the analysis shows that the loss of salaried jobs, and even more of those protected by social security, represent an important challenge. Nevertheless, it is true that some measures, as is the case of changes in work shifts, require further discussion and social dialogue to develop the changes that are deemed necessary but with safeguards to fundamental working rights.

- (36) Many of the options for job retention are supported by promoting training, and in the case of the unemployed, with reconversion options. As the wealth of knowledge of the people increases in the region, the better it will promote more stable productive processes of greater added value, as well as a faster recovery.
- (37) For those populations that fall into unemployment, labour intermediation services have the opportunity of achieving greater prominence. Labour intermediation may acquire other nuances, as that of providing support in the preparation of résumés or providing guidance with scholarships and training centres for reconversion.
- (38) Recognizing the importance of entrepreneurship, Costa Rica, Guatemala and Honduras aim at the promotion of local productive development, focusing on the promotion of productivity, and providing special attention to measures to support SMEs through the creation and/or strengthening of credit lines and guarantee deposit funds, as well as through technical assistance and training. These measures are fundamental for local productive development but have to come together with better services to support entrepreneurial development to prevent the increase of precarious employment and to promote the development of productive accrual units.

## Conclusions and Recommendations

- (39) The effects that are observed in the real economy and on people require strengthening of measures to mitigate the impacts in employment and social protection and deterioration of labour standards.
- (40) The way out of the crisis necessarily has to promote each one of the dimensions that make up decent labour: promotion of full productive jobs by creating a sustainable institutional and economic surrounding, by adopting social protection measures, and by promoting the social dialogue and the tripartite governing structure; and to respect, promote and apply the principles and fundamental rights at work<sup>2</sup>.
- (41) Precisely, the ILO Governing Body has suggested six measures to deal with the impact of the crisis in real economy and to protect people, to provide support to productive enterprises, and to preserve jobs: **i)** to guarantee the credit flow for consumption, trade and investment, and to encourage additional demand through expenses and public and private investment; **ii)** to protect the most vulnerable groups; **iii)** to provide support to productive, profitable, and sustainable enterprises; **iv)** to ensure respect to fundamental rights at work; **v)** to promote the cooperation of ILO with the multilateral system, social dialogue, and the tripartite governing structure; and **vi)** to maintain assistance to development and to provide additional credit and support lines to allow low-income countries to be able to buffer the crisis.
- (42) The coming International Labour Conference to be held in June of this year will focus on a World Agreement for Employment. This agreement would include measures for the unemployed and for the employers; the extension of social protection and of the protection to retirement funds; support addressed to groups and vulnerable sectors, like young people; investment in developing training of the workers to prepare for recovery; strengthening of

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<sup>2</sup> See ILO Declaration on Social Justice for a Fair Globalization.

employment services; provide support to enterprises, especially small and medium sized ones (SMEs); public investment in infrastructure through emergency public investment that use techniques of a high labour quotient; incentives and investment in energy-efficient technologies and “green jobs”; responsible restructuring of enterprises and of sectors; and strengthening of the collective negotiation agreements to facilitate salary negotiation, particularly those that refer to low-wage workers, with the purpose of sustaining real income and therefore the demand for consumption.

- (43) Governments have already announced their plans to face the crisis regarding employment and income, which by itself is very positive. By combining measures to keep jobs and the income level to promote the generation of micro and small enterprises as well as for those who end up unemployed, and by providing options to continue social protection and reconversion of labour competencies, it might be considered that they are headed in the right direction, but yet do not present clarity as to their gender perspective.
- (44) Likewise, in general, proposals to encourage employment do not contemplate individuals employed in the informal sector or specifically sub-employed, which is a problem in some of the countries of the sub-region where this situation has become one of the strongest challenges when analyzing employment characteristics.
- (45) The Governments of Costa Rica, Nicaragua, Honduras, and Guatemala, have presented investment plans for infrastructure (health, education, roads) to generate employment, but it is necessary to review intensive hand labour approaches that favour local resources. It is also noticeable that there is no direct reference to investment in production of clean energy that would encourage the generation of green jobs.
- (46) El Salvador and Nicaragua, for example, have proposed actions that intend to maintain the purchasing power of salaries and to monitor with particular attention the compliance indicators for minimum wages, since this may be a fundamental task during the crisis to help preserve the purchasing power of the lowest wages. In this sense, there is a lack of clearer indications on how the role of labour inspection is going to be strengthened to achieve the objective of monitoring the compliance of the minimum salary.
- (47) It is necessary to expand social protection and social security benefits to those groups who might need them the most, specifically young people, women, informal sector workers, and precarious workers.
- (48) It is important that the programs implemented to face the crisis facilitate and promote access of women and young people to credit, technical assistance, and entrepreneurial training. Massive training in entrepreneurial development methodologies through professional training institutes should be considered, as well as through agreements with other technical and professional education centres, universities, and development banks.
- (49) It is also important to analyse if conditioned transferences and the different assistance measures are really favouring the groups that need it the most, particularly women and young people, who normally have the most precarious jobs and often do not have the possibility to access credit due to the characteristics and informality of their livelihood. Also, many of these programs depend on fiscal income or international cooperation, so in a crisis context there might be continuity problems. It is necessary to stress that transferences conditioned by the permanence of teenagers´ in school, while at the same time preventing a premature exit of

the education system and improving their training (including technical training), would also contribute to reducing the pressure on the labour market in times of crisis.

- (50) Actions adopted and applied in relation to social protection and to the protection of the workers must be sustainable and adapted to national circumstances. It is fundamental that responses are practical, fast and oriented at the local level, emphasizing on geographical areas and on the sectors that are mostly impacted by the crisis. For this purpose, it is important to get stakeholders and local institutions involved in the definition of these practical responses, taking advantage of the local institutional capacity (employment offices and institutes for professional training, for example), and to reinforce it for the implementation of the adopted political measures.
- (51) It is important to strengthen specific security networks that have been developed for people who are at risk of losing their job or who are currently unemployed, and to expand or implement emergency employment programs which might be linked to a reinforcement of conditioned transference programs. In addition, it is important to encourage, in the sub-region, training and professional re-adaptation by training workers who are at risk of being terminated, and to strengthen outplacement services and their link to local development, as well as to improve their articulation with professional training.
- (52) In a crisis context, it is mandatory to strengthen social cohesion through dialogue. Cooperation between ILO and its constituents with the multilateral system is fundamental not only to support efforts deployed in each country, but also to develop common efforts that allow confronting the crisis, for example, intra-Central American trade as a way of maintaining the necessary production and trade levels.
- (53) It is important to ensure that progress regarding workers' rights is not undermined by the current crisis. It is important to watch over the compliance of the workers' fundamental rights (again, it is important to highlight the role of labour inspection).
- (54) Also, assistance for development must be maintained, as a minimum, at the current levels, and credit and additional support must be provided to low-income countries. It is also important to reflect on the development model to be implemented in each country to strengthen areas for integration at the sub-regional level.
- (55) Finally, it is important to disclose anti-crisis plans to society in general in every country, so that individuals not only know the scope of the proposed policies, but also so that they may get involved in the development and implementation of solutions.