

National Report of Economic, Labor and Union Situation in Colombia – 2010

Despite the Economic Growth, the Labor Situation of Colombia Shows no Improvement

This report remarks the continuity of a labor situation characterized by a big deficit of decent work, which obeys to a process of systematic exclusion of the workers and their organizations. This process may be described from the following aspects:

Political exclusion of the worker's movement and the workers themselves (antiunion culture); Both social dialogue and collective bargaining remain as residual; economic and social exclusion; labor relationships without any labor rights; unemployment, low rates of income, informality and lack of social protection; exclusion by age and gender (youngsters and women have the worst labor conditions); Institutional exclusion, which mean an institutional design opposite to the labor rights and union freedoms; Inadequacy of the national laws with the international standards, weakness of the State Labor Inspection; physical exclusion (Systematic and deliberated violence against the union movement, generalized impunity in the crimes committed against union leaders and members).

On the other hand, the most important topic at the moment is that after many years of union and labor issues, these have become central point of the public debate, due to the call made by the President of the Republic Juan Manuel Santos to the Colombian Union Centrals for the subscription of a Labor Agreement. We understand that this Agreement rises as a result of the demands and struggles of the Colombian Union Movement and other social, democratic and forward movements in this country, with the accompaniment of the International Union Movement.

The agreement that is being discussed must contain, in first place, recommendations from the supervisory bo-

dies of the ILO, and specially the conclusions of the Mission of High Level of the ILO who came to the country in February of 2011. In second place, the commitments that the President of Colombia has engaged with the National Union Centrals, expressed these in the meeting of March 31st and, in third place, the Action Plan between the Governments of Colombia and The United States of America.

In case of an effective articulation of this Labor Agenda, we would witness changes in five main cores: The labor formalization, the right of labor association, the right of collective bargaining, the overcoming of the antiunion violence and the strength of the labor institutions. If an Agreement of such reaching takes place, we would be in front of the most important labor agenda of the last two decades, which could mean that two millions of workers acquire labor rights, and the labor organizations may develop their work with the least limitations.

Inequality, the worst obstacle for the inclusion and growth

In Colombia, there's an immoral abyssm between the richest and the poorest population. Is, today, the most unequal country in Latin America¹. The GINI Coefficient, the most worldwide accepted indicator to measure income, was for Colombia in 0.58% in 2009. However, in more complete measurements, as the one made by the Professor Jorge Ivan Gonzalez, from the National Uni-

1. According to Samuel Azout (High Councilor for the Prosperity), the country now has taken the fourth place of inequity in terms of the distribution of the Income, and the perspectives of change of this gives very little hope

iversity of Colombia, the actual GINI coefficient could be placed between 0.85% y 0.9%.

According to official data for 2009, the 45.5% of the Colombian population lives in poverty and the 16.4% in the indigence. This means, that 20 million of Colombians barely survive. And, in the rural zones, the poverty and indigence is even higher: 64.3% and 21%, respectively.

In Colombia, the 10% richest receive more than a 50% of the Gross Domestic Product-GDP of the Country, and sustain two people. Meanwhile, the 10% poorest receive a 0.06% of the GDP of the national wealth and sustain 6 people. This is the size of our social debt. Natives and African Colombians are the poorest populations, with indexes of unsatisfied basic needs of 57% and 66% respectively. 800 municipalities have poverty indexes over a 66%².

Quality in work: the worst in Latin America

Practically, Colombia didn't suffer the world economic crisis and its economy continued to recover. The DGP grew a 4.3% in 2010, compared to the growth of 1.5% in 2009.

However, this growth is neither redistributed non productive, and doesn't generate decent work. The sector that pulls up the Colombian economic is mining and quarrying, with a growth of 11.1%. Commerce did this in a 6%, manufacturing industry 4.9%, transportation, storage and communications 4.8%, and the services' sector a 4.1%. In the practice, the Colombian economy neither generates formal non decent work, except for those workers with complete superior education.

The miscalled 'working market' remains in a standstill. The occupation rate maintains in an annual average of 55.3%, with very little rises in the Christmas time, specially. In the other hand, the unemployment rate doesn't drop, sustaining in 11%. In 2010, there were about 2'562.000 unoccupied population in Colombia, 49 thousand more than in 2009.

Each time more female and male working population are underemployed, ever since these are engaging in labor activities below they capacity, education and working shifts that they may get into. In 2010 the unde-

employment rate was of 32.6%, compared to this rate in 2009, which was of a 29.7%.

Women present a higher rate of subjective underemployment, compared to male workers. For 2010, the female subjective underemployment rate located in a 36.3%, compared to the male workers' one, which came to a 31%.

The rate of unemployment for household heads dropped very little

Meanwhile the household head unemployment rate was 5.9% in 2010 this rate was of a 6.2% in 2009, showing a marginal reduction. There are not enough jobs in the market to absorb the available labor force. Wives, children and relatives are forced to leave inactivity in seek for jobs, so the home's income doesn't suffer.

The female household heads present double more unemployment than their male pairs. In 2010, this rate was 9.6%, compared to a 4.7% in 2009.

The unpaid work, unskilled labor market and low incomes increased.

In 2010, all the new work was created in the informal sector, self-employment, or unpaid jobs. The self-employed increased in 6% and the unpaid family workers increased in 8%, such as the unpaid workers in other industries, which increased 16% compared to 2009.

In 2010 the whole 43.2% of occupied people were self-employed (8'309.000), followed by particular occupied which participated with a 34.3% (6'599.000). Only the 4.2% of the occupied population belongs in the Public Sector (809.000).

The labor force in the country is under skilled, and with less skilled workers more poverty and more informality. Only the 21.5% of the occupied population has any kind of education, and a 42.5% (8'160.000 workers) has Junior High education, followed for a 30.8% (5'921.000) with primary education.

8'920.215 workers, a 46.4% of the whole occupied population, earn less of a minimum wage. 6'137.184 workers, a 31.9% of the Whole Occupied Population earn from 1 to 2 minimum wages. The 78% of the occupied earn less of 2 minimal wages by month, and only the 4.4% receive 4 or more minimum wages by month. 61% of the informal workers earn less of a minimum wage. Put the lowest salaries are presented in a mayor

2. External inequality, Semana.com, Saturday, May the 12th of 2011

proportion among the farmworkers. 67% of these receive less of a minimum wage by month.

The informality continues to grow³

The labor informality is the main cause of social exclusion and poverty. The 58% of the workers suffer it. Compared to 2009, the informal working population increased in 152.000 people. The 83% of the whole informal workers are unskilled labor force. The formal labor force with superior education is 49.7% of the whole category, while 41.3% of the formal workers have a Junior High Education.

Only a 10% of the informal workers have full social security, this corresponds to 484.000 occupied people, 27.000 more people than 2009. From 2009 to 2010, there were more workers in the informal sector without social security in the majority of the economic activity branches.

The informality among the main capital cities of Colombia is serious, but in some cases it's just dramatic. In 2010 Cúcuta had an informal work rate of 67%, followed by Montería with a 66.7%, Pasto with 65.4% and Villavieja with a 63.2%. Only three big capitals locates below the rate for the 13 metropolitan areas: Bogotá with a 45.8%, Medellín with a 48.4% and Manizales with a 48.7%

Table 1- Indicators for the Labor Market- Colombia

Concept	2010	2009
Occupied	19.215	18.427
Unoccupied	2.562	2.513
Inactive Population	12.938	13.229
Working-Age population (PET In Spanish)	34.716	34.170
Economic Active Population (PEA in Spanish)	21.777	20.941
Global Participation Rate (TGP in Spanish)	62,7	61,3
Occupation rate (TO in Spanish)	55,4	53,9
Unemployment Rate (TD in Spanish)	11,8	12,0
% of Inactive population	37,3	38,7
Subjective Underemployment Rate	32,6	29,7
Objective Underemployment Rate	12,6	10,9

3. The informality, as defined by the National Administrative Department of Statistics, DANE in its Spanish abbreviation, refers to the group of employees and Employers in enterprises with less of five workers, such as the self-employed people and non-college titled workers, the domestic employees and non-paid workers.

Low coverage and quality in social security, Pension System and labor risks.

In 2010, according to DANE, 17'083.000 people were affiliated to the Social Security System in Health Services (the 89% of the occupied population). From these, 8'588.000 people belong to the Health Contributive Regime, and 7'955.000 belong to the Health Subsidized Regime.

In this year, the affiliation to the Pension System decreased in 8.7%. Only the 31% of the workers appeared as affiliates who contribute to this System. For the Whole Country, the female population presents an affiliation rate of 41% and for the 13 metropolitan areas this indicator increases to 43.3%.

In the same year, only the 35.5% of the occupied people were affiliated to the Labor Risks System (6'826.500 people). Over two thirds parts of the affiliated are located in three regions: Bogotá, Antioquia and Valle. In 19 municipalities of the country the coverage is below of a 1%.

In Colombia, one labor accident occurs by the minute. In 2010, 538.911 labor accidents were recorded. The diseases related to labor activities increased in 38.72%. 12.609 diseases related to labor activities were reported in 2010 but the Labor Insurance Companies qualified as such only 9.411. In this year, 958 labor casualties occurred, 3 per day. Of these, 158 happened on the mining industry.

The number of working childhood increased

According to the most recent numbers given by DANE, the working childhood increased. In 2007 the rate of working children was 6.9%; for 2009 this rate was of 9.2%, showing a growth of 2.3% in two years. Most of the working female and male kids do it in agriculture (37.3%), followed by commerce (30.5%) and manufacturing industry (13.6%).

1'050.147 children and adolescents between 5 and 17 years old were working in 2009, beside the 799.916 female and male kids dedicated to household activities. This means that the actual rate of working children is 16%.

The other topic is that working children do it intensely. The 41.3% work less of 15 hours per week, the 29.7% between 15 and 34 hours, 18.1% between 35 to

48 and 11% work over 48 hours per week. The consequences of this in their adult lives shall be dramatic.

This type of work increases due to the decreasing family income. The 36.1% of children work because “(they) Must participate in the economic activity of the family”, according to DANE. 14.17% was not affiliated to a health social security system (15.5% of the total for male population, and 12.8% of the female population), and 78% were affiliated to the Health Subsidized Regime.

The cities with more incidence of working childhood were Montería (12.9%) and Bucaramanga (12.1%). Surprising yet incredible is the low rate of Working Childhood at Cartagena (0.9%), where there’s a very serious issue of children’s sexual exploitation. The rate of working Childhood at Medellín remains high: 6.6% in 2009, after a 4.1% in 2007. Is not a surprise the descent in the Working childhood rate at Bogotá, 2.8%, as a result of social policies in free education, and the increase of the coverage and access to basic rights for the children.

The elderly grows in quantity and vulnerability

By December 31st of 2010 there were 1’516.980 people with a pension or retirement income. However, not all the retired people are by old-age, because in these retirement salaries are included the ones given by mayor age, disability or survivorship⁴.

Actually, the percentage of elders (over 60 years) that receive any of these pensions is 72.22%⁵, corresponding to 1’095.363 people. This means that, against an elder population of 6’288. 223 estimated by DANE statistics for 2010⁶, only a 24.49% (1 of each 4) was receiving any pension.

The State has implemented two policies for this sec-

tor of the population. The first one is a System of benefits of \$46.073 COP by month (US \$ 26.1481⁷), benefiting to 573.471 elders⁸. The other policy consist on a food ration, which benefits monthly to 417.143 elders in high grade of vulnerability, with a cost per person of COP \$42.143 (USD \$23.9177), cost which correspond mostly to operational expenses incurred by the Colombian Institute for the Family Welfare (ICBF in its Spanish abbreviation) to deliver such ration.

Females suffer more informality and unemployment, and less income than males.

From each 100 male and female workers among the Economic Active Population in 2010, there’re approximately 44 women and 68 men employed. There are 430.000 more occupied women against 2009.

While the female unemployment rate is a 15.6%, female is on 9%. The city with the highest rate of female unemployment is Pereira, with 23.3%, followed by Ibagué with a 19.6%. The cities with lowest rates for this population are Bogotá (12.2%) and Barranquilla (12.4%).

From each 100 occupied women, 42 are self-employed (A point more than in 2009), and 33 are workers or particular employees (one point less).

Women remain attached to two sectors of the economy: social, community and personal services (32.6%) and commerce, repairing, restaurants and hotels (32.1%).

In 2010, the 60.3% of the occupied women earned less of a minimum wage against a 50.5% of men, which evidences that women have a worst location in the labor market and the enter it to be secondary generators of income, and not because a seek of a relevant improvement of their lives’ quality.

According to education levels, is important to tell that from the whole occupied women 26.9% have any title acquired in superior education, and 43.1% have junior high education. For men, only the 17.7% of the occupied have superior education, and 41.3% junior high education.

The situation of women in the rural area is even more serious. Only the 31% of the women in age of working

4. According to the Financial Supervision of the Government of Colombia, SUPERFINANCIERA in its Spanish abbreviation, for the whole retired people in the average premium pension scheme, the 87.39% are old-age pensions, 8.6% for survivorship, and 36.8% for disability. In the Private Retirement Funds, 54.21% are pensions by survivorship, and 24.83% by disability, and 20.96% by old-age.

5. This percentage is allowed to acknowledge only from the statistics given by SUPERFINANCIERA, compared to the age ranges of the retired with an average premium pension scheme. Go to www.superfinanciera.gov.co, statistics/pension system.

6. DANE, proyecciones nacionales y departamentales de población 2005-2020, Estudios postcensales N° 7, 2009

7. These amounts were converted with XE Currency Converter, on May 6th of 2010.

8. Social Protection Ministry, Report of Activities, 2006-2010 quadrennium, June 2010. Page 72.

do it, against 73% of occupied men. Comparing 2009, the female occupation rate was of 28.7% and the male one 71.5%. This shows that there are more occupied women in the rural sector.

Young population: victims of unemployment and precariousness

The youth unemployment rate was located in an average of 21.3% average, which means a derisory reduction of 0.3% against 2009. Unemployment of young women is even higher, with a rate of 28.2%, meanwhile the young male unemployment rate was of a 16.5%. The 1'175.000 unemployed youngsters represent a 45.8% of the whole occupied people. The percentage for unoccupied young women approaches to 55.6%, and for young men it locates in 37.6%.

By economic sector, youngsters are located mainly in commerce, hotels and restaurants (27.3%); agriculture, fishing, hunting and forestry (20.7%); community, social and personal services (17.2%); manufacturing industry (12.5%). These numbers are very telling: of the 5 locomotors of the development proposed by the President Juan Manuel Santos, youngsters have an active participation only in two sectors: agriculture and building. In comparison, mining occupied 560.000 youngsters in 2010. In this economic sector, only 5000 new employments were created in last year.

465.000 youngsters work without any type of remuneration, and 1'408.000 are self-employed (a 32.4% from the whole of occupied youngsters).

The first numbers for 2011 are not any better

By February of 2011, the open unemployment arrived to a 12.8%. In this month the unoccupied population in Colombia reached the 2'805.000 people. Now; the occupation rate in 54.4%, what translates in 19'079.000 Colombians employed.

In other hand, is evident the growth of the inconformity with the work of the Colombian workers, and this is supported by the increase of the subjective unemployment rate, located in 32%.

Analyzing the numbers by occupational position, for the mobile trimester December 2010-february 2011, most participation of occupied people has the category of self-employed (44%), representing a total of 8'346.000 Co-

lombians, followed by the particular workers (34%) with a total of 6'571.000 people. The State employees have a low participation (4%), equivalent to 781.000 occupied.

Analyzing by branches of activity for the same period, the occupied were located mainly in commerce, hotels and restaurants (27%), followed by community, social and personal services and agriculture, fishing, hunting and forestry, both with an 18% of participation. The manufacturing industry participated with a 13%.

In Medellín, we still suffer a structural employment crisis

For Medellín, the unemployment rate was of 13.8% and occupation rate of 54.3%. The city had 245.000 unoccupied and 1'535.000 occupied. These ones were mainly in the sectors of commerce, hotels and restaurants with 29% of participation, followed by the manufacturing industry and community, social and personal services both with a 21% of participation. Besides, the occupied population was a 54% of particular workers, followed by a 31% of self-employed, 450.000 occupied people. The household and State employees participated with a 4%.

Historical growth of the workers' protests.

In 2010 the mobilizations and labor protests increased a 71% compared 2009, which evidences the great social disconformity about the handling of labor issues.

In this year, 54 strikes, 5 stops caused by collective conflicts, 32 days of protests, 27 marches, 31 storming and blocking of installations, 22 meetings and 5 symbolic resistances took place, for a total of 176 actions for the labor and union demands, the highest record since 1990. These were caused by the opposition against State policies and the non-fulfillment of labor laws, specially related to the payment of wages.

The intention of extermination (violations against life, freedom and integrity) increases

Despite of the political efforts to transform and eradicate the antiunion violence, the international pressure in the international negotiations of the FTA and the constant recommendations of international institution such as the ILO and the UNDP, the scenery for the antiunion violence is still critical.

Murders of union leathers increased, going from 47

in 2009 to 52 in 2010, 11 of these occurred in Antioquia. In such way, there is concern about the increase of forced disappearance cases (7), and attacks against union leathers (21). This raise may be interpreted as a serious symptom of the reordering and reappearance of the paramilitary groups, in the figure called 'Criminal Bands'.

The 30% of the murdered union population were union leaders, and a third part of these are cases are perpetrated by paramilitary groups, as suspected.

From the total data recorded by the ENS between 1986 y 2010, it is found that, at least, 11399 violations against the life, freedom and integrity of union members have happened ever since. Of these, 2863 were murders, 134 occurred in Antioquia. 279 attacks against life and 218 disappearances were recorded as well; at least 5030 threats of death against union members due to their union activities were made, and 1742 forced displacements occurred.

During the Presidency of Juan Manuel Santos 23 union members have been murdered, 5 in Antioquia, and during the current 2011 6 union leaders have been killed.

The collective bargaining keeps dropping

According to the Social Protection Ministry, until October of 2010 a total of 175 collective conventions and 197 collective pacts were negotiated, numbers which correspond to the 62.5% and 87.55% of the total of pacts and conventions deposited in this Ministry in 2008, year we must compare to, because most of these agreements have a term of two years.

During all 2010 serious cases of antiunion activity happened, in which employers managed to avoid the formation of union organizations in their enterprises, also avoid workers to join these or the collective bargaining. The most representative cases occurred in the following sector and enterprises:

In the transportation of economic values: DOMESA and PROSEGUIR. In the mining sector at Guajira and Cesar: DRUMMOND, CHANEMME COMERCIAL S.A., Glencore, Coals of La Jagua, ARAMARK. In the oil sector: Gran Tierra Energy and Esmerald Energy, both Canadian multinational enterprises that extract oil at Putumayo; the British Petroleum Company and in OCENSA SCHLUMBERGER SUERNCO S.A. In the food and drinks' sector: The Coca Cola Company, SODEXO, Pro-

leche, Parmalat, Coolechera. In the transportation sector: COPPETRAN, FENOCO. In the bank sector: Banco de Bogotá, BBVA. In the flower sector: Nanenti/Sunburst Floramérica. In the healthcare sector: Colombian Red Cross. In metalworking sector: CENTELSA, owned by SANFORD GROUP. In the fabric sector: HILANDE-RIAS UNIVERSAL S.A.S. "MULTIHILOS".

In the state sector is still prohibited in the practice the collective bargaining, violating international agreements and the very own Colombian laws.

The most serious cases of infringement against collective bargaining for State employees took place at the National Registry of Civil Status, University of Tolima, in the very Ministry of Social Protection, in the Ministry of Foreign Commerce and Tourism and the Municipal Mayor of Popayán.

The Foreign Direct Investment keeps increasing without creating any new jobs

The Direct Foreign Investment (FDI) for the three first trimesters of 2010 increased 3.2% compared to the same past period⁹.

The sectors where the FDI grew were: manufacturing, financial establishments and commerce, restaurants and hotels. However, even the most FDI to Colombia (hydrocarbons, mining and quarrying) had a decrease (-10.3% for mining and quarrying and -8.7% for oils), this continued to have the most participation of the total FDI: 61% both together. Is remarkable the growth of 183.8% in the manufacturing industry, compared to its participation in 2009. As this one is remarkable as well the increase of 58% in the financial establishments sector, which attracted US \$776 million.

The concentration of the participation of Hydrocarbons, mining and quarrying in the FDI to Colombia configures as a recent trend, and maintains a growth perspective. Between 2006 and 2010 the Hydrocarbons have attracted an average of 33% of the whole FDI. These data contrast with its poor participation in terms of works, as these two sectors only have created the 1.5% of the total jobs created between 2006 and 2010, while both of them have captured the 58.4% of the FDI in the same period.

9. US \$6,524 million in front of US \$6,324 million