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Employment Situation in Latin America and the Caribbean

Labour market participation of older
persons: needs and options



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Employment situation in Latin America and the Caribbean is a twice-yearly report prepared jointly by the Economic Development Division of the Economic Commission for Latin America and the Caribbean (ECLAC) and the Office for the Southern Cone of Latin America of the International Labour Organization (ILO), headed by Daniel Titelman and Fabio Bertranou, respectively. Work on the document was coordinated by Gerhard Reinecke, Senior Expert on Employment Policies of ILO, and Jürgen Weller, Chief of the Employment Studies Unit of the Economic Development Division of ECLAC.

The first section of this report was prepared by Juan Jacobo Velasco and Gerhard Reinecke, and the second by Jürgen Weller. Statistical information for the first part was provided by the Labour Analysis and Information System in Latin America and the Caribbean, under the coordination of Bolívar Pino. Ernesto Espíndola and Heidi Ullmann prepared box II.1, and Susanna Campbell, Carlos Howes and Mario de la Hoz Schilling processed household survey data, systematized this information and prepared other input for the second part. Alberto Arenas, Sonia Gontero and Claire Harasty provided valuable comments on a preliminary version of the second part.

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Foreword

After two years of declining regional output, accompanied by a sharp increase in unemployment, 2017 saw the region move towards positive, albeit modest, economic growth. In the labour market, economic growth of 1.3% led to a slight acceleration in wage job creation and marked the end of the three-year fall in the urban employment rate (from 2014 to 2016). However, not enough jobs were created to reverse the increase in the urban open unemployment rate. After climbing by 2.0 percentage points over the previous two years, that rate rose again, albeit less sharply, by 0.4 percentage points, to reach 9.3%, the highest level since 2005 and equivalent to some 23 million unemployed urban residents in the region. In addition to the social exclusion that this level of unemployment implies, the quality of employment is also further undermined. Although wage job creation picked up slightly, the growth in formal employment was weak and own-account work, which tends to be of poorer quality than wage jobs, flourished.

Nevertheless, the general trends followed by different labour variables are more favourable than in previous years, when the downturn was more evident. For example, there has been a rebound in manufacturing job creation at the regional level, a sector that usually has better quality jobs. Meanwhile, despite the unfavourable economic situation of recent years, real wages in the formal sector have, in general, remained stable or seen modest increases, which helped to stabilize household consumption—which is the largest component of aggregate demand—and this, in turn, was a major factor in the return to economic growth.

The second section of this report examines the increasingly important issue of the extent and nature of older persons' participation in Latin American labour markets. To address the ageing process and its impact on pension systems' sustainability, many developed countries have changed their policies, and turned to raising the retirement age and limiting the options for early retirement. At the same time, a growing number of people, especially those with a high education level, prefer to maintain their links with the labour market, usually because they feel that they can continue to make an important contribution to society and that their physical and mental health are such that they can continue to work beyond the normal or legal retirement age, as determined by social security systems.

The situation is very different in Latin America, because, in this region, the main reason that older persons continue to work beyond retirement age is the lack of income, especially among women. Recently, many countries have made remarkable progress in expanding the coverage of contributory pension schemes and creating or extending non-contributory systems. However, data from eight countries of the region show that, on average, 57.7% of people aged between 65 and 69 and 51.8% of people aged 70 or over still do not receive a pension from a contributory system, and these figures

are even higher among women. This situation forces many older people to work, so the employment rate for all people aged 60 or over is 35.4%, and is still quite high in age groups that have already exceeded the legal retirement age: 39.3% in the 65-69 age group and 20.4% in the 70 or over group. The figures are higher in countries where coverage of contributory pension systems is lower.

Among the income-generating activities undertaken by older persons who continue to work, own-account work stands out. This may be as a result of both the discrimination that hinders older peoples' access to wage employment and their desire to work independently, using the skills acquired throughout their careers to do so under conditions that provide greater flexibility when it comes to organizing work and everyday activities. As the study shows, a large proportion of older workers are in the agriculture sector, which could be due to the lack of pension system coverage among agricultural workers, as well as some aspects particular to family farming. Meanwhile, as in developed countries, there are older people in the region, especially those with a high educational level, who continue to work by choice, even when they receive a pension.

The report concludes by focusing on the challenge of expanding pension system coverage and supplementing them with non-contributory pensions to reduce the pressure on older people to continue working, usually in low-productivity jobs, just to have a minimum standard of living at an age when societies should guarantee them the conditions to enjoy their old age with dignity. Moreover, the accelerated ageing process seen in many Latin American countries will require analysis of the conditions and funding needed for inclusive and sustainable pension systems. Policies must be implemented that guarantee proper working conditions for those older persons who prefer to continue working beyond retirement age, without infringing the rights they have acquired over the course of their working lives while offering flexible conditions, such as part-time work.

The region is now going through a phase of modest economic recovery. Growth is expected to reach 2.2% in 2018, compared to 1.3% in 2017. In this context, the employment rate is projected to increase slightly, which could lead to a small drop in the urban unemployment rate —down to around 9%—, the first recorded since 2014. This shift in employment, coupled with the modest increase in real wages, would help to strengthen households' purchasing power and thus go some way to stabilizing the economic recovery.

Alicia Bárcena

Executive Secretary
Economic Commission for Latin America
and the Caribbean (ECLAC)

José Manuel Salazar Xirinachs

Assistant Director-General
Regional Director
Regional Office for Latin America and the Caribbean
of the International Labour Organization (ILO)

I. Labour market trends in Latin America and the Caribbean in 2017

Introduction

After deteriorating over the period 2014-2016, the main labour indicators in Latin America and the Caribbean showed signs of recovery in 2017. The downturn seen in the gross domestic product (GDP) of the region over those three years was reversed in 2017, when the economy grew 1.3%. In this context of incipient regional GDP growth, the urban unemployment rate rose from 8.9% to 9.3%. However, this increase was smaller than the 1.6 percentage point rise recorded between 2015 and 2016, and implies a change in the unemployment rate trends that characterized the contractionary phase of the economic cycle. As shown in this report, changes in the regional unemployment rate against a backdrop of modest economic growth can be explained mainly by the smaller increase in unemployment in Brazil compared to previous years, as, given this country's size, it affects the weighted average of regional labour market indicators. Changes in the rest of the countries and subregions were heterogeneous, since in some cases the unemployment rate increased slightly and in others it remained unchanged or declined. With regard to the other indicators, a major change was seen in the employment rate, which stopped contracting, there was also growth in employment in industry and real salaries improved. In turn, own-account work continued to grow at higher rates than wage employment.

A. The urban unemployment rate continued rising, but at a slower pace than in 2017

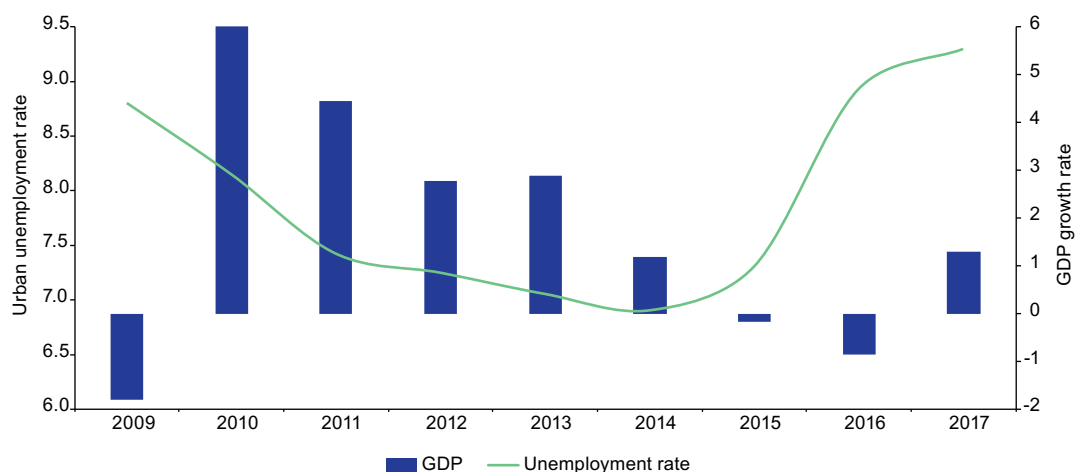
After deteriorating during the downturn in the regional economic cycle, labour market indicators in Latin America and the Caribbean began to pick up in 2017. As pointed out in several reports (ECLAC/ILO, 2017b; ILO, 2017), since mid-2017 there has been an improvement in regional GDP, which began to grow after a two-year downturn (2015-2016) evidenced by falling employment rates and higher unemployment. As the prices of the region's commodity exports recovered globally in 2017, the Latin American and Caribbean economies showed signs of a modest recovery, which translated into regional GDP growth of 1.3%.

This was helped by the economic performance of Europe, China and the United States in 2017 (ECLAC, 2018; ILO, 2017), which should continue in 2018. Meanwhile, regional GDP regained momentum in the short term thanks to the recovery in commodity prices, which in turn boosted investment and consumption (ECLAC, 2018). Thus, the improvement in the external economic environment gave rise to a favourable domestic response in the economies of the region. Although there are still pockets of external and domestic uncertainty, the economy is generally expected to continue to grow in 2018.

Despite the better regional economic scenario, the urban unemployment rate increased again in 2017 (see figure I.1), reaching levels even higher than those seen in 2009. However, the rise in the unemployment rate in 2017 was lower than that of 2016, signalling the beginning of a reversal in the trend followed since 2014, especially from the second half of 2017 onwards (ECLAC/ILO, 2017b; ILO, 2017). In terms of regional GDP and the unemployment rate, 2017 marked the beginning of the expansionary phase of a new economic cycle for the region, following that which lasted from 2009 to 2016.

Figure I.1

Latin America and the Caribbean: urban unemployment rate and regional GDP, 2009-2017
(Percentages)



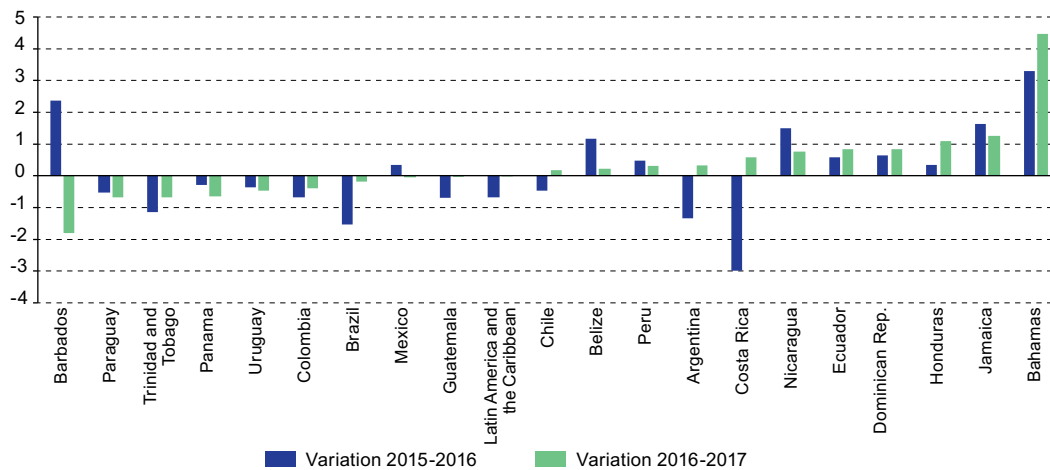
Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official figures.

The effects of this incipient expansionary phase of the economic cycle on the labour market were particularly evident in the behaviour of employment rates. As mentioned in previous reports (ECLAC/ILO, 2017a), regional employment rates grew faster than labour market participation rates until 2013, driving the downward trend in regional unemployment rates that persisted until 2014. This changed when the economic slowdown led to a decline in the employment rate in 2015 and, more particularly, in 2016. However, as figure I.2 shows, this trend changed in 2017, when the regional employment rate remained flat compared with 2016 levels (57.4%), in contrast with the sharp fall (0.7 percentage points) seen in 2016. At the same time, the employment rate went up in 2017 in a similar number of countries (nine) to that in which the indicator fell (eight). Lastly, for the 10 countries where employment rates decreased in 2016, in 2017 the indicator fell less sharply in three of them, remained flat in two and increased in two others, while only in Panama, Paraguay and Uruguay did it fall more markedly than in 2016.

Just as the fall in the regional employment rate stalled, the labour market participation rate increased by 0.3 percentage points in 2017, a similar figure to that seen in 2016. This second consecutive annual increase in the participation rate occurred in a procyclical context, unlike the countercyclical conditions that prevailed in 2016. This reveals the greater volatility of the participation rate, compared with the employment rate which is clearly procyclical (ECLAC/ILO, 2017a). Therefore, although the beginning of a period of moderate GDP growth in the region will mean that employment rates improve, the volatility of labour supply makes it harder to predict how unemployment rates will react. Labour supply and demand indicators in the region were particularly affected by the situation in Brazil, which accounts for more than 40% of the region's economically active population (EAP). As figure I.3 shows, the moderate decrease in the urban employment rate and the increase in the participation rate in Brazil affected the regional average, despite the fact that, in general terms, the number of countries in which employment and participation rates had gone up or down was relatively homogeneous.

Figure I.2

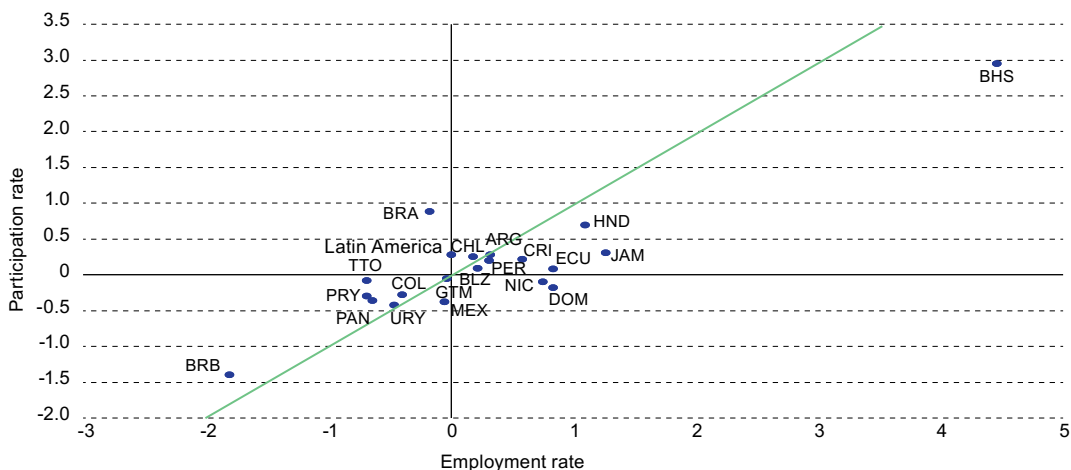
Latin America and the Caribbean (20 countries): urban employment rate, by country, 2016 and 2017
(Percentage points)



Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official figures.

Figure I.3

Latin America and the Caribbean (20 countries): urban employment and participation rates, 2017
(Percentage points)

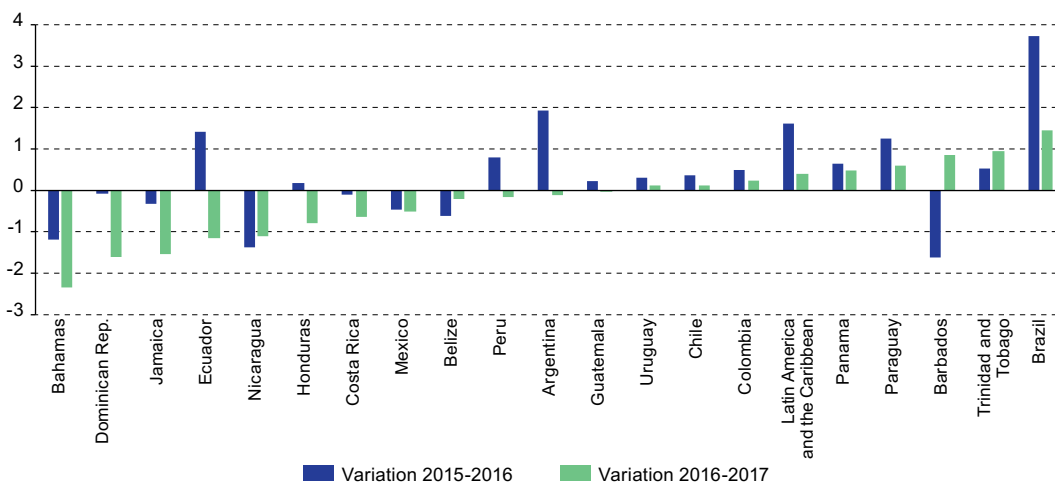


Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official figures.

Analysis of the economic performance at the national and subregional levels reveals differences in the impact on labour market indicators. In 2016, the economic downturn had a greater effect on the countries that accounted for a larger share of regional GDP, which led to a 0.8% contraction in regional GDP (ECLAC/ILO, 2017a). As can be seen in figure I.4, the moderate GDP growth in 2017 led to a drop in the number of countries where unemployment rates rose. Brazil was the country with the biggest increase in this indicator in 2017, albeit a less sharp one (1.5 percentage points) compared to 2016 (3.7 percentage points).

Figure I.4

Latin America and the Caribbean (20 countries): urban unemployment rate, by country, 2016 and 2017
(Percentage points)



Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official figures.

As shown in figure I.4, in 2016 the urban unemployment rate increased in 12 countries and decreased in 8. In 2017, however, it rose in 8 countries, fell in 11 and remained the same in 1. Meanwhile, in those countries where employment rates fell, the decrease was sharper than the increase in countries where rates went up; the indicator rose by an average of 0.5 percentage points in the latter group, while it dropped 1 percentage point in the former. Five of the countries where the unemployment rate increased are in South America, while most of the countries where the indicator decreased are in Central America and the Caribbean.

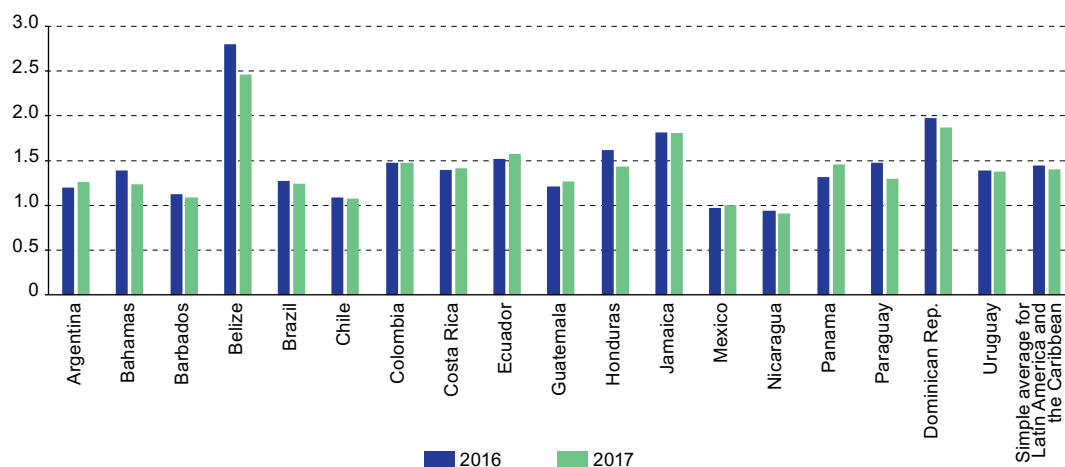
The increase or decrease in the urban unemployment rate occurs against a backdrop of heterogeneous changes in the employment and participation rates. In Chile and Peru, where the unemployment rate increased, the employment rate grew less than the participation rate, while in Brazil, the impact of the drop in the employment rate was exacerbated by the rise in the participation rate. In Barbados, Colombia, Panama, Paraguay, Trinidad and Tobago, and Uruguay, where the unemployment rate increased, the employment rate fell more than the participation rate. Meanwhile, in Argentina, the Bahamas, Belize, Costa Rica, Ecuador, Honduras and Jamaica, unemployment rates declined in a context of greater growth in employment rates compared with participation rates. Lastly, the drop in the unemployment rate in Mexico was attributable to a sharper decrease in the participation rate than in the employment rate, while in the Dominican Republic and Nicaragua, employment rates went up and participation rates went down.

B. The unemployment gap between women and men remained, with mixed results among countries

Analysis of the changes in the unemployment rate by country also revealed that the gap between men and women persisted in 2017 (see figure I.5 and table A1.1 of the statistical annex). Although male unemployment rates tended to increase, on average, less than female rates during the 2016 downturn, this changed in 2017. That year, the unemployment gap between women and men narrowed in six countries (the Bahamas, Belize, Brazil, the Dominican Republic, Honduras and Paraguay), widened in four (Argentina, Ecuador, Guatemala and Panama) and remained the same in eight (Barbados, Chile, Colombia, Costa Rica, Jamaica, Mexico, Nicaragua and Uruguay), albeit in different contexts. In countries where the total unemployment rate rose, the increase was larger among women than among men in Colombia and Panama, similar in Brazil and Uruguay, and smaller in Paraguay and Barbados. In contrast, in seven of the countries where the unemployment rate fell, the decline was proportionally greater among women than among men.

Figure I.5

Latin America and the Caribbean (18 countries): ratio of female to male urban unemployment rates, by country, 2016 and 2017



Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.

The unemployment gaps between men and women could have been worse, given that the forecasts had indicated the possibility that they would widen at the beginning of a period of economic growth. Growing female labour market participation could have led to difficulties in absorbing female labour supply (ECLAC/ILO, 2017a). However, as unemployment figures show, when regional growth began to pick up, the increase in female labour market participation was absorbed thanks to the better relative trend in demand for new jobs among women.

C. Growth in own-account work remained strongest, although wage employment improved slightly

Analysis of the occupational categories shows that the economic changes also affected job creation at the regional level. The trend of wage employment creation that characterized the region up to 2014 changed drastically in 2015 and 2016 when, amid job cuts, own-account work became the principal source of job creation (ECLAC/ILO, 2017a).

The economic downturn produced a shift in the employment structure towards more informal categories and more precarious labour conditions, such as own-account work. In addition to the incipient moderate economic growth in 2017, there was a slight improvement in job creation overall and among wage earners. As shown in table I.1, the growth rate of total employment in 11 countries of the region rose from 0% in 2016 to 1.1% in 2017. Also, although trends were mixed, all countries for which data were available saw total job creation. This change in scenario was also evident in wage employment, with job creation up from -0.1% in 2016 to 0.4% in 2017. With the exception of Brazil and Honduras, wage employment grew in all countries in 2017.

Table I.1

Latin America (11 countries): year-on-year changes in the employment rate, by occupational category, 2016 and 2017
(Percentages)

Country	National total		Wage earners		Own-account workers	
	2016	2017	2016	2017	2016	2017
Brazil	-1.9	0.3	-2.7	-0.6	1.2	0.7
Chile	1.1	2.0	0.1	0.9	5.5	5.2
Colombia	0.6	1.0	1.5	0.5	2.3	0.9
Costa Rica ^a	-3.0	2.8	-1.9	1.6	-8.9	7.3
Dominican Republic ^a	3.6	2.8	6.1	1.2	0.2	5.6
Ecuador ^b	4.6	3.8	-0.3	3.1	12.4	4.8
Honduras	0.2	4.5	8.9	-5.9	-4.5	14.3
Mexico ^c	1.9	1.4	2.9	1.7	1.6	0.8
Panama	2.1	0.9	-0.9	2.3	6.0	2.7
Paraguay ^d	1.1	0.7	2.4	0.9	2.7	-5.8
Peru ^e	1.8	1.5	1.7	0.7	4.4	1.6
Total (11 countries) ^f	0.0	1.1	-0.1	0.4	2.1	1.7

Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.

^a Wage earners include domestic workers.

^b Own-account workers include employers.

^c Wage earners refer to subordinates and include domestic workers.

^d Data refer to Asunción and urban areas of the Central Department. 2017 data refer to an average for the first three quarters.

^e Data refer to the Lima metropolitan area. Own-account workers include employers.

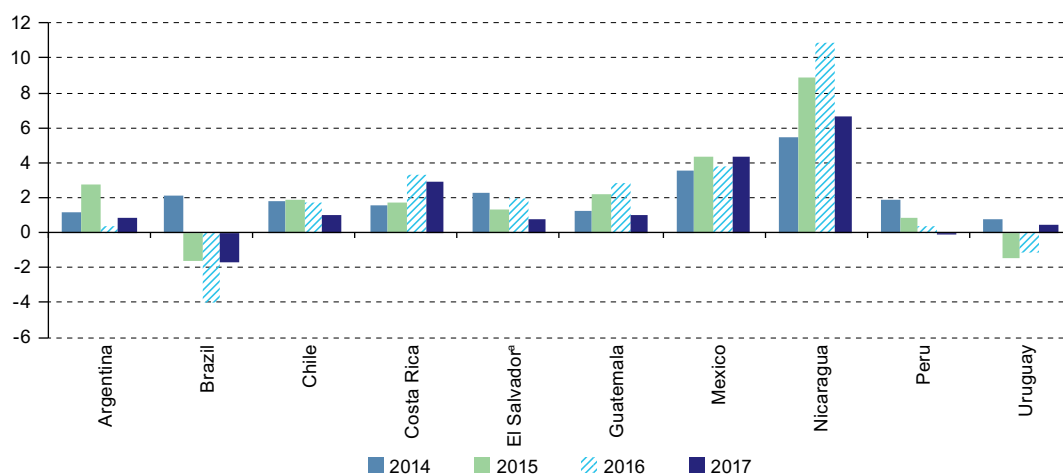
^f Data for 2017 are preliminary.

In the context of new job creation in 2017, own-account work increased for the third year in a row. Nonetheless, growth in this occupational category slowed in 2017 (1.7%) compared with 2016 (2.1%). This category expanded in Chile, Costa Rica, the Dominican Republic and Honduras in 2017, after contracting or remaining unchanged in 2016. In contrast, the countries where own-account work increased in 2016 saw this occupational category lose momentum in 2017 (Brazil, Colombia, Ecuador, Mexico, Panama and Peru) or even contract (Paraguay). Although growth in own-account work remained strong, it slowed as the regional economy began to recover. Nevertheless, the sustained and comparatively stronger growth in own-account work meant that the expansion of the precarious conditions inherent to this occupational category continued in 2017, albeit to a lesser extent.

D. Improvement in registered employment, employment in the industrial sector and real wages, with mixed results in underemployment indicators

Another indicator linked to employment quality in Latin America and the Caribbean is registered employment, which tracks the formalization of workers in both the formal and informal sectors in 10 countries of the region. In 2017, this indicator rose in all countries for which data were available, with the exception of Brazil —where registered employment fell for the third year in a row— and Peru, where it fell slightly (see figure I.6). However, the creation of registered employment in several countries slowed in 2017 compared with the trend seen in 2016, especially in several Central American countries, and was moderate in South American countries. As a result, the effect of the creation of registered employment in 2017 on employment quality was still weak.

Figure I.6
Latin America (10 countries): registered employment, 2014-2017
(Percentages)

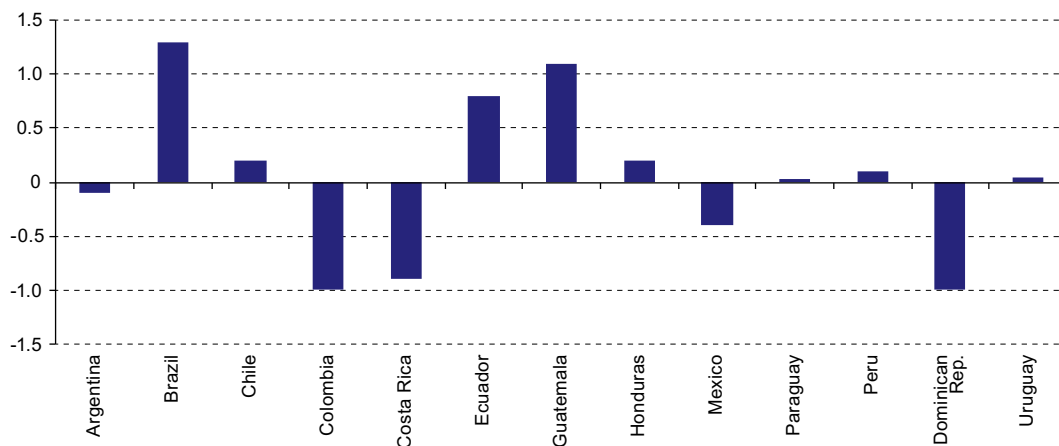


Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.

^a Variation between January and November 2016 and the same period in 2017.

Together with the changes in the employment structure by occupational category and in registered employment, the figures relating to hourly underemployment provide information on the quality of employment in the region. As shown in figure I.7, the performance of this indicator in the 13 countries for which data are available was fairly mixed in 2017. The percentage of employed persons who worked fewer hours than the national minimum threshold (which varies considerably among countries) and who wanted to work more hours declined in four countries (Colombia, Costa Rica, the Dominican Republic and Mexico). In contrast, the percentage of workers who wanted to work more hours but who were unable to do so increased in Chile, Ecuador and Honduras, and to a greater degree in Brazil and Guatemala. Meanwhile, the indicator remained almost unchanged in Argentina, Paraguay, Peru and Uruguay. These results also reflect the transition from a predominantly negative employment scenario to one that is neither overly positive or negative.

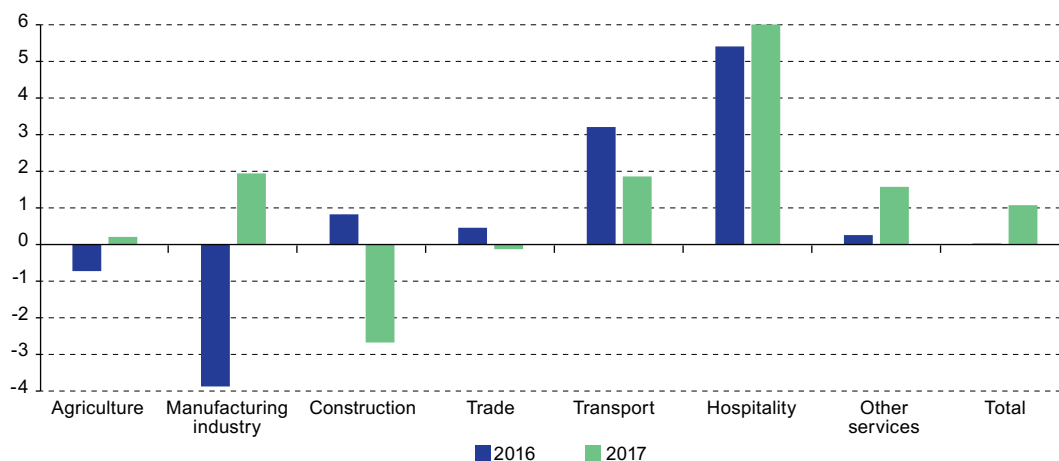
Figure I.7
Latin America (13 countries): hourly underemployment rate, 2017
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.

With regard to employment trends by economic sector in the region, the improved performance of total employment in 2017 was linked to changes in some sectors. Particularly noteworthy is job creation in the manufacturing industry, a sector that grew by 1.7% in 2017 (see figure I.8). That performance not only indicated an improvement compared with 2016, when employment in industry contracted by 3.7%, but also reversed the downward trend in the share of this economic sector in regional employment seen over the course of the current decade. In 2017, employment also increased in hospitality (7.6%), transport (1.8%) and other services (1.8%).

Figure I.8
Latin America and the Caribbean (12 countries):^a employment, by economic sector,^b 2016-2017
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.

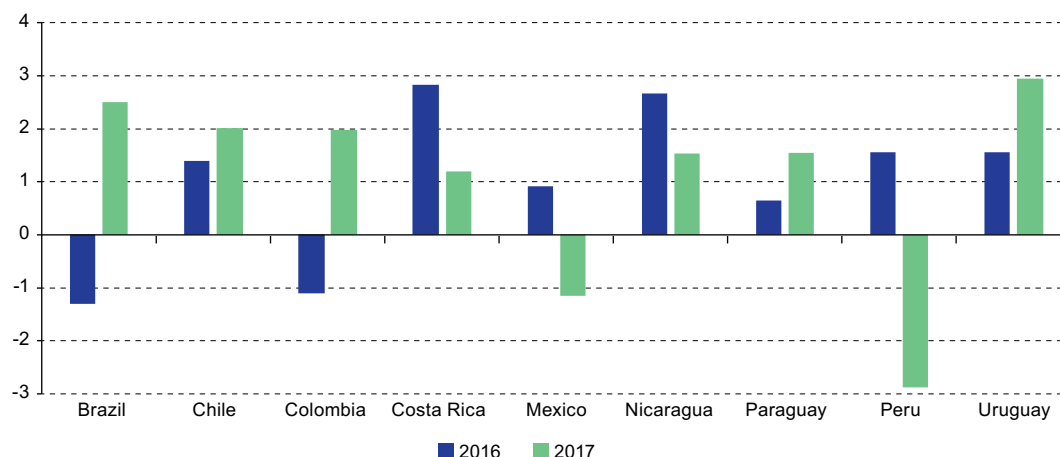
^a Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, Honduras, Jamaica, Mexico, Panama, Paraguay and Peru.

^b Weighted average.

Meanwhile, employment in agriculture and construction, two labour-intensive sectors, fell sharply (by 3.9% and 2.7%, respectively) in 2017. Although the improvement in employment in the industrial sector is good news, as this sector is generally characterized by higher levels of labour formality, this is offset by the decline in employment in labour-intensive sectors, such as agriculture and construction, and growth in employment in services, where labour conditions are relatively more informal.

One of the aspects of the labour market which reflected the positive effect of moderate economic growth was the trend in real wages (see figure I.9). Amid falling inflation at the regional level in 2017 (ECLAC, 2018), real wages grew in seven countries, including Uruguay (2.9%), Brazil (2.5%) and Colombia (2%). As these last two countries, in particular, had experienced sharp contractions in 2016, their performance in 2017 shows considerable signs of improvement in real wages. Meanwhile, the indicator declined in Mexico (1.2%) and, more particularly, in Peru (2.9%). The growth in real wages in the region was more widespread in 2017, since in 2015 and 2016 it was concentrated in the Central American countries.

Figure I.9
Latin America (9 countries): change in real wages, 2016 and 2017
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of official information from the countries.

E. Summary and outlook

As noted in this section, although the regional urban unemployment rate continued to rise in 2017, this subtle change indicates the beginning of a reversal of the trends seen since 2014. The moderate GDP growth in Latin America and the Caribbean, driven by the recovery in the prices of the commodities exported by the region and the reactivation of domestic demand, reflects a shift in regional economic conditions that suggest the beginning of the expansionary phase of a new economic cycle. In this transition from a downturn to an upswing in regional GDP, the unemployment rate continued to follow a negative trend, owing mainly to unemployment in Brazil. However, the increase in the regional unemployment rate in 2017 was smaller than the previous year, while the employment rate remained the same as in 2016 after two consecutive years of declines.

The moderate changes in economic situation had a subtle effect in several areas. On one hand, in most countries the employment rate increased and the unemployment gap between men and women persisted. On the other hand, the region once again posted growth —albeit moderate— in total employment and in particular in wage employment, which had shrunk considerably between 2015 and 2016. In spite of this, wage employment grew at lower rates than that of own-account work, which is characterized by more precarious working conditions. Meanwhile, in 2017 there was an increase in employment in the industrial sector, where working conditions are generally more formal, and which accounted for less and less of total employment over the current decade. This contrasts with growth in employment in sectors where working conditions are relatively precarious, such as services. Registered employment also saw moderate growth, which contrasted with the fact that the hourly underemployment rate increased and decreased in roughly the same number of countries. Lastly, real wages increased against a backdrop of lower inflation.

The mixed picture for 2017 highlights the importance of economic growth for the improvement of the Latin American and Caribbean labour market. Although the moderate economic recovery suggests an end to the negative trends seen between 2014 and 2016, it is still not enough to reverse the trend of increasingly precarious employment conditions, which continued in 2017. As a result, a more robust improvement in employment and the gradual lowering of the regional unemployment rate will only be possible if economic growth continues and picks up pace. This forecast is based on the prospects for positive momentum in the global economy in the short term, especially with regard to demand for the region's commodities. Hence, it is highly likely that, in the short term, the regional labour market will react positively to an expansionary economic environment. Regional GDP is expected to grow by around 2.2% in 2018, bringing the unemployment rate down to around 9%.

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II. Labour market participation of older persons: needs and options

Introduction

In terms of economic activity and inactivity, the life cycle can be broken down into three basic stages: (i) childhood and youth, when people study in preparation for entering the labour market; (ii) active or working age; and (iii) old age, when they leave the work force and live on a pension or assets accumulated in the previous stage. However, reality is usually rather different. The transition from education to the world of work is complex and varied, with people dropping out of school, combining study and work, or re-entering the education system after a period of work, among other possible scenarios (ECLAC/ILO, 2017). There are significant gaps between the labour-market participation of men and women of working age, owing to the unequal distribution of household tasks and career breaks in an increasingly volatile world of work and production. Lastly, a significant percentage of older persons continues working despite being older than the established retirement age.

The age at which people retire has risen in many developed countries, leading to an increase in overall labour market participation rates. For example, between 2005 and 2016, the average participation rate of men aged between 15 and 64 in 16 countries in northern and western Europe rose from 79.8% to 80.9%, while that of women in the same age group increased from 68.9% to 73.2%. These percentages demonstrate that the gap between the sexes is gradually being closed in these countries. The increases were largely attributable to longer working lives, as the 60-64 age group saw the most significant uptick (from 44.6% to 57.2% in the case of men, and from 31.4% to 46.5% in that of women). At the same time, the participation rate of those aged 65 years or over also increased, up from 10.6% to 13.5% for men, and from 4.7% to 7.2% for women.¹

In the United States, the labour market participation rate of older persons bucked the trend seen in other age groups; between 2006 and 2016, the participation rate among people aged 25 to 54 fell from 82.9% to 81.3%, while it increased slightly for those aged 55 to 64 (from 63.7% to 64.1%) and more sharply in the 65-74 age group (from 23.6% to 26.8%).

The increase in labour market participation of older persons reversed the trend seen up to the mid-1990s, as until then it had followed a downward path in developed countries (United Nations, 2010).

The issue has become more important in discussions in Latin America from two perspectives: the human-rights approach, which led the Human Rights Council to appoint an Independent Expert on the enjoyment of all human rights by older persons, who has analysed, among other aspects, the right to work and social protection (United Nations, 2016); and the analysis of the rapid population ageing processes that are taking place in many countries of the region and their impact on labour

¹ Prepared by the authors, on the basis of International Labour Organization (ILO), ILOSTAT [online database] <http://www.ilo.org/ilostat>. Countries included in the calculation were: Austria, Belgium, Denmark, Estonia, Finland, France, Germany, Iceland, Ireland, Latvia, Luxembourg, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom. The average participation rate for a group of 14 countries in eastern and southern Europe followed a similar upward trend to the group cited above (up from 74.2% to 76.1% for men, and from 58.6% to 63.3% for women). In this case, the greater labour-market participation of older persons contributed less to the increase than it did for the northern and western European countries, since the participation rate rose from 33.2% to 44.1% for men aged 60-64, and from 16.3% to 25.6% for women in the same age bracket. However, the largest difference between these two groups of European countries can be found among people aged 65 or over, whose participation rate in the eastern and southern European countries fell from 9.2% to 7.9% for men, and from 4.8% to 3.9% for women.

markets and social protection systems (Bertranou, 2006; ILO, 2018). Between 2000 and 2015, the overall participation rate in the region increased from 62.6% to 66.1%, mainly owing to the greater participation of women in the labour market (up from 46.4% to 54.2%). The greater participation of persons aged 60 to 64 (up from 43.4% to 49.6%) and of those aged 65 or over (up from 22.9% to 25.2%) also contributed to this increase, but to a lesser degree (ECLAC, 2017b).

Attempts to analyse the labour-market participation trends among older persons are complicated by a major measurement issue related to the transition from the age groups just under the legal retirement age—for which public policies should promote decent work—to those above that threshold, when older persons should have a pension that allows them to live a decent life. The information available does not allow for a clear distinction to be made between those age groups, because:

- Retirement age varies from country to country;
- In many cases, men and women retire at different ages;
- Many countries have schemes that allow early retirement, either as a result of accumulated pension contributions or of working in certain occupations or institutions with special pension regimes, thus, the general retirement age does not apply to a certain number of people;
- The national retirement age may change;
- With age, the proportion of persons with disabilities tends to increase, which, to a lesser or greater degree, can prevent individuals from participating fully in the labour market before the legal retirement age.

Accordingly, this study does not attempt to distinguish between older persons who have not yet reached retirement age and those who already have. However, in most cases, data are presented by age subgroups, making it possible to separate those persons who should already have passed the retirement age from the 60-64 age group which include people who have retired as well as others who have not.

The section following this introduction examines the factors that affect the labour-market participation of older persons and its changes. The subsequent sections present statistical information on the labour-market participation of older persons in Latin America between 2002 and 2016, with a view to identifying the prevailing trends of this participation, its causes and main characteristics. Specifically, the second section sets out the long-term trends and demographic and labour-market participation projections for older persons. The third examines recent trends in employment and pension coverage for this age group, and the fourth describes some of the characteristics of older persons' labour-market participation. The final section summarizes the main results and identifies relevant public policies.

A. What are the factors that affect older persons' labour market participation rates and trends

Labour-market participation among older persons is a subject of growing interest in both developed and developing countries, including those in Latin America. As was noted in the introduction, the participation rate at the regional level has increased, both among older persons who, in general, are above the legal retirement age (65 years or over) and in the 60-64 age group, which represents a mixed group of persons aged above and below the legal threshold. The reasons for older persons' continued employment or (re)integration in the labour market are varied, with differences among age subgroups and countries, depending on how developed labour markets and retirement systems are and how they evolve. Reasons explaining older persons' participation in the labour market include:

- Older persons' lack of income, in the context of fewer multigenerational households and weak pensions systems, may force them to continue working beyond the legal retirement age to earn a subsistence income.
- Ageing trends can affect labour markets—including labour shortages—and pension systems, possibly jeopardizing their sustainability. This holds true both for intergenerational solidarity systems (with a higher ratio of retirees to persons of working age) and for individual savings plans (with an increasingly long retirement period compared to the period during which contributions are made to the account), and can lead to the design of measures that either offer incentives that encourage people to continue working or force them to, as in the case of raising the legal retirement age.
- Better health, interest in the job and the social and economic aspects of work, and the expectation of a longer life can encourage older persons to continue working.
- Changes in the labour participation rate of women aged 60 or over should be considered in the context of the gradual increase in the participation of women in general in labour markets, which should help to narrow the participation and employment gaps between men and women in all age groups. Other contributing factors may include women's longer life expectancy and the corresponding levels of widowhood, in a context where many older women have little economic autonomy as a result of the inherent biases in retirement systems, which translate into lower levels of pension coverage and benefits.

With regard to the first type of reasons for older persons' labour-market participation, Scheil-Adlung (2013, p. 5) shows that, worldwide, there is a negative correlation between the proportion of older persons receiving pensions and the labour force participation of this age group. Overall, the region of Latin America and the Caribbean is at an intermediate level, in terms of both pension coverage and the labour force participation of older persons (2013, p. 5). In addition, the differences in pension system coverage suggests a certain degree of heterogeneity among the countries of the region in terms of older persons' labour force participation. While several countries raised the legal retirement age and implemented measures to reduce the replacement rate in the 1990s (Bertranou, 2006), the most recent reforms improved access to pensions by expanding the coverage provided by contributory systems and by introducing or expanding non-contributory systems (ECLAC, 2018a), which may have reduced the pressure on many older persons to work.² Moreover, around the period 2002–2011, the average pension amount increased in real terms from US\$ 233.5 to US\$ 270.1 (at constant 2005 prices) (ECLAC, 2014, p. 180).³

According to an analysis of labour participation rates in advanced countries conducted by IMF (2018), the increase in participation rates of persons aged 55 or over is mainly explained by policy interventions and the higher education level of this age group.⁴ With regard to the second type of reasons for the changes in older persons' labour market participation, the measures implemented by developed countries to address population ageing have contributed to the marked increase in that participation rate. These measures include raising the retirement age, reducing pension benefits, restricting options for early retirement and providing tax incentives for older persons who remain in or return to work (Larsen and Pedersen, 2017; Lewandowski and Magda, 2018; Kyyrä and Pesola,

² Another factor that can impede older persons' access to wage employment are discriminatory attitudes in staff selection, based on assumptions about their low productivity (see, for example, ECLAC, 2017a, p. 62). This document does not examine this factor.

³ However, there is a large gap between the average pension received by members of households in the first quintile for per capita income (US\$ 119.0 at constant 2005 prices) and that of retirees in the fifth quintile (US\$ 402.1 at constant 2005 prices).

⁴ It is also argued that, in some countries, the financial crisis at the end the last decade led to greater labour market participation by older persons because of the negative impact of the crisis on their savings, wealth and debt levels. On the contrary, it was found that older persons employed in highly routine jobs were more likely to lose their job, which probably prompted their exit from the work force.

2018). Also in some Latin American countries, ageing trends have increased interest in making better use of the older labour force.⁵ However, as mentioned above, prevailing measures in the region have focused on expanding the coverage of pension systems, so that this factor is probably less relevant than it is in developed countries.⁶

Some of the aforementioned changes made to pensions systems in developed countries tend to encourage labour market participation among people with low incomes in particular and, in some cases, among people belonging to groups that had previously enjoyed special retirement regimes with more favourable conditions than those offered by the general pensions system.

In contrast, the third category of reasons tends to encourage continued employment, especially among people with higher levels of education and income (including pensions). Larsen and Pedersen (2017) found that in Sweden the shift to a greater participation of older persons with higher education levels was an important factor in explaining the greater labour force participation of this age group. In Europe and the United States, Graham (2014) found that workers who remain in the labour force after retirement age are more satisfied and happier than their retired counterparts, and proposes encouraging flexible retirement options (voluntary part-time work). Jacobs and Piyapromdee (2016) show that a high proportion of older persons in the United States work part-time, although they do not specify whether that is by choice or because of a lack of alternatives.⁷

Health and disabilities are closely linked to this category of reasons. On the one hand, both factors tend to be obstacles to labour market participation for a greater proportion of older persons than for other age groups. For example, according to Blundell and others (2017), in the United States and the United Kingdom, declines in health can explain between 3% and 15% of the fall in employment between ages 50 and 70. The proportion of persons with a disability also increases with age, as a result of work conditions among other things (Scheil-Adlung, 2013). On the other hand, improvements in the health of older persons tends to encourage them to remain in the labour market, while new technologies may help persons with disabilities to join the labour force.⁸ The macroeconomic context is an additional contributing factor to the voluntary participation of older persons in the labour market, because when the decision to work is not made on the basis of need, the type of employment opportunity influences the decision to work and the nature of that participation.

Lastly, as indicated by the data on changes in the labour market participation rates of men and women in a group of European countries, the participation rate of older women increased more than that of men of the same age. This is part of the broader trend, observed in these countries and in Latin America, of gradually closing the gaps in participation rates. Accordingly, it could be expected that, in a context of generally higher labour market participation among older persons, this increase will be greater for women than for men.

⁵ See, for example, *Diario Financiero* (2017).

⁶ Although there is an ongoing debate about how to adapt pensions systems to population ageing trends in several countries of the region, none have taken measures, such as raising the retirement age, recently. Guatemala is an exception, since the retirement age for those who enrolled with the Guatemalan Social Security Institute (IGSS) as of 1 January 2011 increased from 60 to 62. The number of required contributions was also gradually increased. Recently, the Government of Brazil failed in its attempt to reform the pension system, which included raising the retirement age and the minimum number of contributions.

⁷ Jacobs and Piyapromdee (2016) specifically analyse the relatively common situation in the United States in which older persons re-enter the labour force after retirement, linking them to the phenomenon of occupational burnout and subsequent recovery.

⁸ While the positive health effects of labour market participation seem to be a well-established fact, the health consequences of retirement are ambiguous, depending mainly on the nature of work and the importance it had in a person's life (providing among other things opportunities for social interactions, a sense of identity, a daily routine, and a physical or mental activity) (Kuhn, 2018).

B. Demographic and labour market participation projections

According to the data and projections of the Economic Commission for Latin America and the Caribbean, the ageing of the Latin American population means a greater proportion of older persons, not only in the total population, but also specifically in the labour force (see table II.1). It is estimated that between 1980 and 2015, the percentage of people aged 60 or over in the total population grew from 6.4% to 11.1%. This is expected to jump to 25.4% by 2050. As a result of women's longer life expectancy, they would account for the majority of people aged 60 or over (projected to be 55% in both 2030 and 2050).

Table II.1

Latin America: proportion of older persons in the total population and in the labour force, and participation rates, by age subgroup
(Percentages)

Age and sex	1980	2000	2010	2015	2020	2030	2040	2050
Proportion of older persons in the total population								
60 or over	6.4	8.0	9.7	11.1	12.7	16.6	20.9	25.4
Participation rate								
60-64. total	41.1	43.4	48.4	49.6	50.2	50.7	51.7	51.9
60-64 men	67.3	65.9	67.5	68.6	69.4	70.3	71.2	71.3
60-64 women	17.3	23.3	31.3	32.8	33.3	33.3	33.8	33.8
65-69. total	30.2	31.6	35.4	36.0	36.2	36.1	36.8	37.1
65-69 men	51.0	50.1	51.0	51.2	51.6	51.5	52.5	52.6
65-69 women	12.3	15.9	21.9	22.8	23.0	22.8	23.1	23.2
70-74. total	22.3	22.5	25.2	25.6	25.3	24.8	24.6	25.1
70-74 men	38.8	37.3	37.8	37.7	37.1	36.4	36.0	36.2
70-74 women	8.7	10.7	14.9	15.6	15.5	15.3	15.2	15.5
75-79. total	17.0	16.7	18.5	18.7	18.6	18.1	17.7	18.0
75-79 men	30.1	28.8	29.0	28.7	28.4	27.6	27.0	27.1
75-79 women	6.7	7.9	10.7	11.0	11.0	10.7	10.5	10.6
Proportion of older persons in the labour force								
60 or over	5.4	5.5	6.6	7.5	8.3	10.3	12.7	15.0

Source: Economic Commission for Latin America and the Caribbean (ECLAC), "Estimaciones y proyecciones de población total, urbana y rural, y económicamente activa. América Latina, revisión 2017", Santiago, 2017 [online] <https://www.cepal.org/es/temas/proyecciones-demograficas/estimaciones-proyecciones-poblacion-total-urbana-rural-economicamente-activa>.

For the period between 1980 and 2050, projections point to a sharp increase in labour market participation for all age subgroups, but especially for people aged 60 to 69 years. However, contrary to demographic trends—which indicate that the increase in the proportion of older persons will accelerate over that period—older persons' participation rate increased notably between 1980 and 2010, while for subsequent decades projections point to only a slight rise in the 60-69 age group and to a stabilization of the rate for the group aged 70 or over.

Higher labour market participation rates between 1980 and 2010 were exclusively attributable to increased participation of women aged 60 or over, while the rates for men stagnated. In contrast, the increases in the participation rate projected for the 60-69 age group for the following decades will be the result of moderate growth in the participation of both sexes.

As a result of demographic processes and labour participation trends, the proportion of older persons in the labour force between 1980 and 2000 remained stable at around 5.5%, and began to grow later, with projections putting it at 10.3% by 2030 and 15.0% by 2050. Obviously, this shift is more a consequence of demographic trends than of variations in participation rates.

C. Employment and retirement trends

The results of a special processing of household surveys on the labour market participation of older persons in eight Latin American countries are presented below.⁹ For the purpose of this analysis, older persons are those aged 60 or over. As explained below, access to a pension has a significant impact on labour market participation. However, the legal retirement age varies among the countries analysed, as does the retirement age for men and women in many of them (see annex II.A.1). To account for this heterogeneity among older persons, most of the tables and figures below set out the results for three age subgroups, and for men and women separately. Pension coverage refers to the receipt of retirement income from contributory pension systems.¹⁰ The surveys were carried out around 2002, 2012 and 2016, and simple averages of the country results were considered as representative of the prevailing trends.¹¹

As observed in table II.1 with respect to participation rates, table II.2 shows —as expected— that employment rates decrease with age. The employment rate for older persons aged 60 or over increased slightly between 2002 and 2016 on account of the higher employment rate of women. Although the employment rate of men decreased slightly, it was still more than double that of women in 2016. These opposing trends may be related to the increase in the percentage of older women who are heads of household, while this share tends to fall in the case of older men (ECLAC, 2017a, p. 37).

Table II.2

Latin America (selected countries): employment rate by sex and age group, around 2002, 2012 and 2016 (Percentages)

Age	Total			Men			Women		
	2002	2012	2016	2002	2012	2016	2002	2012	2016
60-64	49.6	54.0	55.7	70.7	73.1	74.1	30.4	36.9	39.6
65-69	38.6	39.0	39.3	55.7	55.4	54.8	23.2	24.8	26.2
70 or over	22.1	19.9	20.4	34.1	30.4	30.8	12.0	11.4	11.9
60 or over	34.2	34.6	35.4	50.6	49.8	49.8	20.0	21.8	23.3

Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of household surveys from Argentina, Brazil, Chile, Colombia, Costa Rica, Guatemala, Mexico and Peru.

As was seen with the changes in participation rates between 2000 and 2015 shown in table II.1, the variations observed at the aggregate level in table II.2 are the result of the considerable increase in the participation rate of the 60-64 age group for both sexes, although it was more marked among women. The steep rise in the employment rates of men and women in this age group should be analysed in the context of the employment growth that the region saw between 2004 and the beginning of the 2010s, as this age group is the one that is most closely linked to the labour market.

In contrast, the employment rate of the 65-69 age group rose only slightly, as a result of a modest drop in the rate for men and a slightly bigger increase in the rate for women. Lastly, the employment rate for the group aged 70 or over fell as a result of the contraction in the men's rate and the stagnation of the women's rate.

⁹ The countries covered are Argentina, at the urban level, and Brazil, Chile, Colombia, Costa Rica, Guatemala, Mexico and Peru, at the national level. These countries account for 80.7% of the Latin American population aged 60 years or over.

¹⁰ Non-contributory systems are excluded from the calculation as they usually provide small pension amounts and would thus have a minor impact on the possibility of stopping work. For example, around 2015, the simple average of contributory pensions of the eight countries was US\$ 679.8 at constant 2010 prices (measured in purchasing power parity terms among the countries), while that of non-contributory pensions stood at US\$ 127.2 (on the basis of ECLAC (2018a, p. 66)). A future study may broaden the analysis to include non-contributory systems and compare their impact with that of contributory systems.

¹¹ In the case of Guatemala, only two surveys were available (2000 and 2014). To not distort the results for the set of countries (simple average), data for Guatemala for 2014 were included in the averages for 2012 and 2016.

Consequently, the average increase in the employment rate for the older persons' group in the countries analysed was quite moderate (from 34.2% to 35.4%), with heterogeneous changes between men and women, and among age subgroups. This moderate increase at the aggregate level was much lower than the significant rise in the labour market participation of older persons seen in many developed countries. These differences are probably related to the policies implemented in that period, which largely sought to encourage older people to remain in employment in many developed countries, and to expand the pension systems in many Latin American countries.

The employment rate of women is much lower than that of men and the gap grows with age. However, as a result of the differences between the variations in the employment rate by sex in 2016, the gap was somewhat narrower than in 2002; while the employment rate of women aged 60 or over was 39.5% of that of men in the same age group in 2002, that percentage rose to 46.7% in 2016. Even so, this gap was much wider than in the younger age groups, as in 2016, the regional employment rates were 70.0% for men and 45.3% for women, meaning that the rate of women represented 64.7% of that of men (ECLAC, 2018b).

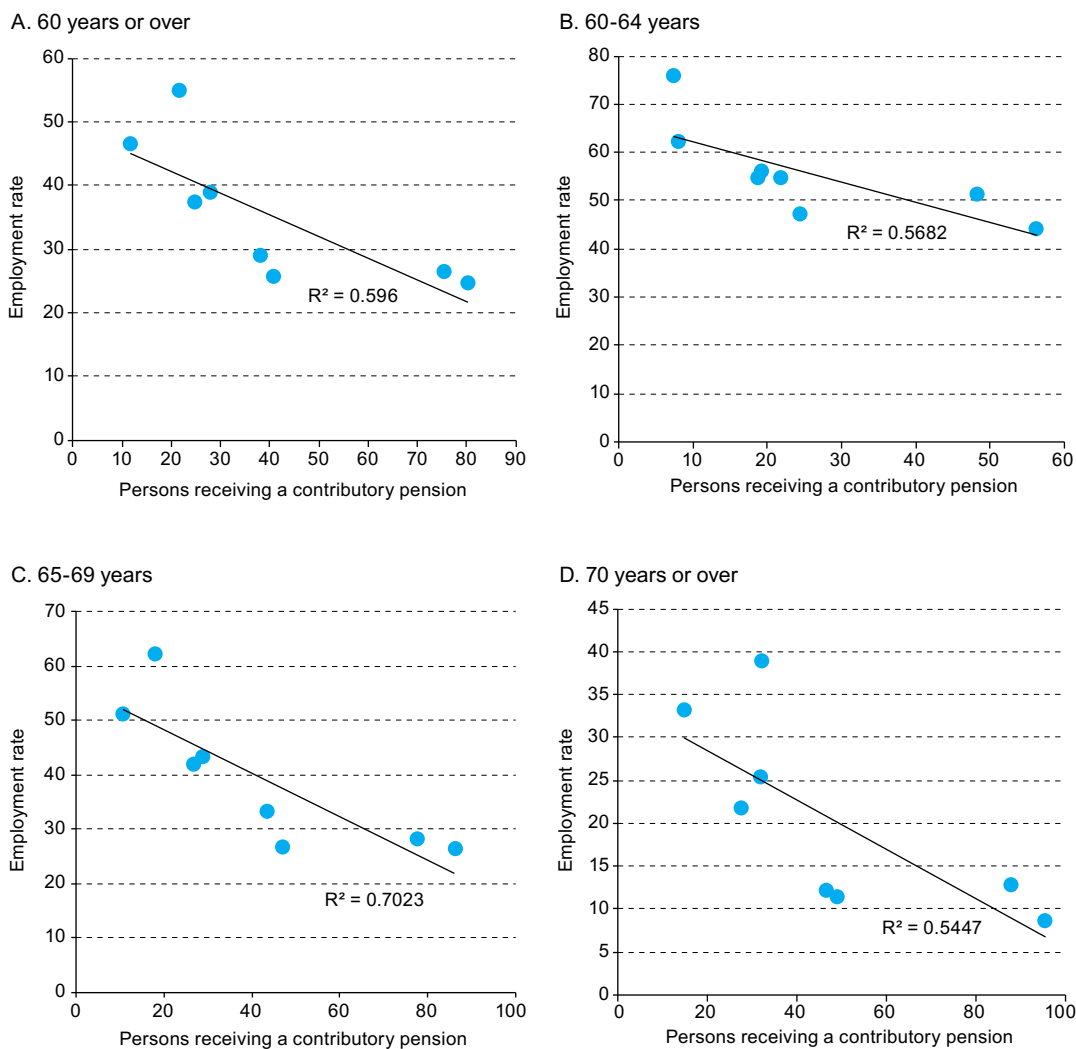
A second phenomenon observed in the period under review is the increase in the percentage of older persons receiving pensions from contributory systems. On average, this coverage expanded in the eight countries, both for men (up from 41.6% in 2002 to 43.8% in 2016) and —to a larger extent— for women (up from 29.1% to 37.1% over the same period). The increase in pension coverage was concentrated in the group aged 65 or over, rising by between 8 percentage point and 10 percentage points among women, and by around 4 percentage points among men. However, coverage levels were higher for men than women; around 2016, they were 48.3% and 37.2%, respectively, in the group aged 65-69, and 55.6% and 42.3%, respectively, in the group aged 70 or over. In contrast, coverage in the 60-64 age group increased among women only (up from 21.2% in 2002 to 28.3% in 2016), while coverage among men fell from 25.2% to 21.8%. It should be borne in mind that the 60-64 age group differs from the others because, in most countries, the men in this group —and in some countries the women too— have not reached retirement age.¹² Even so, a significant percentage of men and women in this age group receive a contributory pension in all the countries, which in those countries where the legal retirement age is 65 can be explained by special regimes for certain occupations that allow retirement at a younger age or early retirement.

When comparing countries by the employment rate of older persons and the coverage provided by contributory pension systems, a clear negative relationship is evident, which confirms the aforementioned overall results (Scheil-Adlung, 2013). This correlation is valid both for older persons as a whole and for the different age subgroups (see figure II.1).¹³ It also underscores the dominance of the first group of reasons for older persons' labour market participation in the region mentioned in the introduction, namely the lack of other sources of income, especially pensions, which forces many older persons —probably contrary to their preferences— to work, even beyond the legal retirement age. Specifically, the high levels of labour market participation by older persons who are older than the legal retirement age, sends a clear warning about the weakness of the region's social protection systems.

¹² See information on retirement age in the eight countries examined in annex II.A.1.

¹³ Eggleston, Sun and Zhan (2018) identified another correlation between the receipt of pensions by older persons and the labour market, as they found that the introduction of a pension system for older persons in rural households in China encouraged their children to migrate in search of work.

Figure II.1
 Latin America (selected countries): older persons receiving a contributory pension and employment rate, by age group, around 2016
 (Percentages)



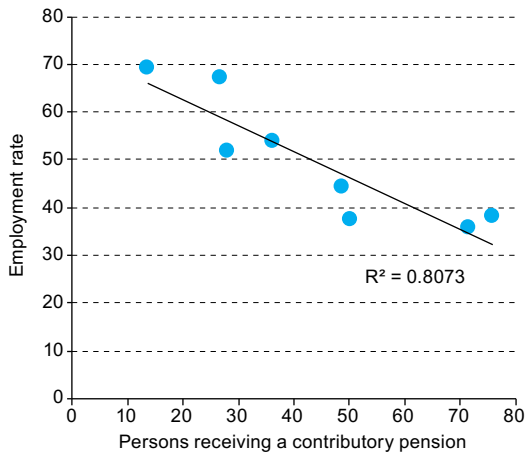
Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of household surveys from Argentina, Brazil, Chile, Colombia, Costa Rica, Guatemala, Mexico and Peru.

Analysis of this relationship among men and women shows that it remains negative for both sexes (see figure II.2). However, the correlation is extremely close for men —both for all older men and in the other age subgroups— while there is greater dispersion in the case of women.

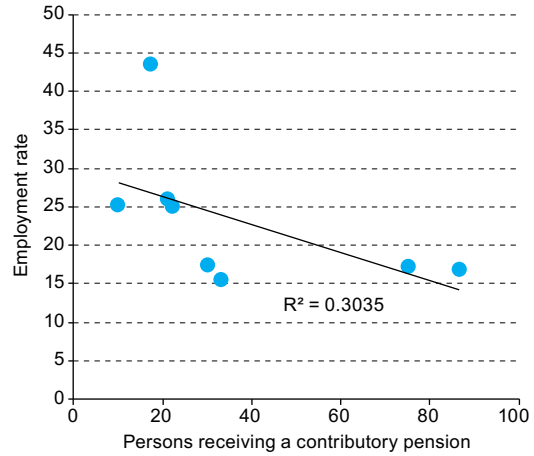
Figure II.2

Latin America (selected countries): older persons receiving a contributory pension and employment rate, by sex and age group, around 2016
(Percentages)

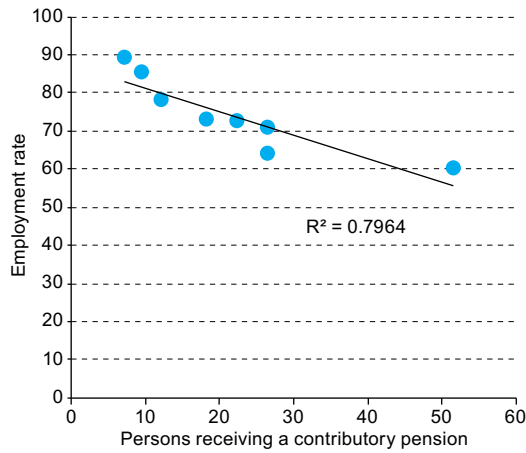
A. Men aged 60 or over



B. Women aged 60 or over



C. Men aged 60-64



D. Women aged 60-64

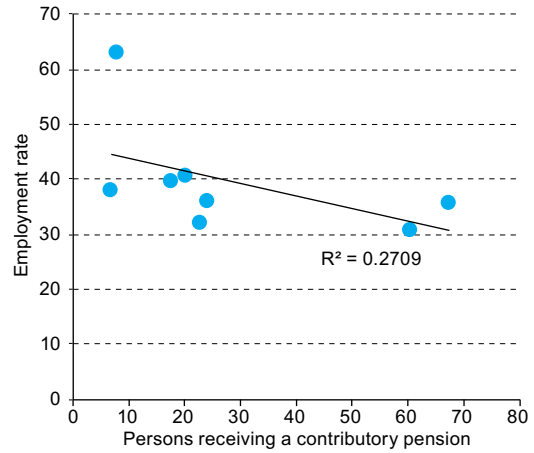
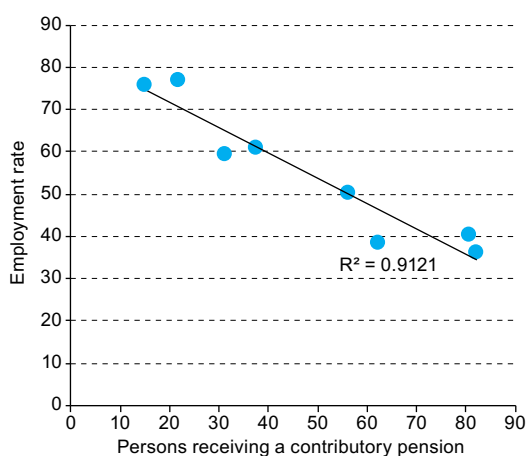
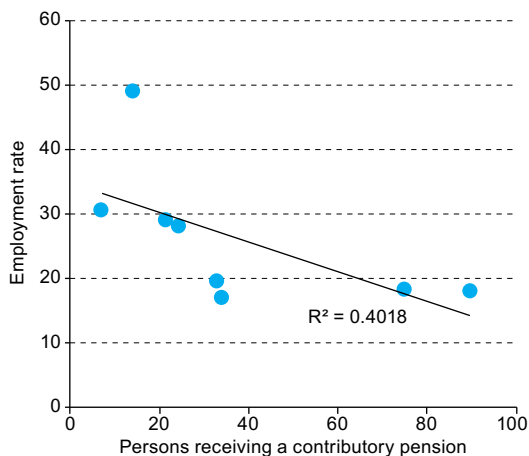


Figure II.2 (concluded)

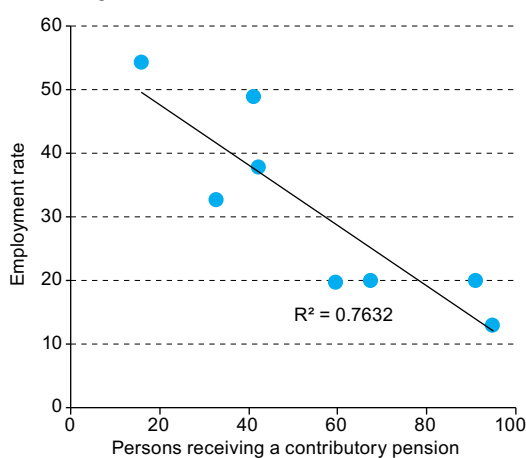
E. Men aged 65-69



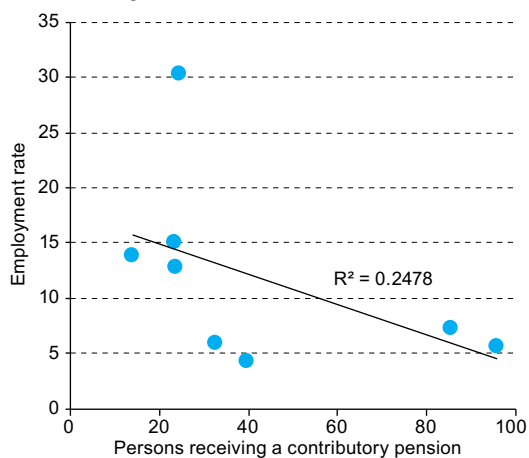
F. Women aged 65-69



G. Men aged 70 or over



H. Women aged 70 or over



Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of household surveys from Argentina, Brazil, Chile, Colombia, Costa Rica, Guatemala, Mexico and Peru.

This indicates that the cultural norm of the male provider who, even in old age, is responsible for providing for the household, persists among older persons. However, this negative correlation is also observed among women, with the lack of retirement income forcing many of them to continue working in old age, a phenomenon that could be related to the growing percentage of older women who are heads of household.

The negative correlation between work and pensions is also observed in several age subgroups in the context of the changes that occurred between 2002 and 2016. Among men and women aged 70 or over, and men aged 65 to 69 there was an increase in pension coverage and, at the same time, a drop or stagnation in labour market participation, while pension coverage among men aged 60 to 64 decreased, which coincided with a rise in the employment rate.

However, this negative correlation between pension coverage and labour market participation of older persons is not evident in every age subgroup, as there are older workers who continue working despite receiving a pension. In addition, the expansion of pension coverage does not always lead to a drop in labour market participation, as can be seen from the data on the percentage of older persons who receive a pension from a contributory system and continue to work (see table II.3). While the coverage of contributory pension systems expanded in the period under review, the percentage of people who receive this type of pension and, at the same time, continue to work increased slightly, especially among women. The low pension amounts obviously contribute to this.

Table II.3

Latin America (selected countries): older persons who work and receive a contributory pension, by sex, 2002, 2012 and 2016
(Percentages)

Age	Total			Men			Women		
	2002	2012	2016	2002	2012	2016	2002	2012	2016
60-64	7.2	7.7	7.1	9.8	8.6	7.9	4.9	6.9	6.6
65-69	9.0	10.6	10.4	14.2	16.0	15.5	4.5	6.0	6.1
70 or over	5.2	5.4	5.6	9.1	9.2	9.4	2.2	2.5	2.7
60 or over	6.7	7.3	7.2	10.5	10.7	10.4	3.5	4.5	4.6

Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of household surveys from Argentina, Brazil, Chile, Colombia, Costa Rica, Guatemala, Mexico and Peru.

Both the employment rate and pension coverage increased among women aged 60-64 and 65-69. This may be attributable to the labour market growth seen between 2002 and 2012, which generated new job opportunities for many women. Meanwhile, some pension system reforms included measures to overcome gender gaps in the labour market and their impact on pensions.¹⁴ However, in many cases, pensions may have been insufficient to meet material needs and did not discourage older people from entering the labour market.¹⁵ Consequently, even with an increase in pension coverage, the percentage of women who work despite receiving a pension did not decrease, in contrast with the percentage of men, which fell gradually.

As a result of the trends described above, the percentage of older persons who neither work nor receive a pension has decreased. However, around 2016, this especially vulnerable segment continued to account for high percentage of all older persons (31.7%) and, above all, of older women (44.3%) (see table II.4). This is evidently the result of gender inequality in the division of labour, as a large number of women are excluded from the labour market, especially from the formal employment opportunities that would afford them access to a contributory pension system. Thus, the inequality that characterizes peoples' working years is reproduced during retirement years. The fact that many older women lack their own income highlights the challenge of strengthening women's economic autonomy.

The percentage of persons who neither work nor receive a pension is highest in the oldest age group (70 years or over), which also saw the smallest decrease in this rate over time (among both men and women), which reflects the greater vulnerability of this group. Lastly, the progress made began to slow down, with this percentage for all older people (60 or over) falling by 0.5 percentage points per year between 2002 and 2012, and only 0.3 percentage points per year between 2012 and 2016.

¹⁴ For example, several countries promoted pension coverage for domestic workers. In addition, Chile introduced a universal bonus payment for each child born or adopted, which affected the mothers' pension benefits. Other countries in the region (the Plurinational State of Bolivia and Uruguay) reduced the retirement age for women based on the number of children they had.

¹⁵ In 2015, average total pension benefits in 17 countries was US\$ 613.3 at constant 2010 prices (adjusted for purchasing power parity) for men and US\$ 483.9 for women (on the basis of ECLAC (2018a, p. 66)).

Table II.4

Latin America (selected countries): older persons who neither work nor receive a contributory pension, by sex, 2002, 2012 and 2016
(Percentages)

Age	Total			Men			Women		
	2002	2012	2016	2002	2012	2016	2002	2012	2016
60-64	34.4	27.6	25.8	13.9	11.7	11.6	53.3	41.9	38.7
65-69	35.0	29.4	28.8	14.2	13.0	12.4	53.6	53.8	42.8
70 or over	41.5	38.0	37.1	23.9	23.8	23.0	56.2	49.3	48.5
60 or over	37.6	32.8	31.7	18.3	17.4	16.9	54.5	45.8	44.3

Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of household surveys conducted in Argentina, Brazil, Chile, Colombia, Costa Rica, Guatemala, Mexico and Peru.

Table II.5 shows the employment rate and the pension receipt rate for older persons according to their level of education. The data indicate that the second group of reasons for labour market participation among older persons (personal interest in leading an active life) is also an important factor in the labour participation of this age group. Contrary in some respects to the negative correlation at the aggregate level between access to a pension and labour market participation, it is observed that, compared to other educational groups, older people with a higher level of education (13 years or more) have both a higher pension receipt rate (61.5% of people aged 60 or over in 2016, compared to 35.6%-49% among the other education levels) and a higher employment rate (41.4% compared to 33.4%-38.7% among the other education levels).

Table II.5

Latin America (selected countries): employment rate and pension receipt rate among older persons, by years of education, sex and retirement situation, around 2016
(Percentages)

Years of education	0-6 years		7-9 years		10-12 years		13 years or more		Total	
	ER	PRR	ER	PRR	ER	PRR	ER	PRR	ER	PRR
Total	33.4	35.6	38.7	43.1	35.4	49.0	41.4	61.5	35.4	40.2
Without pension	42.8	0	52.2	0	52.1	0	70.9	0	47.0	0
With pension	16.4	100	20.8	100	18.1	100	22.9	100	18.0	100
Men	47.9	40.1	54.1	47.1	50.0	51.6	51.6	57.7	49.8	43.7
Without pension	65.1	0	78.8	0	76.9	0	83.0	0	70.0	0
With pension	22.2	100	26.3	100	24.8	100	28.6	100	23.8	100
Women	22.1	32.2	23.1	39.3	23.0	46.8	28.1	66.1	23.3	37.1
Without pension	27.3	0	29.1	0	32.6	0	49.9	0	29.6	0
With pension	11.1	100	13.9	100	12.1	100	17.0	100	12.5	100

Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of household surveys conducted in Argentina, Brazil, Chile, Colombia, Costa Rica, Guatemala, Mexico and Peru.

Note: ER = Employment rate; PRR = Pension receipt rate.

The fact that the highest values for both indicators occur in the group with the highest education levels would suggest the presence of a minority segment within the group of older persons who work, for whom the motivation to work at an older age is more a matter of preference than of necessity.

This interpretation is supported by the fact that the highest employment rate corresponds to people with the highest education levels, both among those who do not receive a pension (70.9% compared to 42.8%-52.2% for the other education levels without a pension) and among those that do (22.9% compared to 16.4%-20.8% for the other education levels with a pension).¹⁶

¹⁶ The high employment rate among the most qualified adults who do not receive a pension would suggest that there are people who previously worked outside the contributory pension system, especially as self-employed workers.

As noted above, pension coverage and employment rates of older women are both lower than those of men. The only exception is older, more educated women, whose pension receipt rate is slightly higher than that of men of the same education level. Among women, the simultaneous increase in the employment rate and the pension receipt rate with higher education levels is very striking. The same is true for men in the case of pensions, although the employment rate is higher in the group that has completed between 7 and 9 years of education.

Finally, the open unemployment rate of older persons is usually relatively low. For example, in the last quarter of 2017, the unemployment rate in Chile was 6.4% (6.0% for men, 6.8% for women). In contrast, the open unemployment rate of persons aged 60 or over was 2.7% (3.0% for men, 2.1% for women).¹⁷ Contributing factors to these low levels include:

- Older persons who participate in the labour market involuntarily need income and cannot afford to be unemployed, which is a similar situation to that usually seen in the region, where open unemployment rates for men with low education levels are relatively low.
- As will be seen below, agriculture is overrepresented among employed adults, and this sector's unemployment rate is usually below average. This is because agricultural workers tend to understand the production cycle and, therefore, know when it is worth looking for work and when it is not.
- Many older persons who work because they choose to and not out of need run their own businesses or work as a result of being offered a job opportunity, rather than after a job search.

Box II.1

Labour market participation of older persons with disabilities

Although disability can occur at any moment in the life cycle, the risk of experiencing some form of disability increases with age, as the human body does not respond to illness and environmental conditions in the same manner, and may begin to deteriorate, leading to more or less serious losses of physical and mental functionality (Huenchuan, 2016).

In Latin America and the Caribbean, the expected accelerated ageing will mean a commensurate increase in the population with some form of disability. Social protection policies and programmes (including the provision of care services) will be especially critical to address the challenges posed by these changes.

According to the data from the 2010 census round for eight Latin American countries, for every 100 persons aged over 60, 41 have some form of disability. The incidence is higher in women (43.0%) than in men (38.8%) (ECLAC, 2017a). These high levels make it difficult to guarantee minimum living standards and conditions for well-being. The analysis of the labour market participation of older persons with disabilities provides insight into the degree of economic vulnerability of this segment of the population.

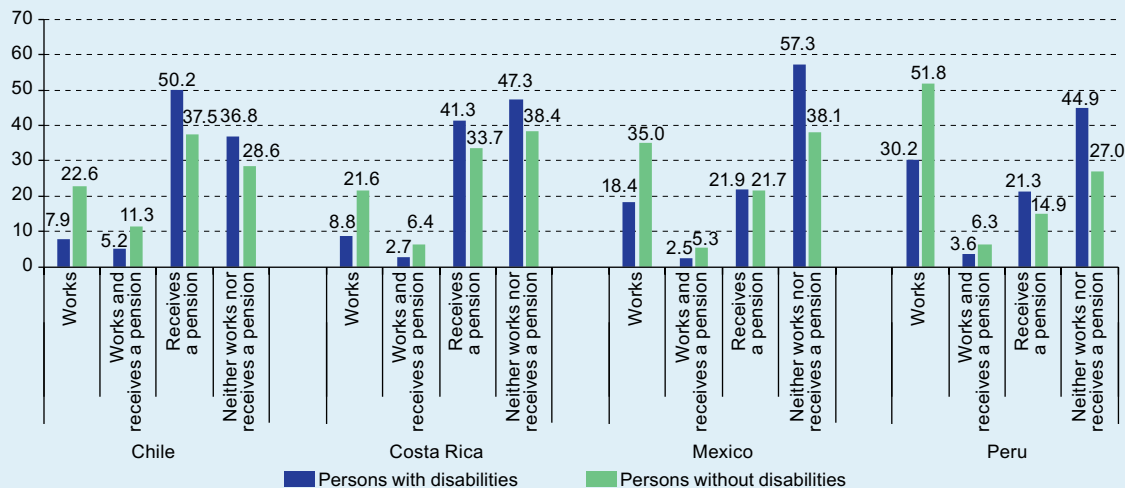
As shown in the figure below, the countries which include information on the population with disabilities in their household surveys follow a similar pattern: the percentage of older persons without disabilities who work or work and receive a contributory pension, is much higher than that of their peers with disabilities. In contrast, there are more older persons with disabilities in the categories who only receive contributory pensions or who neither work nor receive a pension than their peers without disabilities. This last category is especially worrying because it results in greater vulnerability and economic dependency.

If both contributory and non-contributory pensions are considered, older persons with disabilities are mainly in the category of those who only receive pensions. Among older persons with a disability, the percentage of people who only receive a pension rises to 73.1% in Chile, 65.4% in Costa Rica, 54.7% in Mexico and 34.3% in Peru. These often substantial increases show that a significant part of the population with disabilities receives a non-contributory pension, which tends to be quite a small amount. At the same time, the share of people who work and receive a pension (contributory or non-contributory) increases in these four countries to 7.3%, 4.1%, 10.9% and 16.7%, respectively. If non-contributory pensions are taken into account, the share of older persons who neither work nor receive a pension is similar for those with or without disabilities, but is much higher among persons with disabilities when only contributory pensions are taken into account.

¹⁷ Prepared by the authors, on the basis of National Institute of Statistics (INE), "Encuesta Nacional de Empleo, ENE" [online database] <http://www.ine.cl/estadisticas/laborales/ene?categoria=Situaci%C3%B3n%20de%20Fuerza%20de%20Trabajo>.

Box II.1 (concluded)

Latin America (4 countries): financial situation of persons aged 60 or over, by disability^a
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of household surveys conducted in the respective countries.

^a Only contributory pensions are considered.

These findings highlight the economic vulnerability of older persons with disabilities. Disability is closely linked to situations of poverty, which can become even more acute in the later stages of the life cycle. Although the prevalence of disabilities at an early age varies very little among income quintiles, as the population ages, not only does the prevalence increase, but the disability gap widens among income quintiles.

It is generally accepted that this is a two-way relationship. On the one hand, income and access to social protection mechanisms for persons with disabilities (especially those who with a disability from a young age) can be adversely affected by a lack of access to education and to labour market opportunities (ECLAC, 2017b).

On the other hand, economic resources clearly play a significant role in the enjoyment of disability-free old age. Those whose final stages of life are characterized by economic vulnerability and limited access to social protection mechanisms run a greater risk of a health problem turning into a disability, because they lack the resources to pay for the support services and technical assistance they need to mitigate the impact of the limitations that come with age. These higher levels of vulnerability also affect other household members, especially women, as they lead to greater need for unpaid care work and make it difficult for carers to enter the labour market.

To promote the well-being of older persons with disabilities, progress must be made in building inclusive social protection systems that encourage the inclusion and participation of people with disabilities. In particular, systems should: (i) ensure income security that enables access to necessary goods and services; (ii) ensure coverage of disability-related costs and facilitate access to the required support (including high-quality professional services and assistive devices) and back-to-work programmes; (iii) ensure effective access to health care, including disability-related medical care and rehabilitation; (iv) take into account the diversity of this population group, both in terms of type of disability and other factors such as gender, race or ethnic origin and place of residence (ILO and others, 2018).

With regard to labour market participation, access to education and training for young persons with disabilities must be promoted and steps taken to reduce barriers to their employment (accessibility, disinformation, prejudice and discrimination) so that they can build careers based on decent work and thus reach the later stages of the life cycle with higher levels of well-being.

Source: Economic Commission for Latin America and the Caribbean (ECLAC), Social Panorama of Latin America, 2016 (LC/PUB.2017/12-P), Santiago, 2017a; *Linkages between the social and production spheres: Gaps, pillars and challenges* (LC/CDS.2/3), Santiago, 2017b; S. Huenchuan, *Envejecimiento e institucionalidad pública en América Latina y el Caribe: conceptos, metodologías y casos prácticos* (LC/L.4.175), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2016; International Labour Organization (ILO) and others, "Joint statement: towards inclusive social protection systems supporting the full and effective participation of persons with disabilities, Geneva, 2018, unpublished [online] http://www.ilo.org/wcmsp5/groups/public/---dgreports/---nylo/documents/genericdocument/wcms_617780.pdf.

D. Characteristics of older persons' labour market participation

Compared with the employed population, a high percentage of employers and own-account workers can be found among older persons (see table II. 6).¹⁸ In this age group, the share of self-employed workers increases with age.¹⁹ In contrast, the share of wage workers is lower in this group than among the total of employed persons, and decreases gradually with age.²⁰ Among older persons, the share of those working as unpaid (family) workers is somewhat lower than in the aggregate of employed persons, because a high percentage of young people are usually found in this category. However, the data reveal a slight increase in the share of older persons in this category, as they grow older.²¹ Lastly, the share of domestic services workers among older workers is similar to their percentage in the total population and declines with age.²² It should be noted that the aforementioned trends observed in the subgroups of older persons are valid for both men and women.

Table II.6

Latin America (selected countries): employed older persons (aged 60 or over), by employment category, by sex, 2002, 2012 and 2016
(Percentages)

	Total			Men			Women		
	2002	2012	2016	2002	2012	2016	2002	2012	2016
Employer	8.6	8.4	8.1	10.1	9.9	9.7	5.3	5.5	5.1
Own-account worker	50.5	47.3	45.9	52.1	47.3	46.2	47.6	46.6	45.4
Wage worker	30.3	35.5	36.8	34.6	40.3	41.6	20.7	26.0	28.1
Domestic worker	4.6	4.5	5.6	0.7	0.5	0.9	13.4	13.5	14.7
Unpaid worker	6.0	4.2	3.5	2.4	1.9	1.6	13.1	8.4	6.8

Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of household surveys conducted in Argentina, Brazil, Chile, Colombia, Costa Rica, Guatemala, Mexico and Peru.

Generally speaking, the high levels of self-employment in this age group appear to be related to two preferences: first, that of employers for younger workers which may exclude older people from wage employment and, second, that of older persons for self-employment, using the skills and knowledge acquired throughout their careers to work outside the hierarchical structure of salaried employment. In the first case, labour participation may be characterized by precarious working conditions, while in the second case this is not necessarily so.

As is the case among the total employed population, women account for a smaller percentage of employers, own-account workers and wage workers than men, but more domestic workers and unpaid family workers. However, the high proportion of independent workers among women is quite striking (around 50%), and is probably attributable to the aforementioned increase in the number of women aged 60 or over who are heads of household. In any case, the percentage of women who are employers is about half of that of men, but the percentages for both sexes are similar in the own-account worker category.

¹⁸ See the structure of employment by employment category in Latin America in the annexes of different editions of the *Labour Overview of Latin America and the Caribbean* of the International Labour Organization (ILO) and the *Social Panorama of Latin America* of ECLAC.

¹⁹ In 2016, the share of employers increased from 7.5% in the 60-64 age group to 10.6% in the group aged 70 or over. The share of own-account workers went from 42.1% to 58.4%.

²⁰ The share for the 60-64 age group was 40.9%, falling 22.2% for those aged 70 or over.

²¹ In 2016, 3.3% of people aged between 60 and 64 worked as unpaid (family) workers, while in the group aged 70 or over the share was 4.7%.

²² While 6.2% of people in the 60-64 age group were employed in 2016, 4.0% of the group aged 70 or over were.

Between 2002 and 2016, the percentage of independent workers, both employers and own-account workers, fell slightly. Unpaid work also accounted for a smaller share in the employment structure of older persons. In contrast, in this period characterized by a surge in wage employment in the regional labour market, this category accounted for a greater share of older employed persons.²³ Domestic workers also accounted for a bigger share, especially among women, a trend that runs counter to changes in the labour market as a whole, where this category declined as a share of the employed population. The rise in the number of women aged 60 or over working in this category is possibly due to the fact that younger women are increasingly choosing other occupations, leaving more opportunities for older women.

When comparing labour market participation by employment category, and differentiating between older persons who work and also receive a pension, and those who do not receive this second source of income, it is observed that the first group has a greater proportion of independent workers (employers or own-account workers), both among men and women (see table II. 7).

Table II.7

Latin America (selected countries): employed older persons (aged 60 or over), by employment category, by retirement situation and sex, around 2016
(Percentages)

	Total		Men		Women	
	With pension	Without pension	With pension	Without pension	With pension	Without pension
Employer	10.7	8.1	12.3	9.7	6.8	5.1
Own-account worker	49.4	45.9	50.6	46.2	49.3	45.4
Wage worker	30.8	36.8	32.0	41.6	27.1	28.1
Domestic worker	5.1	5.6	1.4	0.9	12.1	14.7
Unpaid worker	4.0	3.5	3.6	1.6	4.7	6.8

Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of household surveys conducted in Argentina, Brazil, Chile, Colombia, Costa Rica, Guatemala, Mexico and Peru.

This may largely reflect two situations. First, either that older persons met the requirements to receive a pension throughout their working lives, and before reaching retirement age they become self-employed, work they continued to undertake despite having access to a pension;²⁴ or second, that people who retired from wage jobs may decide to begin a new phase in their working lives as an independent worker in order to maintain an active life and generate additional income. Even though the main reason why older people in the region work is the lack or insufficiency of other income sources (such as subsidies or remittances, in addition to pensions), these results may once again point to the third reason, which is the preference—rather than the need—to continue working despite having reached retirement age and begun receiving a pension.

That trend is also replicated among older men employed as unpaid family workers and receiving a pension, who outnumber those male unpaid family workers who do not receive a pension. Presumably, there are many men in the latter group who, after retirement, help out with the family business (which they possibly directed at one time), which is now run by the next generation. This is not the case for women, since a greater number of older female unpaid family workers do not receive a pension.

²³ In contrast, between 1990 and 2003, the proportion of wage workers among employed persons aged 60 or over decreased (Bertranou, 2006), which underlines the importance of the macroeconomic context and the evolution of the labour market as a whole for labour market participation options for this age group.

²⁴ Enrolment in contributory systems tends to be very low among the self-employed (Gontero and Weller, 2017), so it is very likely that many of these people previously worked as salaried employees.

It is likely that most women were already undertaking unpaid family work and continued with their activities when they reached retirement age.

In contrast, wage earners account for a higher share of older men who work and do not receive a pension than those who work and get a pension, while among women the share of wage earners is similar in both groups.

Given that contributory pension systems are usually designed with formal jobs in mind and that they tend to focus on urban areas, it can be assumed that there is a meaningful relationship with the production structure and, specifically, with agricultural employment. On average for 17 Latin American countries, at the beginning of the current decade, 11% of those employed in the agricultural sector were aged 65 or over, in sharp contrast with other economic sectors, where they accounted for 1.5% of employees in the electricity, gas and water sector, 5.1% in commerce and 5.3% in all sectors.²⁵ Both among men and women, the proportion of older persons employed in agriculture is clearly higher than that in other economic sectors (see table II. 8)

Table II.8

Latin America (selected countries): employed older persons (aged 65 or over), by sector, by sex, around 2012 (Percentages)

	Break-down of employment of older persons			Share of employed older persons		
	Total	Men	Women	Total	Men	Women
Agriculture, livestock and fisheries	41.2	48.7	23.4	11.0	11.4	9.7
Mining	0.3	0.4	0.1	2.2	2.4	0.4
Electricity, gas and water	0.2	0.2	0.2	1.5	1.7	1.1
Manufacturing	8.9	7.2	13.2	3.9	3.6	4.4
Construction	3.8	5.6	0.1	2.6	2.7	0.7
Commerce, restaurants and hotels	23.0	17.1	36.3	5.1	5.3	4.9
Financial services, real estate and company services	2.7	3.3	1.5	2.7	3.8	0.9
Transport, storage and communications	3.5	4.8	0.9	2.7	3.2	1.1
Other services	16.1	12.6	24.2	3.1	4.4	2.3
Total	100.0	100.0	100.0	5.3	6.0	4.3

Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of household surveys from the Bolivarian Republic of Venezuela, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, the Plurinational State of Bolivia and Uruguay.

Note: While "older persons" refers to those aged 60 or over in the other tables and figures, in this table it refers to those aged 65 or over, owing to the groupings used in the original source.

Accordingly, 41.2% of employed older persons aged 65 or over work in the agricultural sector.²⁶ The continued employment of older persons in the agricultural sector reflects the lack of alternative income sources as a result of the weakness of pension systems in rural areas, especially for agricultural workers (Weller, 2016). It is also attributable to the specific nature of the *campesino* economy (combination of production unit and home) and to the lack of intergenerational transition mechanisms in farm management (Dirven, 2002). Consequently, the relative weight of agriculture in the employment of older persons is linked to the fact that many of those in that sector are employers or own-account workers.²⁷

²⁵ These figures correspond to the average of data from 17 Latin American countries around 2012, processed in the framework of an ECLAC project (Weller, 2016).

²⁶ This proportion is 23% for the 50-64 age group and 20.2% for the employed population.

²⁷ On average for 15 countries, around 2012, 22.3% of employers and 17.8% of own-account workers in the agricultural sector were aged 65 years or over (Weller, 2016, p.88). These percentages clearly exceed the aforementioned 11% of agricultural workers from this age group.

The continued employment of older persons in agricultural production means that their labour participation rate is much higher in rural areas than urban ones. In 2014, the weighted average participation rate for men aged 60 or over of the countries of the region was 44.7% in urban areas and 66.8% in rural areas. Among women in the same age group, the rates were 20.3% and 32.9%, respectively (ECLAC, 2016).

Although the average of number of working hours per week decreases gradually with age, the figure is very high for older persons (see table II.9). Other results on the working hours of older persons are not surprising; persons who only work do so for longer hours than those who work and receive a pension. However, the differences are not very significant, except for men aged between 60 and 64, many of whom are not yet eligible for retirement.

Table II.9

Latin America (selected countries): weekly working hours of employed older persons (aged 60 or over), by retirement situation and sex, around 2002 and 2016

	Total		Men		Women	
	Working	Working and receiving a pension	Working	Working and receiving a pension	Working	Working and receiving a pension
2002						
60-64 years	44.7	38.5	48.0	40.1	36.6	35.8
65-69 years	42.8	39.2	45.9	40.4	34.5	38.5
70 years or over	39.0	37.9	40.2	39.1	35.6	27.7
60 years or over	43.0	38.6	45.8	39.7	35.9	35.3
2016						
60-64 years	43.8	36.5	47.4	38.1	37.6	35.2
65-69 years	41.0	39.2	44.6	42.1	34.5	33.3
70 years or over	38.1	36.2	40.9	37.7	32.9	33.0
60 years or over	42.1	37.3	45.5	39.2	36.1	34.2

Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of household surveys conducted in Argentina, Brazil, Chile, Colombia, Costa Rica, Guatemala, Mexico and Peru.

In addition:

- Regardless of whether they only work or work and receive a pension, men work for longer hours in the labour market than women.²⁸
- The number of hours worked decreases with age. However, this occurs very gradually; men and women aged 70 or over who work put in an average of 39.2 and 31.1 hours per week, respectively.
- Between 2002 and 2016, most of the subgroups saw a slight reduction in hours worked, with the notable exception of women who work and do not receive a pension (specifically in the groups aged 60 to 64 and 65 to 69).

Lastly, hourly earnings of older persons are analysed. Table II. 10 shows the income of each age subgroup and sex in relation to the average hourly earnings of all employed older persons.

Hourly income tends to decrease with age and is higher for men than for women, although that gap narrowed slightly between 2002 and 2016. Interestingly, in both years and in most subgroups by age and sex, people who work and also receive a pension earn, on average, slightly more than those who only work. This result could be due to two different phenomena: either that the income received by people in the first group in the form of their pension allows them to be more selective when taking a job, or that the greater informality that characterizes the employment of people without access to a pension is linked to less productive jobs that generate lower incomes.

²⁸ The hours that women dedicate to care tasks and other domestic chores must be taken into account, as they tend to spend much more on these tasks than men.

Table II.10

Latin America (selected countries): hourly earnings of employed older persons (aged 60 or over), by retirement situation and sex, around 2002 and 2016

(Average earnings index of employed older persons for the corresponding year=100)

	Total			Men			Women		
	Total	Working	Working and receiving a pension	Total	Working	Working and receiving a pension	Total	Working	Working and receiving a pension
2002									
60-64 years	103.5	100.6	126.3	111.6	107.9	133.6	80.0	78.4	113.3
65-69 years	99.6	93.9	146.7	108.6	109.9	164.6	73.4	75.6	73.9
70 years and over	80.0	87.0	98.1	83.7	99.8	96.7	61.5	56.1	81.6
60 years and over	100.0	97.5	123.5	107.5	104.8	128.9	77.0	75.6	105.0
2016									
60-64 years	104.7	102.3	126.4	106.8	104.1	142.0	98.1	96.0	102.2
65-69 years	92.1	94.8	107.6	95.6	99.4	108.7	82.7	82.6	84.8
70 years and over	86.8	91.6	89.7	89.2	99.7	91.5	76.6	70.4	72.8
60 years and over	100.0	99.0	108.8	102.4	101.7	112.8	93.0	90.9	103.3

Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of household surveys conducted in Argentina, Brazil, Chile, Colombia, Costa Rica, Guatemala, Mexico and Peru.

Note: The darker colour indicates the highest values for each subgroup and retirement situation.

E. Conclusions and public policy considerations

In Latin America, the lack of a pension emerges as a main factor for older persons' labour market participation, as illustrated by the significant negative correlation between the percentage of older persons with access to a pension and the employment rate of this age group. This correlation is particularly close among men and reflects the role historically assigned to them of being responsible for generating the money needed for a household to make ends meet. However, this correlation is also quite pronounced among women, both because of the importance of female-headed households and because of their need for additional income and their interest in achieving economic autonomy.

Unlike the situation in many developed countries, policies to promote more widespread employment of older persons (including raising the retirement age) and discourage early retirement (such as restricting access to early retirement options) have not played a significant role in Latin America. On the contrary, starting from much lower levels of coverage of contributory pension systems, the percentage of people aged 60 or over who receive a pension from a contributory system increased significantly in the region as a result of the surge in formal job creation and labour formalization policies. However, a substantial gap will remain until universal access is granted to this key source of income in old age.²⁹ Consequently, around the period 2002-2016, the rise in labour participation and employment rates among older persons was concentrated in the subgroup closest to working age (60 to 64 years, when most men and many women have yet to reach retirement age). Presumably, the trend of expanding pension systems' coverage will continue in the immediate future, which is why older persons' labour participation rates are not expected to increase significantly, especially for those aged 65 or over, among whom labour participation should remain stable or decrease slightly.

Meanwhile, although the comparative analysis of countries confirms a marked negative correlation between pension coverage and the employment rate, this does not mean that access to a pension will necessarily lead to older persons leaving the workforce. The percentage of men and women who continue to work despite receiving a pension has not decreased over time, which could be attributable to two situations. The first is related to the pension amount received, which may be below household subsistence

²⁹ At the same time, many countries created and expanded non-contributory pension schemes, but these have not been taken into account in this study because of their low amounts they generally provide.

levels, meaning that people need to generate additional income through paid work. The second may be related to the preferences of older persons, because, as in developed countries, continuing to work after retirement age could be motivated by a desire to remain economically active (to continue making a productive contribution, maintain social relationships, set specific objectives, among other things), rather than economic need. In this context, the relatively high labour participation rate of older persons with higher education levels, including those who receive a pension, and the relatively high number of older persons who are independent workers (employer or own-account worker) are noteworthy.

Contextual factors, in particular trends and structural aspects of employment, also play an important role in the labour market participation of older persons and its variations. Specifically, although the employment rates of older women are far lower than those of men of the same age, this gap has narrowed in line with overall trends in the region's labour markets. In addition, contrary to what was observed prior to the period under analysis (Bertranou, 2006), the percentage of wage workers among older workers increased during the period analysed, again in line with the prevailing trend in labour markets. Lastly, when older persons' employment is broken down by economic sector the weight of agriculture and of older workers in that sector is particularly notable.

As a result of a slight increase in the employment rate and in the percentage of older persons who receive a contributory pension, between 2002 and 2016, the proportion of this age group who does not have income from work or a pension fell from 37.6% to 31.7%, on average for the eight countries analysed. However, this figure—which is still high despite recent progress—is much higher among specific groups, particularly women and persons aged 70 or over. Furthermore, most of the progress made in reducing these rates occurred mainly in the period 2002–2012, and has slowed in subsequent years.

What direction should policies in this area follow? From a human-rights perspective, policies should differentiate between involuntary and voluntary labour market participation of older persons, in order to address the factors that cause the former and facilitate the latter.

Measures to reduce involuntary labour participation include, of course, access to a decent pension by expanding and transforming pension systems. This implies expanding contributory pension systems by formalizing labour relations and promoting financially sustainable reforms that increase pension amounts, especially for people who earned low incomes throughout their working lives. In addition, non-contributory systems must be strengthened, given that it is impossible for a large part of the population to achieve a decent pension amount by paying into a contributory system owing to the structure of Latin American labour markets.³⁰ In this context, thought must be given to how to strengthen older women's economic autonomy, since many of them do not have access to a decent pension because of biases in their access to paid work (ECLAC, 2018a).

The pressure on older persons to involuntarily participate in the labour market despite reaching or exceeding the retirement age can also be eased by raising awareness of the fact that caring for older persons in need is the responsibility of society as a whole. Improving access to relevant services would reduce the pressure on older persons to generate the monetary income required, for example, to cover the cost of caring for their spouse.

In addition to the need to generate more resources to finance greater benefits through pension systems, the ageing of the Latin American population poses new challenges for the financial sustainability of these systems. This requires a broad dialogue to define effective and widely-accepted measures—although in some cases they will probably not be popular—as is the case in many developed countries, which have taken steps to address the challenges posed by population ageing to the sustainability of pension systems.

³⁰ See Gontero and Weller (2017) for an analysis of the heterogeneity of own-account workers and the limits on making regular contributions to a contributory pension system.

Meanwhile, pension system regulations should be reviewed to determine and, as far as possible, eliminate the obstacles faced by older persons of retirement age who prefer to continue working without losing their pension entitlements. It will be especially important to promote part-time paid work opportunities for older persons who wish to remain active and earn additional income.

Another aspect that needs to be addressed is the discrimination that older persons often face when seeking paid employment (ECLAC, 2017a, p. 62). In addition to criminalizing the most obvious examples of discrimination, this obstacle to labour market participation requires a widespread cultural change. The ageing process itself could help to reduce the number of instances of discrimination, especially in contexts of labour shortages, particularly for those with specific skills and qualifications. In some cases, older persons will need training to adapt their skills to the changes in production and organizational processes, for example, when age or disability prevents them from performing their previous job, but they may still have the ability and interest to work in another occupation.

In the case of independent work, access to credit can be an increasingly formidable obstacle for people as they get older on account of financial institutions' risk considerations. In response, several countries have established special credit access programmes for this age group (ECLAC, 2017a, pp. 108-110). Learning from these experiences and developing financial products for older persons, with adequate risk management, may facilitate their voluntary participation in the labour market.

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Annex II.A1

Table II.A1.1

Latin America (selected countries): retirement age, by sex

	Men	Women
Argentina	65 years	60 years
Brazil	65 years for urban workers, 60 years for rural workers	60 years for urban workers, 55 years for rural workers
Chile	65 years	60 years
Colombia	62 years	57 years
Costa Rica	65 years	65 years
Guatemala	60 years (62 years for persons who joined the pension system after 1 January 2011)	60 years (62 years for persons who joined the pension system after 1 January 2011)
Mexico	65 years	65 years
Peru	65 years	65 years

Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of Social Security Administration/International Social Security Association (SSA/ISSA), *Social Security Programs Throughout the World: The Americas, 2015*, Washington, D.C., 2016, and official data from the respective countries.

Note: The right to retirement is related to a minimum number of contributions, which varies between countries. There are usually options for retirement at a younger age under certain conditions (number of contributions, specific occupations).

Annex A1

Table A1.1

Latin America and the Caribbean: annual average urban unemployment rate, by sex, 2007-2017
(Percentages)

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 ^a
Latin America											
Argentina ^b	8.5	7.9	8.7	7.7	7.2	7.2	7.1	7.3	6.5	8.5	8.4
Men	6.7	6.6	7.8	6.7	6.3	6.1	6.1	6.5	5.7	7.8	7.5
Women	10.8	9.7	9.9	9.2	8.5	8.8	8.5	8.4	7.6	9.4	9.5
Bolivia (Plurinational State of)	7.7	6.7	6.8	...	3.8	3.2	4.0	3.5	4.4	4.9	...
Men	6.3	...	...	...	3.1	2.2	3.2	2.5	3.5	3.6	...
Women	9.4	...	...	...	4.7	4.4	5.1	4.9	5.6	6.5	...
Brazil ^c	9.3	7.9	8.1	6.7	6.0	8.2	8.0	7.8	9.3	13.0	14.5
Men	7.4	6.1	6.5	5.2	4.7	6.8	6.6	6.7	8.1	11.6	13.0
Women	11.6	10.0	9.9	8.5	7.5	9.9	9.7	9.1	10.7	14.7	16.2
Chile ^d	7.6	8.2	10.2	8.5	7.4	6.7	6.2	6.7	6.4	6.8	6.9
Men	6.8	7.3	9.7	7.6	6.5	5.7	5.5	6.4	6.1	6.6	6.7
Women	8.8	9.7	10.9	9.8	8.7	8.0	7.0	7.0	6.9	7.1	7.2
Colombia ^e	12.2	12.1	13.2	12.7	11.8	11.4	10.7	10.0	9.8	10.3	10.5
Men	10.2	10.2	11.1	10.6	9.6	9.2	8.7	8.1	7.9	8.4	8.6
Women	14.7	14.5	15.7	15.3	14.4	14.0	12.9	12.2	11.9	12.4	12.7
Costa Rica ^f	4.8	4.8	8.5	7.1	7.7	9.8	9.1	9.5	9.7	9.6	9.0
Men	3.4	4.3	6.5	6.0	6.3	8.9	8.3	8.3	8.3	8.3	7.7
Women	6.8	5.6	9.2	8.8	9.7	11.5	10.5	11.3	11.7	11.5	10.9
Cuba ^g	1.8	1.6	1.7	2.5	3.2	3.5	3.3	2.7	2.5	2.0	...
Men	1.7	1.3	1.5	2.4	3.0	3.4	3.1	2.4	2.4	1.9	...
Women	1.9	2.0	2.0	2.7	3.5	3.6	3.5	3.1	2.6	2.2	...
Dominican Republic ^h	5.4	5.3	5.8	5.7	6.7	7.2	7.9	7.2	7.9	7.9	6.2
Men	4.0	3.8	4.5	4.8	5.4	5.8	5.9	5.4	5.8	5.6	4.6
Women	7.8	7.6	7.8	7.1	8.5	9.3	10.7	9.8	10.9	11.0	8.5
Ecuador ⁱ	6.9	6.9	8.5	7.6	6.0	4.9	4.7	5.1	5.4	6.8	5.7
Men	6.0	5.5	7.1	6.3	5.1	4.5	4.2	4.5	4.4	5.6	4.5
Women	9.3	8.8	10.5	9.4	7.2	5.5	5.4	6.0	6.7	8.5	7.1
El Salvador ⁱ	5.8	5.5	7.1	6.8	6.6	6.2	5.6	6.7	6.5	6.9	...
Men	7.9	7.2	9.0	8.3	8.7	8.0	6.8	8.5	8.1	8.2	...
Women	3.4	3.5	4.9	5.1	4.1	4.2	4.2	4.6	4.6	5.2	...
Guatemala ^j	...	...	...	4.8	3.1	4.0	3.8	4.0	3.2	3.4	3.4
Men	...	...	...	4.4	2.8	3.7	3.9	3.9	2.9	3.1	3.1
Women	...	...	...	5.2	3.7	4.5	3.7	4.2	3.6	3.8	3.9
Honduras	3.9	4.2	4.9	6.4	6.8	5.6	6.0	7.5	8.8	9.0	8.2
Men	3.8	4.2	4.6	5.9	6.2	5.3	5.7	6.9	7.0	7.0	6.8
Women	4.4	4.2	5.2	7.1	7.6	6.1	6.3	8.3	10.9	11.3	9.8
Mexico	4.0	4.3	5.9	5.9	5.6	5.4	5.4	5.3	4.7	4.3	3.8
Men	3.9	4.3	6.0	6.1	5.8	5.5	5.4	5.4	4.7	4.3	3.7
Women	4.3	4.3	5.7	5.5	5.5	5.3	5.3	5.2	4.7	4.2	3.8
Nicaragua ^k	7.3	8.0	10.5	10.5	8.1	8.7	7.7	8.5	7.7	6.3	5.2
Men	8.0	8.4	...	11.0	8.4	8.7	8.1	8.6	7.8	6.5	5.5
Women	6.3	7.6	...	10.0	7.7	8.6	7.2	8.5	7.5	6.1	5.0
Panama ^l	7.8	6.5	7.9	7.7	5.4	4.8	4.7	5.4	5.8	6.4	6.9
Men	6.5	5.4	6.3	6.5	5.3	4.2	3.9	4.7	5.1	5.7	5.8
Women	9.6	7.9	9.9	9.3	5.4	5.5	5.7	6.4	6.7	7.5	8.4

Table A1.1 (concluded)

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 ^a
Paraguay ^l	7.2	7.4	8.2	7.4	6.9	7.9	7.7	7.8	6.5	7.7	8.3
Men	6.2	6.6	7.9	6.7	6.1	6.5	6.1	6.3	5.5	6.3	7.3
Women	8.4	8.5	8.7	8.2	7.8	9.6	9.4	9.6	7.6	9.3	9.5
Peru ^m	6.3	6.0	5.9	5.3	5.1	4.7	4.8	4.5	4.4	5.2	5.0
Men	5.7	5.3	5.6	4.6	4.8	4.0	4.1	4.2	4.2	4.9	...
Women	7.0	6.9	6.2	6.0	5.5	5.5	5.6	5.0	4.5	5.6	...
Uruguay	9.8	8.3	8.2	7.5	6.6	6.7	6.7	6.9	7.8	8.2	8.3
Men	7.2	6.1	6.1	5.7	5.3	5.3	5.4	5.5	6.8	6.9	7.0
Women	12.7	10.8	10.5	9.5	8.1	8.3	8.3	8.5	9.0	9.6	9.7
Venezuela (Bolivarian Republic of) ⁿ	8.3	7.4	7.8	8.6	8.3	8.1	7.8	7.2	7.0	7.3	...
Men	7.8	7.1	7.4	8.2	7.7	7.4	7.1	6.7	6.6	7.1	...
Women	9.2	7.9	8.5	9.2	9.3	9.0	8.8	8.0	7.7	7.8	...
The Caribbean											
Bahamas ^o	7.9	8.7	14.2	...	15.9	14.4	15.8	14.8	13.4	12.2	9.9
Men	6.7	7.7	14.0	...	...	15.0	15.6	13.5	11.8	10.3	8.9
Women	9.1	9.7	14.4	...	...	13.7	16.0	15.8	15.0	14.2	10.9
Barbados ^p	7.4	8.1	10.0	10.8	11.2	11.6	11.6	12.3	11.3	9.7	10.5
Men	6.4	6.9	10.1	10.9	9.8	10.9	11.7	11.8	12.3	9.0	10.1
Women	8.5	9.5	9.8	10.6	12.6	12.3	11.6	12.8	10.3	10.1	11.0
Belize ^q	8.5	8.2	13.1	12.5	...	15.3	13.2	11.6	10.1	9.5	9.3
Men	7.2	...	...	...	...	10.5	10.6	6.3	6.8	5.6	5.9
Women	15.8	...	...	...	...	22.3	20.0	19.9	15.4	15.6	14.6
Jamaica ^q	9.9	10.6	11.4	12.4	12.6	13.9	15.2	13.7	13.5	13.2	11.7
Men	6.2	7.3	8.5	9.2	9.6	10.5	11.2	10.1	9.9	9.6	8.5
Women	14.5	14.6	14.8	16.2	16.8	18.1	20.1	18.1	17.9	17.4	15.4
Trinidad and Tobago ^r	5.5	4.6	5.3	5.9	5.1	5.0	3.7	3.3	3.4	4.0	4.9
Men	3.9	...	...	...	...	...	...	...	...	...	...
Women	7.9	...	...	...	...	...	...	...	...	...	...
Latin America and the Caribbean^s	8.2	7.6	8.8	8.2	7.4	7.3	7.1	6.9	7.3	8.9	9.3

Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of information from household services conducted in the respective countries.

^a Preliminary figures.

^b Thirty-one urban agglomerates. The National Institute of Statistics and Censuses (INDEC) of Argentina does not accept the data corresponding to the period 2007-2015, and is reviewing them. Therefore, these data are only preliminary and will be replaced when the new official data are published. 2015 data refer to an average for the first three quarters, and 2016 data refer to an average for the second, third and fourth quarters.

^c Until 2011, six metropolitan regions; after 2012, 20 metropolitan regions. Data not comparable with previous years.

^d New measurement as from 2010. Data not comparable with previous years.

^e Municipal capitals. Includes hidden unemployment.

^f New measurement as from 2009 and 2012. Data not comparable with previous years.

^g National total.

^h As from 2015, data derive from the continuous national survey of the labour force. Data not comparable with previous years. Data for 2017 refer to an average for the first three quarters.

ⁱ Includes hidden unemployment.

^j As from 2011, the definition of working-age population was changed from 10 years to 15 years. Data for 2017 refer to an average for the first half of the year.

^k A new survey was applied as from 2010. Data not comparable with previous years.

^l As from 2010, data refer to Asunción and urban areas in the Central Department. Data for 2017 refer to an average for the first three quarters.

^m Data for 2017 are preliminary.

ⁿ National total. Includes hidden unemployment. Data for 2015 and 2016 refer to a half-year average.

^o National total. Includes hidden unemployment. Data for 2017 refer to May.

^p National total. Includes hidden unemployment. Data for 2017 refer to an average for the first three quarters.

^q National total. Includes hidden unemployment.

^r National total. Includes hidden unemployment. Data for 2017 refer to an average for the first half of the year.

^s Weighted average adjusted for lack of information and methodological differences and changes. Includes an adjustment of data for the exclusion of hidden unemployment in Colombia, Ecuador, Jamaica and Panama.

Table A1.2

Latin America and the Caribbean: annual average urban participation rate, 2007-2017

(Percentages)

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 ^a
Latin America											
Argentina ^b	59.5	58.8	59.3	58.9	59.5	59.3	58.9	58.3	57.7	57.5	57.8
Bolivia (Plurinational State of)	57.1	58.8	60.5	...	59.7	57.0	58.4	59.4	56.2	59.4	...
Brazil ^c	56.9	57.0	56.7	57.1	57.1	63.1	63.4	62.8	62.8	63.7	64.6
Chile ^d	55.4	56.6	56.5	59.0	60.3	59.9	59.7	60.0	59.9	59.6	59.9
Colombia ^e	60.2	60.6	62.9	64.1	65.2	66.0	65.8	66.0	66.3	65.9	65.6
Costa Rica ^f	58.5	58.6	62.3	60.7	62.6	64.5	63.3	64.0	62.7	59.3	59.5
Cuba ^g	73.7	74.7	75.4	74.9	76.1	74.2	72.9	71.9	67.1	65.2	...
Dominican Republic ^h	62.1	62.3	60.0	61.1	62.5	63.6	63.7	63.5	62.2	62.8	62.6
Ecuador ⁱ	69.1	67.7	66.3	64.2	62.2	62.8	61.8	62.2	64.1	65.7	65.8
El Salvador ^j	63.6	64.1	64.3	64.4	63.7	64.6	65.1	64.6	63.5	63.8	...
Guatemala ^k	...	...	...	65.2	61.0	65.5	61.9	62.7	62.9	62.3	62.3
Honduras	51.7	52.7	53.1	53.7	52.5	51.2	54.3	55.7	56.9	57.4	58.1
Mexico	61.4	61.3	61.1	60.8	61.0	61.6	61.6	60.9	60.8	60.8	60.5
Nicaragua ^k	50.7	53.8	52.1	71.3	73.7	74.7	74.5	73.2	71.6	72.2	72.1
Panama ^l	62.6	64.4	64.4	64.0	63.2	63.6	64.1	64.3	64.5	64.6	64.2
Paraguay ^m	59.6	61.5	62.3	63.9	64.7	64.7	66.6	65.5	66.0	66.3	66.0
Peru ⁿ	71.0	71.1	71.2	71.6	71.6	71.5	71.2	70.0	69.4	70.5	70.7
Uruguay	62.9	62.8	63.6	63.5	65.0	64.0	63.6	64.8	64.0	63.8	63.4
Venezuela (Bolivarian Republic of) ^o	64.8	64.8	65.0	64.6	64.4	64.0	64.3	65.1	63.7	64.0	...
The Caribbean											
Bahamas ^p	76.2	76.3	73.4	...	72.1	72.5	73.2	73.7	74.3	77.1	80.0
Barbados ^p	67.8	67.6	67.0	66.6	67.6	66.2	66.7	63.9	65.1	66.5	65.1
Belize ^q	61.2	59.2	...	...	...	65.8	64.0	63.6	63.2	64.0	64.1
Jamaica ^q	64.9	65.4	63.5	62.4	61.7	61.9	63.0	62.8	63.1	64.8	65.1
Trinidad and Tobago ^r	63.5	63.5	62.7	62.1	61.3	61.8	61.3	61.9	60.6	59.7	59.7
Latin America and the Caribbean ^s	63.1	63.3	63.5	63.3	63.1	63.2	63.2	62.8	62.6	63.0	63.3

Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of information from household services conducted in the respective countries.

^a Preliminary figures.

^b Thirty-one urban agglomerates. The National Institute of Statistics and Censuses (INDEC) of Argentina does not accept the data corresponding to the period 2007-2015, and is reviewing them. Therefore, these data are only preliminary and will be replaced when the new official data are published. 2015 data refer to an average for the first three quarters, and 2016 data refer to an average for the second, third and fourth quarters.

^c Until 2011, six metropolitan regions; after 2012, 20 metropolitan regions. Data not comparable with previous years.

^d New measurement as from 2010. Data not comparable with previous years.

^e Municipal capitals. Includes hidden unemployment.

^f New measurement as from 2009 and 2012. Data not comparable with previous years.

^g National total.

^h As from 2015, data derive from the continuous national survey of the labour force. Data not comparable with previous years. Data for 2017 refer to an average for the first three quarters.

ⁱ Includes hidden unemployment.

^j As from 2011, the definition of working-age population was changed from 10 years to 15 years. Data for 2017 refer to an average for the first half of the year.

^k A new survey was applied as from 2010. Data not comparable with previous years.

^l As from 2010, data refer to Asunción and urban areas in the Central Department. Data for 2017 refer to an average for the first three quarters.

^m Data for 2017 are preliminary.

ⁿ National total. Includes hidden unemployment. Data for 2015 and 2016 refer to a half-year average.

^o National total. Includes hidden unemployment. Data for 2017 refer to May.

^p National total. Includes hidden unemployment. Data for 2017 refer to an average for the first three quarters.

^q National total. Includes hidden unemployment.

^r National total. Includes hidden unemployment. Data for 2017 refer to an average for the first half of the year.

^s Weighted average adjusted for lack of information and methodological differences and changes. Includes an adjustment of data for the exclusion of hidden unemployment in Colombia, Ecuador, Jamaica and Panama.

Table A1.3
Latin America and the Caribbean: annual average urban employment rate, 2007-2017
(Percentages)

Country	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 ^a
Latin America											
Argentina ^b	54.5	54.2	54.2	54.4	55.2	55.0	54.7	54.0	53.9	52.6	52.9
Bolivia (Plurinational State of)	52.7	56.2	57.5	...	57.4	55.2	56.1	57.3	53.8	56.5	...
Brazil ^c	51.6	52.5	52.1	53.2	53.7	57.9	58.3	57.9	57.0	55.4	55.3
Chile ^d	51.2	52.0	50.7	54.0	55.8	55.9	56.1	56.0	56.0	55.6	55.8
Colombia ^e	52.9	53.2	54.6	56.0	57.5	58.5	58.8	59.4	59.8	59.2	58.8
Costa Rica ^f	55.7	55.7	57.0	56.4	57.8	58.2	57.5	57.9	56.6	53.6	54.2
Cuba ^g	72.4	73.6	74.2	73.0	73.6	71.6	70.5	70.0	65.4	63.8	...
Dominican Republic ^h	58.7	59.0	56.5	57.6	58.3	59.0	58.6	58.9	57.2	57.9	58.7
Ecuador	64.3	63.1	60.7	59.3	58.5	59.7	58.9	59.0	60.7	61.2	62.1
El Salvador	59.9	60.6	59.7	60.0	59.5	60.6	61.5	60.3	59.4	59.4	...
Guatemala ⁱ	...	...	...	62.0	59.0	62.8	59.5	60.2	60.9	60.2	60.2
Honduras	49.7	50.5	50.5	50.3	48.9	48.3	51.1	51.5	51.9	52.3	53.4
Mexico	58.9	58.7	57.5	57.2	57.5	58.3	58.3	57.6	57.9	58.2	58.2
Nicaragua ^j	47.1	49.5	46.6	63.8	67.8	68.2	68.8	66.9	66.1	67.6	68.3
Panama	57.7	60.2	59.3	59.1	59.8	60.6	61.1	60.9	60.7	60.4	59.8
Paraguay ^k	55.3	57.0	57.1	59.2	60.2	59.6	61.5	60.4	61.8	61.2	60.5
Peru ^l	66.5	66.8	67.0	67.9	67.9	68.1	67.8	66.8	66.4	66.9	67.2
Uruguay	56.7	57.6	58.4	58.8	60.7	59.6	59.5	60.4	59.0	58.6	58.1
Venezuela (Bolivarian Republic of) ^m	59.4	60.0	59.9	59.0	59.0	58.8	59.3	60.4	59.2	59.3	...
The Caribbean											
Bahamas ⁿ	70.2	69.7	63.0	...	60.6	62.1	61.6	62.8	64.4	67.7	72.1
Barbados ^o	62.8	62.1	60.3	59.5	60.0	58.5	58.9	56.0	57.7	60.0	58.2
Belize ^g	56.0	54.3	...	...	...	55.7	55.7	56.3	56.8	57.9	58.1
Jamaica ^g	58.6	58.5	56.3	54.7	54.4	53.3	53.4	54.2	54.6	56.2	57.5
Trinidad and Tobago ^p	59.9	60.6	59.4	58.4	58.2	58.8	59.1	59.9	58.5	57.4	56.7
Latin America and the Caribbean ^q	58.2	58.6	58.1	58.3	58.5	58.7	58.8	58.5	58.1	57.4	57.4

Source: Economic Commission for Latin America and the Caribbean (ECLAC) and International Labour Organization (ILO), on the basis of information from household services conducted in the respective countries.

^a Preliminary figures.

^b Thirty-one urban agglomerates. The National Institute of Statistics and Censuses (INDEC) of Argentina does not accept the data corresponding to the period 2007-2015, and is reviewing them. Therefore, these data are only preliminary and will be replaced when the new official data are published. 2015 data refer to an average for the first three quarters, and 2016 data refer to an average for the second, third and fourth quarters.

^c Until 2011, six metropolitan regions; after 2012, 20 metropolitan regions. Data not comparable with previous years.

^d New measurement as from 2010. Data not comparable with previous years.

^e Municipal capitals.

^f New measurement as from 2009 and 2012. Data not comparable with previous years.

^g National total.

^h As from 2015, data derive from the continuous national survey of the labour force. Data not comparable with previous years. Data for 2017 refer to an average for the first three quarters.

ⁱ As from 2011, the definition of working-age population was changed from 10 years to 15 years. Data for 2017 refer to an average for the first half of the year.

^j A new survey was applied as from 2010. Data not comparable with previous years.

^k As from 2010, data refer to Asunción and urban areas in the Central Department. Data for 2017 refer to an average for the first three quarters.

^l Data for 2017 are preliminary.

^m National total. Data for 2015 and 2016 refer to a half-year average.

ⁿ National total. Data for 2017 refer to May.

^o National total. Data for 2017 refer to an average for the first three quarters.

^p National total. Includes hidden unemployment. Data for 2017 refer to an average for the first half of the year.

^q Weighted average adjusted for lack of information and methodological differences and changes.

The first part of this edition of *Labour Situation in Latin America and the Caribbean* analyses the performance of the region's labour markets in 2017. The 1.3% economic growth that the region saw after two years of contraction produced a slight acceleration in wage job creation and stabilized the urban employment rate which had been falling for three years in a row (from 2014 to 2016). However, not enough jobs were created to reverse the increase in the urban open unemployment rate, which, after climbing 2.0 percentage points over the previous two years, rose again, albeit less sharply (0.4 percentage points), to reach 9.3%, the highest level since 2005.

The second section of the report examines the increasingly important issue of the extent and nature of older persons' participation in Latin American labour markets. Lack of pension income is the main reason why older people in the region continue to work beyond retirement age. In particular, the report highlights the limited coverage of contributory pension systems among women. Although many countries have made significant progress in expanding the coverage of these systems and have created or extended non-contributory schemes in recent years, a high percentage of older persons are forced to continue working because they do not receive a pension. Meanwhile, a minority of older people—who usually have higher levels of education—continue to work as a matter of personal preference, even if they receive a pension.