

# Latin America's social crisis

## Unemployment, child labor grow side-by-side

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Unemployment in Latin America is rising to levels that exceed those of the so-called “lost decade” created by the debt crisis of the 1980s, according to a recent report released by the United Nations-sponsored Economic Commission on Latin America and the Caribbean (or CEPAL, the agency’s Spanish acronym).

At the same time that the jobless rate for adult workers is setting records in many parts of the region, child labor is growing even more rapidly.

The new CEPAL report, entitled “Unemployment in Latin America since 1990,” found that for the first time in the region’s history, open unemployment, as opposed to underemployment and employment in the “informal sector,” has become a defining feature of Latin America’s economic and social crisis.

“Thus, after a decade of stabilization of the resumption of growth, unemployment is greater than in 1990, the final point in the period that followed the debt crisis of the early 1980s,” the report concludes.

Debt relief programs, the return of capital investment, a return to controlled inflation and the decline in capital flight all failed to staunch the steady growth in the ranks of the unemployed. Even as economic growth rates have grown moderately, unemployment continues to rise unabated.

Region-wide, the jobless rate has risen at least 10 percent over the last decade, though in some countries it has shot up far more precipitously. In Argentina, for example, unemployment rose from 8.8 percent in 1990 to 19.7 percent in 2002, while in Uruguay; it shot up from 8.5 percent to 17 percent during the same period. The region-wide average now stands at 10.4 percent, the study found.

In Argentina, it is now estimated that over 40 percent of the population is living below the official poverty line. In Uruguay, over 30 percent of the country’s 3.4

million people are categorized as poor.

In most of the countries where unemployment has remained more or less the same or even decreased—principally in Central America—the number of workers who have left the labor market altogether is large and growing. Honduras, for example, recorded a 1.7 percent drop in official unemployment over the decade, but the percentage of the population eking out a living in the nonagricultural “informal sector” climbed 5.8 percent to reach a staggering 65.1 percent.

The rise in unemployment in the region is bound up with the wholesale privatization of state-owned enterprises under the structural adjustment programs imposed during the 1980s and 1990s. The report also attributes the failure to generate new jobs to a shift in “trade patterns, oriented towards primary goods and the intensive manufacture of raw materials,” as Latin America has been more closely integrated into the global capitalist economy.

With millions of Latin American workers left without jobs and masses confronting grinding poverty, the social scourge of child labor has become endemic throughout the region.

In Argentina, which historically boasted of one of Latin America’s most developed economies, an estimated 1.5 million children under the age of 15 are now working. The number of children forced to labor to survive has increased by 600 percent since 1998, when the Argentine economy went into free fall. In that year, the number of child laborers was calculated at 250,000.

According to a report issued by UNICEF and the Argentine National Commission for the Eradication of Child Labor (CONAETI), there are some 3,500 street children in the city of Buenos Aires alone. Approximately half of them survive by begging. While these children work in the city, the overwhelming

majority of them come in from the impoverished working class suburbs. As a result, many of them end up sleeping in the street.

The study found that, after begging, the most common forms of child labor included street performers (14 percent), children who work as *cartoneros*, helping their parents scavenge through trash for recyclables (11 percent), and children selling things in bars, mass transit or the streets (4 percent).

Meanwhile, a similar study in Colombia found that one out of every five children from the age of five to 17 is forced to work. It further disclosed that close to half of those who work are paid nothing, while the rest earn an average amounting to just one quarter of the Colombian minimum wage, which is \$41 a month.

According to Colombia's Institute of Family Welfare, close to 2.5 million of the country's children are compelled to work. The numbers have doubled since Colombia signed an International Labor Organization treaty six years ago pledging to ban the worst forms of child labor.



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