

THE TRANSFORMATION OF WORK: Challenges and Strategies



Precarious Work in Construction in Guatemala and Costa Rica



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This report was made possible through support provided by the Office of Democracy and Governance, Bureau for Democracy, Conflict, and Humanitarian Assistance, U.S. Agency for International Development, under the terms of Award No. AID-OAA-L-11-00001. The opinions expressed herein are those of the authors and do not necessarily reflect the views of the U.S. Agency for International Development. Any errors found in the research are the author's own.

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PRECARIOUS WORK IN CONSTRUCTION IN GUATEMALA AND COSTA RICA

by

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Report to the Solidarity Center

FEBRUARY 2015

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I. INTRODUCTION

Research goals

Labor relations in construction in Central America have been deregulated and informalized in recent years (UPF 2012, BWI 2013), as part of a longer and broader process of informalization in this region. Though official statistics report only slightly higher rates of informality in construction than economy-wide (in Guatemala, for example, 31.3% in construction compared to 30.8% overall; computed from INE 2014, Tables 4.1 and 4.4), there is reason to believe these are serious underestimates (for example, the ILO [2012] estimates 77.8% of construction employment in neighboring Mexico is informal, more than twice the official estimate; comparable estimates are not available for Central America).

In this context, Guatemala and Costa Rica present an instructive contrast. Guatemala is much poorer, with GNP per capita around half of Costa Rica's level, and for construction draws heavily on rural migrants, many of them indigenous, in construction. Wealthier Costa Rica relies on Nicaraguan migrants in construction. At the same time, in both countries much housing is self-built by families.

The gender dimension is critical in shaping job quality and sorting workers among better or worse jobs, as we are reminded by recent news stories (for example Leitón 2013). Official statistics indicate limited involvement of women in formal construction (for example, Costa Rica's ENAHO survey indicates women make up less than 5% of construction employment [INEC 2014]), so key questions in these formal jobs could include what processes select for men and exclude women, and potentially what consequences for *men* flow from the construction of masculinity in this work. In addition, ILO statistics suggest that women's involvement is much higher in *informal* construction, and thus worthy of added attention. For example, in Mexico, ILO (2012, cited above) estimates indicate that 29% of informal construction workers are women, and there is anecdotal evidence of widespread involvement of women in informal housing construction in Costa Rica as well (see Gründstrom and Liuke 2001).

This project seeks to map construction in Guatemala and Costa Rica in four domains:

- First and foremost, employment and job quality, with particular emphasis on precarious employment, and attention to the gender dimension as flagged above. We examine both formal and informal jobs.
- Major subsectors, employers, and customers, focusing on the formal sector
- Major organizations representing or advocating for workers
- Laws governing labor and employment, and their impact on the construction sector.

The main aim is to provide an accurate snapshot of the sector as it stands, but we also offer some assessment of trends in these domains over the last couple of decades.

Methodology

We first note that we chose to contrast Costa Rica and Guatemala because they offer a useful contrast, within the Central American context that holds constant many aspects of geography, history, and culture. As noted above, their levels of wealth are quite different, and the ethnic makeup of their construction workforces also differs markedly—though in both cases there is a substantial supply of labor from a particularly vulnerable group. The two countries' bodies of law and labor relations systems are also quite distinct. Given Guatemala's lower overall income level and less protective labor relations, we expected this comparison to mark out high and low extremes of variation in construction worker

precariousness within Central America, and to help us understand how much difference income and institutions make in the level, distribution, and trend of such precariousness.

We applied three methodologies:

- 1) Review of existing English and Spanish language literature. Unfortunately, literature on job quality in the construction sector is extremely limited for these two countries and indeed for Central America as a whole. Our findings from this approach are minimal, and we have simply integrated a few points from the literature into this Introduction and the Conclusion.
- 2) Analysis of standard datasets from Guatemala and Costa Rica's national statistical agencies.
- 3) Key informant interviews, building on existing contacts and networks of the three team members as well as reaching out to other experts. We targeted representatives of government agencies, labor organizations and NGOs dealing with labor and employment issues, and industry associations, as well as some academics and think tank researchers. Interviews were conducted during a short visit to Guatemala City by team member Sarmiento and a later two-week visit to Guatemala City and Quetzaltenango, Guatemala and San José, Costa Rica by team member Mora.

Preview of findings and structure of the report

Our findings are disturbing. Construction workers in Guatemala and Costa Rica suffer from many forms of precariousness. The legal and institutional environment is doing little to protect them, and there was not a great deal of optimism among the interviewees about prospects for change.

An immediate issue in assessing the characteristics and quality of construction jobs in the two countries is “compared to what?” In our quantitative analysis, we primarily compared construction workers with the overall workforce in each country. Interviews focused more on broad institutional features of the two countries that affect construction jobs, though we also found out about distinctive features of the construction industry, and about how the sector and its jobs have changed in recent decades. It turns out that the quantitative results are greatly shaped by differing industrial structures in the two countries. In Guatemala, most workers are concentrated in low-wage, largely informal employment sectors such as agriculture and retail—and as a result, construction workers' jobs look good in comparison. Costa Rica has a more diversified economy with more workers in higher value-added, higher wage industry, and consequently construction workers are doing worse than the workforce average. We caution that this difference mainly grows out of differences in the “all workers” reference group in each country, rather than essential differences in the nature of construction work in the two countries.

The basic demographic and economic profiles of construction workers and jobs, viewed relative to each country's workforce, fall out accordingly. In Costa Rica, lopsided proportions of construction workers are less educated and are Nicaraguan migrants, and the jobs are more concentrated in small businesses and in self-employment than in other sectors (though most workers are employees rather than self-employed). In Guatemala, compared to the workforce as a whole, construction workers are more educated, less likely to be indigenous, in larger businesses [CHECK ONCE HAVE NATIONAL FIGURES], and less likely to be self-employed. At the same time, if we compare *Guatemalan* construction workers with *Costa Rican* ones, they are *less* educated, *more* likely to be from a marginalized ethnic group, in *smaller* businesses, and *more* likely to be self-employed. In short, they face a structural situation less promising than their Costa Rican neighbors, but more positive than their peers in other Guatemalan sectors. The frame of reference for evaluating these jobs is crucial!

We set out hoping to learn more about gender in construction. Specifically, how are the jobs of the small number of women similar or different from men's jobs, why are women's numbers in the sector, so tiny, and how are women and supportive organizations mobilizing to gain access to construction jobs? However, in both quantitative and qualitative analysis, our inquiries about gender hit dead ends. The quantitative data confirmed that women occupy a minuscule beachhead in the sector (1% of employment in Guatemala, 7% in Costa Rica). Their employment patterns in the sector suggest that they are heavily concentrated in clerical jobs, with a few employers and professionals. Moreover, the sample of women in construction is so small in both countries that cross-tabulating gender with other variables yields estimates in which we can have little confidence. In the interviews, we found that this aspect of the gender division of labor is so thoroughly naturalized in both countries that our respondents took it as a given, and were not able to offer deeper analyses of the underlying gender structures that generate and reinforce it. Correspondingly, the absence of scholarly or policy literature or even media or web coverage on women in construction in these countries is striking, though we did find references to women in construction or to programs to train women in the field in other countries in the region including Brazil (Kirschenbaum 2011, People's Daily 2012), Chile (Habitat for Humanity 2014), the Dominican Republic (ACOPROVI 2014, featuring women in professional roles), Haiti (Habitat for Humanity 2014), Jamaica (SUM Consult 2014) and Mexico (Opción 2014).

We measure job precariousness in three dimensions: wage precarity (monthly wage below the statutory minimum), safety net precarity (lack of social security), and employment insecurity. In both Guatemala and Costa Rica, construction jobs show high wage precarity, but not as high as for the workforce as a whole. Safety net precarity is also widespread, and in this case greater than workforce-wide in both countries. The level of employment insecurity is particularly alarming: 84% of Guatemalan construction employees lack an employment contract, and 59% of Costa Ricans in the sector describe their jobs as unstable (different questions are asked in the two countries). Again, these rates are higher than for their counterparts outside construction. We use alternative measures to assess precariousness for construction *proprietors*, finding high precarity rates among this group in Costa Rica and *polarized* precarity rates in Guatemalan—high for self-employed persons with no employees, low for employers.

In addition to individual indices of precariousness, we construct an aggregated index that combines all three main dimensions of precarity. Construction workers in both countries show much higher levels of precarity than the national averages—*much* higher in the Guatemalan case.

In absolute terms, the precariousness of construction workers, whether measured one variable at a time or with an aggregated indicator, is considerably more severe in Guatemala than in Costa Rica. This is not surprising, since Guatemala is a poorer country. Some subgroups of workers are also at greater risk of precarity than others. Construction workers who are younger, less educated, rural, wage and salary workers, and/or work in small businesses all show higher rates of precariousness in all three individual dimensions, and higher aggregate precarity scores. The same is true for indigenous Guatemalans. However, the quantitative data suggest that Nicaraguan migrants have *less* precarious jobs than Costa Rican natives in construction. This is a puzzling finding, and we attribute it to misreporting and measurement issues rather than a truly less precarious existence for the migrants. (For example, Nicaraguans in Costa Rican construction more often fall above the minimum wage on a *monthly* basis, which is how the minimum is defined, but more often fall below if we convert it to an hourly basis.)

Our interviews paint an equally grim landscape. The private sector in the both countries has historically pursued a policy of barring unions (at least legitimate ones) altogether. This strategy continues to be

highly successful in both countries, with not one union contract in construction in Guatemala and only one in all of Costa Rica. Employers fire and blacklist union supporters with impunity, and in Guatemala physical attacks and even killings continue. Public attitudes toward unions range from hostility against them as disruptive, self-seeking actors, to simple fear of any involvement. There is only one significant construction union in each country. Neither has a real membership base, so they function more like NGOs or worker centers than traditional unions.

Government regulation is likewise weak. Both countries have labor regulations on the books, but monitoring and enforcement are weak. Even when there is a judgment against a construction company, they often just fail to comply, with few or no consequences.

In addition to all these long-standing features of construction jobs that feed precariousness, there are two important new trends. One is heightened subcontracting, so that larger construction jobs are fragmented among numerous small subcontractors. Given that subcontractors generally hire through kin- and acquaintance-based networks, this attenuates any basis for collective action. The second trend is increased recruiting of rural-to-urban migrants—largely consisting of indigenous people in Guatemala and Nicaraguan migrants in Costa Rica. Both these trends have further undermined job quality, according to our informants.

The rest of the report is structured as follows. We first present our statistical findings, interweaving the two countries. Next, we lay out findings from the interviews separately for the two countries. In the conclusion, we synthesize findings from the statistical analysis and the two sets of interviews, exploring points of congruence and contrast. We wrap up the concluding section with some brief initial reflections on strategies for improving construction jobs in the two countries. Since home-grown institutions in the two countries are doing little to enhance job quality in this sector, we point to external pressure as an important factor. Tables are placed at the end of the report.

II. STATISTICAL OVERVIEW OF LABOR AND PRECARIOUSNESS IN THE CONSTRUCTION SECTORS OF GUATEMALA AND COSTA RICA

We base our statistical overview of construction work in Guatemala and Nicaragua on household surveys that are the standard labor market data sources in the two countries. In Guatemala, we draw on the 2013 wave of the Encuesta Nacional de Empleo e Ingresos (National Survey of Employment and Income, ENEI, <http://www.ine.gob.gt/index.php/encuestas/empleo-e-ingresos>). In Costa Rica, we tap the 2014 wave of the Encuesta Continua de Empleo (Continuous Survey of Employment, ECE, <http://www.inec.go.cr/Web/Home/pagPrincipal.aspx>). In each case, these were the most recent data available when analysis was conducted (the 2014 wave of the ENEI has subsequently been released). The tables we refer to appear at the end of this report.

Describing the construction workforce

Table 1 provides a snapshot of the labor force in the two countries. Guatemala is a larger country, with three times the population and labor force of Costa Rica, and also a younger country with a greater proportion of the population under 15. Both countries show the relatively low female labor force participation (at least compared to the United States) that is typical of Latin America, but in Guatemala the gender polarization of labor force participation is even greater than in Costa Rica. Unemployment is a somewhat misleading statistic: because of Costa Rica's superior social safety net, including publicly supported unemployment insurance, that country has a much higher rate of *open* unemployment (unemployment as defined in the United States: not working for pay, actively seeking employment). In Guatemala, as in many poorer countries, staying unemployed is not a viable option, so the labor surplus is mostly absorbed in *underemployment* in informal jobs, rather than showing up as open unemployment.

As shown in Table 2G and Table 2CR, construction employs in the neighborhood of 6% of the workforce in both countries. These tables also show two important patterns that reverberate throughout the remainder of the tables. First, construction is an overwhelmingly male line of work. Women make up less than 1% of the Guatemalan construction workforce, and less than 7% in the Costa Rican case. The underlying samples of women in construction are extremely small, making suspect any descriptive statistics about the female construction workforce from these sources. In addition, other tables suggest that women in construction primarily occupy administrative rather than manual jobs, and therefore would be expected to be exposed to considerably less precarity than men, who are concentrated in manual jobs. For these reasons, we report some key findings for the construction workforce as a whole and/or only for men.

A second important finding from Tables 2 is that the overall workforce that serves as a comparison base looks quite different in the two countries. Guatemala's ENEI shows that 60% of the employed toil in agriculture, forestry, and fisheries on the one hand, or wholesale/retail commerce, transport, and hospitality on the other. These are predominantly very low-wage jobs, so we are comparing Guatemalan construction workers with a group that is heavily weighted toward the lowest wage groups. Costa Rica's ECE reveals a more diversified economy: only 42% of Costa Ricans work in that set of sectors, whereas 33% work in finance, professional and administrative services, the public sector, health and education, and communications and related services—higher-wage sectors that employ only 13% of Guatemalans. In Costa Rica, then, we are comparing construction workers with a heterogeneous comparison group that includes a substantial slice of well-paid workers.

Our assessments of construction workers' jobs rely primarily on *relative* comparisons of construction workers with those in other sectors. It is important to keep in mind that Guatemalan construction workers look more fortunate in these relative terms *because of the differing reference groups*. If we were to compare construction jobs across the two countries in *absolute* terms, we would see that Guatemalan construction workers face more structural disadvantages—less education, a higher presence of subordinate ethnic groups, and smaller businesses—than Costa Rican ones, and that their jobs are more precarious in almost every dimension.

The age profile of construction workers in the two countries, shown in Tables 3, is, not surprisingly, heavily concentrated in the prime working years of 20-50—more concentrated in this age range than the workforce as a whole. The Guatemalan workforce tilts younger, reflecting the fact that youths tend to leave school and start work earlier in that country. Notably, women crowd disproportionately into the 20-29 age group, consistent with young women working in this industry (most likely in office jobs, we argue) prior to marriage.

Tables 4 indicate that marginalized ethnic groups make up substantial portions of the construction workforce. In Guatemala, as captured in the ENEI, the key ethnic divide is between indigenous and non-indigenous Guatemalans; in Costa Rica the major split shown by the ECE is between Costa Rican natives and Nicaraguan migrants. About one-third of Guatemalan construction workers are indigenous, which means indigenous people are underrepresented in construction compared to their 40% share of the population. (It is important to note, however, that persons from indigenous regions, speaking with the accent of those regions, and/or with phenotypical characteristics typical of indigenous Guatemalans, such as darker skin or higher cheekbones, may be *viewed* as indigenous whether or not they identify as such.) The reverse is true in the Costa Rican statistics. Nicaraguan migrants staff one construction job in five, more than twice their percentage of the population. As discussed below, our interviewees insisted that Nicaraguan migrants actually constitute the majority of construction workers, and there are reasons to believe that the percentage shown here understates the actual proportion.

As Tables 5 demonstrate, male construction workers tend to have relatively educational levels, with about 80% in both countries falling short of a high school degree, including 43% in Guatemala who have no education at all, with 11% illiterate. In both countries, male construction workers have less education than the average worker, and are particularly less likely to have post-high school education. For women, the pattern is quite different. They more often tend to have a high school diploma, or, even more commonly, higher education—signaling that they are likely occupying administrative and clerical jobs.

Like the workforce as a whole, construction workers are concentrated in urban areas in the two countries, Table 6 shows, more or less tracking the geographic distribution of the population. The urban majority is slimmer in Guatemala, reflecting the lower degree of urbanization in that country.

Tables 7 tell us that construction workers are overwhelmingly wage and salary employees, rather than employers or self-employed. However, there is a significant complement of self-employed (as in the United States). In Guatemala the self-employment rate is *lower* than the overall workforce, a result of the large informal sector component (street vendors, etc.) in the comparison group; the reverse is true in Costa Rica, where the informal sector is much smaller. Unpaid workers—typically family members in a family business—make up a small residual group. Again, the gender patterns are informative. In Guatemala, no women are self-employed or employers. In Costa Rica, women are disproportionately crowded into the unpaid worker category (55 times as likely as men to be unpaid workers) and,

somewhat surprisingly, the employer category. Once more, these gender distributions are consistent with women occupying administrative rather than manual roles.

According to Tables 8, construction is dominated by micro-businesses, with firms of 2-5 workers accounting for a large plurality of the sector's workforce in both countries. That plurality becomes a majority if we add in one-person firms. (At first glance, it is confusing to see a percentage of one-person businesses lower than the rate of self-employment-with-no-employees, especially in Costa Rica. However, this can be explained because the "type of worker" question applies to usual status, whereas the firm size question is current, so the 2-5 workers group includes some own-account workers who have temporarily hired added help.) In Costa Rica, firms employing five or fewer are more common in construction than in other sectors, but one-person microenterprises are actually underrepresented in relative terms; in Guatemala, firms in the 6-99 range are overrepresented in construction, with the smallest and largest sizes underrepresented relative to economy as a whole. Neither country shows a single woman operating as a one-person business, a finding consistent with women playing support staff roles.

Precarious work in construction

It can be tricky to operationalize the concept of precariousness in data that are not designed to measure it. Given different variables in the two datasets, we approach the concept somewhat differently in the two countries. Tables 9-12 lay out our variable-by-variable analysis of indices of precariousness, and Tables 14-21 present aggregated indices of precariousness. In all of these tables, we direct our attention to the entire construction workforce rather than dwelling on gender-specific patterns. Since men constitute the vast majority of the construction workforce, generalizations about construction workers almost invariably apply to men in the sector as well.

We define precarious jobs as ones that offer low pay, lack standard benefits, and/or provide little assurance of continued employment. Since construction work is by its nature project-based, the relevant concept of employment continuity is not continuous employment on a single job, but relatively steady employment in a series of jobs. This last concept is in many ways of greatest interest, but it is also the hardest to measure in our data, especially for the self-employed, and in practice, we rely heavily on the first two components of precariousness.

We start in 89 with most self-explanatory indicator of precariousness, earning below the minimum wage, or *wage precarity*. Two aspects of this measure bear explanation for a US audience. First, the minimum wage is defined as a *monthly* earnings amount, so how a person's earnings stack up next to it depend on hours of work per month as well as hourly wage. Second, as in many lower income countries, the minimum wage is largely aspirational, and is only minimally enforced, as we explore in more detail in the interview-based findings below.

Starting at the bottom of Table 9, we observe that almost three-quarters of Guatemalan construction workers fall below the monthly minimum wage. This denotes a high level of precarity, but actually a *lower* precarity rate than the country's workforce as a whole. This is not surprising, since as noted above, most of Guatemala's workers labor in its lowest-wage industries. Costa Rica's construction workers are far less precarious in this dimension, with fewer than one-third paid below the minimum. Although, as we documented above, the Costa Rican reference group is not as clustered in low-wage sectors, the country's construction workers, like Guatemala's, are *less* likely to fall below the legal

minimum than their counterparts workforce-wide. Thus, in *relative* terms, construction workers suffer less from wage precarity than their national workforces as a whole.

It is highly informative to examine which construction subgroups buck this overall trend and show up as *more* likely to receive under the minimum than their economy-wide comparison group. In Guatemala, the most dramatic exception is indigenous construction workers, who are 24% more likely than other indigenous workers to fall below the legal minimum. Other striking exceptions, though by smaller amounts, are urban workers, wage and salary employees, and employees of large construction firms. In Costa Rica, only employees of the largest construction companies follow suit, indicating that in construction, workers at big firms do not enjoy the wage advantages typical of other employees of larger businesses.

Costa Rica's Nicaraguan migrants not only appear to do better than in terms of wage precarity than their compatriots in the overall workforce, but—surprisingly—also do better than native Costa Rican construction workers. It turns out the monthly definition of the minimum wage is concealing Nicaraguans' disadvantage. Table 9CR shows that when we compute *hourly wages*, Nicaraguan migrant construction workers do worse than Costa Rican natives—they are earning less per hour, but working longer hours, and thus are more exploited. This puts them in the same boat as indigenous Guatemalan construction workers, who are considerably more likely than the non-indigenous *Ladinos*¹ to fall below the earnings baseline.

Other contrasts in minimum wage reciprocity within the construction workforce more or less follow expected patterns in Guatemala's ENEI, but present more perplexing configurations in Costa Rica's ECE. For Guatemalan construction workers, the odds of coming up short of the minimum wage are lower for urban than rural workers, and decrease with education and age (though low-wage incidence comes back up a bit for the over-50 group). Guatemalan wage and salary workers are more likely to earn sub-minimum wages than the self-employed or employers, and the risk of wage precarity declines as firm size grows. Among Costa Rican construction workers, the only two of these patterns that recur are the urban and large-firm advantages. In Costa Rica, wage precarity's likelihood *increases* by age, follows not clear pattern by education, and is nearly twice as high for the self-employed as for wage and salary employees. These apparent anomalies may be due in part to the monthly hours worked, as in the case of the Nicaraguans, but in any case they point to the need for additional analysis.

Tables 10 consider a second dimension of precariousness, "safety net precarity," the failure to withhold social security contributions. (In this Central American context, "social security" is a general term referring to retirement, health, and other government-administered benefits.) In Guatemala, social security only applies to wage and salary workers. In Costa Rica the picture is more complicated because the self-employed (including self-employed persons who also employ others) are also supposed to enroll in the system (as in the United States), though as Table 10CR demonstrates, some fail to participate. Non-citizens such as Nicaraguan migrants should, according to law, also be enrolled in Costa Rica.

The bottom line of Tables 10 is that the vast majority of Guatemalan construction workers, and a large minority of Costa Rican ones, lack social security, and that in both cases, construction workers are more likely to be shut out of the system than the average worker. The only major exception to the latter regularity comes with Nicaraguan migrants in Costa Rica. The explanation is straightforward: *among*

¹ Persons of European or mixed heritage who do not speak an indigenous language—basically the non-indigenous.

Nicaraguan migrants, the comparison group for construction workers consists primarily of agricultural workers and domestic workers—groups even less likely to be enrolled in social security.

In Guatemalan construction, safety net precarity has the expected correlates. This type of precariousness hits hardest at younger workers, the less educated, indigenous people, those outside metropolitan areas, and employees in smaller businesses. Costa Rica, as usual, is not so simple. Lack of social security is most common for younger and less educated workers and those in smaller firms², as expected. But Nicaraguan and rural construction workers are unexpectedly *less* likely to be excluded, at least in these data. We are highly skeptical of the implication that Nicaraguan migrants suffer less safety net precarity than native Costa Ricans, and can offer five possible counter-explanations—though our data do not allow us to distinguish among them. First, the household sampling frame of the survey simply may not capture many precarious Nicaraguan workers, who are particularly likely to live in crowded group residences or even camp out on the construction sites. Second, maintaining a work permit requires Nicaraguans to have social security. Though it could be that employers see it as worthwhile to offer Nicaraguan employees social security because they work harder for lower wages, we find it more likely that employers misclassify Nicaraguan employees as self-employed, compelling them to pay for their own social security. Third, an alternative scenario is that employers *do* enroll Nicaraguans in social security to meet work permit requirements, but then fail to actually make social security payments, leaving them uncovered in reality—a common practice, according to our interviewees. Fourth, it may be that *documented* Nicaraguans are concentrated in large firms that offer social security, but that *undocumented* migrants, concentrated in small firms that do not offer social security, tell government surveyors they are Costa Rican. Finally, Nicaraguans may over-report social security coverage to surveys because it is the socially acceptable answer—a common problem in survey research—especially because Costa Rican stereotypes stigmatize migrants as free riders on the government-provided health care (which is funded by social security payments).

When it comes to unsteady employment, which we simply call *insecurity*, the available variables diverge between the two countries. In Guatemala, the only relevant variable is lack of an employment contract (Table 11G), a question the ENEI only poses to wage and salary employees; there are no good candidates for a variable applicable to the self-employed. In Costa Rica's ECE, the closest equivalent is lacking "stability" in one's job (Table 12CR). This is asked of the self-employed as well as employees, but the self-employed fairly uniformly describe their jobs as "stable," despite relatively depressed construction markets in Costa Rica and indeed throughout Central America. We infer that self-employed Costa Rican construction workers are simply stating that they will not lay themselves off, not forecasting steady work, so we drop the self-employed when studying this variable. As an alternative, we assay whether employers and the self-employed keep accounts for their business (Table 13CR).

The bottom of Table 11G shows that a sweeping 84% of Guatemalan construction workers labor without a contract, compared to 65% of workers in general. Teens, the less-educated, non-urbanites, employees in small companies, and the indigenous are particularly at risk. Insecurity is not as endemic in Costa Rican construction (59%), but still exceeds the rate workforce-wide (36%) (Table 12CR). Similar to Guatemala, Costa Rican construction workers are more likely to encounter instability if they are younger, less educated, rural, or work in a smaller establishment. Once more, however, the results for Nicaraguan migrants are confounding, with the ECE showing Costa Rican natives suffering insecurity at

² The contrary pattern for one-person firms is an artifact of higher social security participation by the self-employed.

higher rates than migrants. We attribute this to two factors: the hypothesized concentration of documented Nicaraguan migrants, more likely to self-represent as Nicaraguan, in larger firms; and many construction contractors' *reliance* on Nicaraguan labor willing to work longer hours at lower pay—which may in fact provide relatively stable employment for a subset of Nicaraguans.

The final free-standing indicator of precariousness in Costa Rica is failure of the self-employed to keep accounts, depicted in Table 13CR. Building contractors are less likely to show this type of precariousness than the average self-employed Costa Rican. However, this pattern is due entirely to the greater share of own-account (zero-employee) self-employment outside construction. Within the own-account group, construction proprietors are *more* likely to forego accounting, and among employers the within- and outside-construction rates are identical, and much lower than for the own-account group. Those most likely to *not* maintain accounts include, as expected, younger and 50+ proprietors, the less-educated, and rural residents. Such lack of accounting systems is essentially universal in one-person businesses (97%), decreasingly common as business size increases, and completely absent in firms with 20 or more employees in the ECE sample. For a change, the “Nicaraguan” variable performs as expected: the small group of Nicaraguan proprietors are less likely to keep accounts than their Costa Rican competitors.

The final statistical exercise is to combine individual indices of precariousness into an aggregate index showing multiple levels of precarity. First, we construct indices of precariousness for employees. For each country, we combine indices for wage precarity (monthly earnings below the legal minimum), safety net precarity (non-enrollment in social security), and insecurity (lack of an employment contract in Guatemala, instability in Costa Rica). We define the levels of precarity as follows:

- Not precarious = none of the forms of precarity
- Low precarity = one form
- Medium precarity = two forms
- High precarity = all three forms

Tables 14 show the results. In Guatemala, two-thirds of construction employees suffer from high precarity, while only 3% enjoy non-precarious employment—a significantly more precarious situation than the workforce as a whole (Table 14G). In Costa Rica the construction difference is not as great, but construction workers are definitely concentrated in low-medium precarity statuses (54% of the construction sample), rather than non-precarious jobs (39%), compared to the economy-wide average (in which well over half are non-precarious) (Table 14CR).

Tables 15 tabulate access to fringe benefits and schedule characteristics as a function of level of precarity. The comparison between construction workers and the workforce as a whole is striking. In the Guatemalan case, shown in Table 15G, construction workers have less access to every single benefit than their workforce-wide counterparts. Guatemalan construction workers are also more likely than those in other sectors to want more hours and wanting to change jobs. Costa Rican construction workers are almost as unlucky when it comes to benefits access. The only exception is the overtime premium, not tracked in the Guatemalan data, for which construction workers' access equals that of the total workforce. But Costa Rican construction workers are better situated with regard to work schedule and job satisfaction. They are *less* likely to endure fluctuating wages or work schedules, and *less* likely to want more hours or a different job than their peers in other sectors, even though they are likely to work fewer than 40 hours per week. Only a few specific benefits are strictly comparable across the two countries' datasets; of these, Guatemalan construction workers are more likely to receive sick days than Costa Rican ones, but far less likely to receive an annual bonus or paid vacations.

Comparisons of these outcomes among the precarity levels indicated that in many cases, precariousness as we measure it is correlated with other disadvantages. Precarious construction workers in Guatemala tend to lack access to benefits, work fewer hours, and have greater interest in changing jobs (Table 15G). In Costa Rica, higher precarity is even more tightly linked with lack of benefits, but Costa Rica's precarious construction workers seem to work longer hours, if anything, than others, and are *less* likely to want to change jobs—perhaps because they see few viable alternatives (Table 15CR).

Each of the two country surveys has some unique variables. Table 16G shows that in Guatemala higher precarity in construction tends to come hand in hand with heat, dampness, noise, vibrations, smoke, and dust. All these noxious conditions, plus inadequate light and exposure to toxics, are more common in construction than other sectors. Higher precarity construction workers are also less likely to have protective gear against dangerous or unpleasant conditions. In Guatemala, union members are only found among non-precarious construction workers, though union density is only a 10.5% within this group (about the same as density among the non-precarious in the overall Guatemalan workforce; Table 17G).

Among Costa Rican construction workers precarity diminishes with years of tenure on the job, hitting its trough at 5-9 years before picking up again with 10 or more years on the job (Table 18CR). High-skilled construction workers in Costa Rica are almost all non-precarious, whereas the largest group of low-skilled workers is found at a middle precarity level (Table 19CR).

When considering self-employed construction workers (including those who also employ others) in Guatemala, we only have one reliable index of precariousness, monthly wage relative to the legal minimum. It is possible to define multiple levels of precarity using this single measure by segmenting workers into those earning the minimum wage and above, those getting between one-half and one minimum wage monthly, and those earning less than half the statutory minimum. In Tables 20G and 21G, we undertake this experiment for Guatemala. As Table 20G documents, each of these earnings levels account for about one-third of self-employed men in construction, somewhat more concentrated at the extremes than in the middle. This is quite different from the earnings distribution of the full set of Guatemalan proprietors: workforce-wide, more than two-thirds of the self-employed fall in the *middle* category, earning 0.5-1 minimum wage. In brief, proprietors in construction are more than twice as likely as the average self-employed person to earn *more* than the minimum, but almost three times as likely to earn *less than half*. Table 21G separates employers from the own-account self-employed. Here we see that employers overwhelmingly earn more than the minimum wage, whereas the own-account are clustered below one-half the minimum. The self-employed in Guatemalan construction, like employees, are disproportionately precarious workers.

In Costa Rica, the lower level of wage precarity in construction makes this index less useful, but we do replicate Table 20 for Costa Rica (Table 20CR). In contrast with the polarized pattern in Guatemala, male Costa Rican employers and own-account workers in construction uniformly do better than their economy-wide counterparts: more of them have earnings above the minimum wage, and far fewer of them have earnings under half the minimum wage. Table 21CR shows that Costa Rican construction employers even do somewhat better than their Guatemalan counterparts (relative to each country's minimum wage), but that the Costa Rica-Guatemala difference for the self-employed is even greater—relative to Guatemala, 25 extra percentage points of Costa Rica's self-employed construction workers earn above 0.5 minimum wage, with the vast majority of that quarter earning more than 1 minimum wage. Still, own-account construction workers earn far less than their employer compatriots—with 48%, as opposed to 4%, falling below the minimum wage.

In the Costa Rican case, we also have a more complete set of precarity indicators for proprietors, summarized in Table 22CR. The incidence of these precarity flags among Costa Rican building contractors ranges from a high of 68% whose business is not registered with the government to a low of 32% who want to change jobs. Comparing these indices of precariousness with proprietors across all industries gives mixed results. Construction proprietors are more likely to keep formal accounts and register with the government, but less likely to have a separate office (as opposed to running their business out of their home). Perhaps most significant, they are considerably more likely to be unsatisfied with their hours or even want to change jobs than the average proprietor—though they are more likely to be content with their hours and job than *employees* in construction (who are shown in Table 15CR).

Summing up

It is worth taking a moment to review the broad contours of these statistical findings. We have directed our main attention to men, who make up the vast majority of the construction workforce, whereas women make up a small group who appear to be concentrated in office functions. We observed that in Guatemala the comparison group is heavily weighted toward low-wage, often informal jobs such as agriculture and retail, whereas the Costa Rican “general economy” reference group is more diversified. This has consequences such as the fact that self-employment in construction is *lower* than economy-wide in Guatemala, whereas it is *higher* relative to the entire workforce in Costa Rica. Other important basic findings reveal that construction workers are in fact more educated than the average worker, and that they are more concentrated in the smallest businesses than peers in other sectors. Turning to individual measures of precariousness, construction workers are:

- Very likely to show wage precarity by earning less than the monthly minimum wage, especially in Guatemala. Construction workers on the whole are less likely than the average worker to fall below the minimum, but among workers in the largest businesses, construction workers are more likely than counterparts in other sectors to earn subminimum wages. . The burden of wage precarity in construction falls more heavily on some groups than others, in ways that vary across the two countries. Especially hard-hit in the construction sector are Costa Rica’s Nicaraguan migrants (once we take into account their longer hours and compute an hourly wage) and indigenous Guatemalans, who are more likely to earn a subminimum monthly wage than even indigenous workers outside construction.
- Quite likely to lack social security, especially in Guatemala, and considerably more likely than counterparts elsewhere in the economy to be shut out of this crucial social safety net. For the most part, the expected groups—younger workers, the less educated, the indigenous—lack social security. Nicaraguans in Costa Rica are unexpectedly *overrepresented* in social security compared to Costa Ricans, but we suspect this is an artifact of systematic misreporting of nationality in particular parts of the sector.
- Among employees, highly likely to lack an employment contract (in Guatemala) or to report employment instability (in Costa Rica)—in both cases, more than their peers economy-wide. Again, such insecurity mostly falls on the usual suspects in the construction workforce. And again, the one puzzling exception is Nicaraguans, and we suspect the data are misleading in this regard.
- Among Costa Rican proprietors, building contractors are less likely to forego accounting than others but the opposite pattern holds if we limit attention to own-account proprietors who employ only themselves.

The final step was to construct aggregate measures of precariousness ranging from non-precarious to highly precarious. Combining wage precarity, safety net precarity, and insecurity to yield an index applicable to *employees*, we found construction's overall precarity level to be high and more extreme than in the workforce as a whole in both countries. The precarity index tends to be correlated with failure to receive fringe benefits, exposure to unpleasant and unsafe working conditions, and in Guatemala (but not Costa Rica) with a wish for a different work schedule or even a different job. Unionization in Guatemala, and higher skill levels and longer job tenure (up to a point) in Costa Rica seem to shield construction workers from higher levels of precariousness (these variables are each only measured in one of the two countries). Lacking other good measures with which to build a precarity scale for proprietors, we tried out for Guatemala an index that separates them into earnings groups. The interesting result is that *employers* in construction are disproportionately likely to fall in the highest earnings category, whereas own-account self-employed in the sector are overrepresented in the lowest.

Overall, then, employees and own-account self-employed in construction are at greater risk for precariousness than their counterparts in other industries, whereas the reverse is true for construction employers. Construction workers who are younger, less educated, or work in smaller establishments are particularly disadvantaged. Indigenous Guatemalans in construction also suffer precarity at higher rates than the non-indigenous, and than indigenous workers in other trades. Costa Rica's ECE paints Nicaraguan migrants as *less* likely to experience precariousness than native Costa Ricans, but we doubt the accuracy of those figures. The precarious statistical landscape of construction work in Guatemala and Costa Rica sets the stage for the interviews we conducted in the two countries.

III. FIELDWORK FINDINGS FROM GUATEMALA AND COSTA RICA

This portion of the study, based on fieldwork, analyzes the underlying reasons for the widespread precarity in construction work in Guatemala and Costa Rica. First in Guatemala, then in Costa Rica, we examine the political and regulatory context of the industry, its structure and how that has changed, and the status of worker organization. We pay particularly close attention to challenges and opportunities for organizing workers in Guatemala's construction industry. Namely, we analyze the macro political, social and cultural factors which influence the ability of workers to self-organize in this sector. In addition we consider factors more closely linked to the sector's social organization and labor relations. Last, we take a look at the basic organizational features of the principal labor organizations in each of the two countries: the Sindicato de Trabajadores de la Construccion y Servicios (SINCS-G, Union of Construction and Service Workers), the only construction labor union in Guatemala, and Sindicato Unitario Nacional de Trabajadores de la Construccion y Similares (Unified National Union of Construction and Related Workers, SUNTRACS), the only Costa Rican construction union that does organizing.

The qualitative summary from each country below omits the issue of gender in the construction workforce. The reason for this is that, as noted above in the Introduction, the respondents did not offer useful analysis of the absence of women in manual construction jobs. They saw this absence as a completely natural outcome that required no explanation. They were not aware of any programs or organizations that sought to change this state of affairs, nor were we able to locate any. Guatemala and Costa Rica are decades behind the United States in undertaking this discussion (though we would note that women's numbers in the building trades remain extremely small in the United States, highlighting how difficult it can be to move from discussion to action).

Organizing Precarious Labor in Guatemala's Construction Sector

Our major findings are that construction workers experience a general lack of labor protections as a consequence of the following factors: 1) weak labor unions in the sector, 2) a repressive anti-union regime, 3) the limited capacity of public institutions to regulate this labor market, and 4) the obscuring of employment relations through complex subcontracting systems. These factors combine to form structures of power difficult for workers and their organizations to overcome. What is more, worker organizations are small, with scarce resources, and in order to avoid repression must operate outside of firms utilizing clandestine models of organization. In this context, a structural power imbalance favors the development of unfair labor practices by firms in the sector.

We base these findings on 9 interviews conducted August 11-13, 2014 and another 19 carried out October 19-26, 2014. We spoke to officials of unions, NGOs, and government agencies, academic and think-tank researchers, and a foundation director.³

We organize this discussion in four sections. First, we outline the national-level factors and processes that weaken unions and labor rights in general. Second, we examine the restructuring of the construction industry and how that has affected job quality in the sector. Third, we profile the SINCS-G union and the limits and potential of its work. Finally, we summarize the Guatemalan findings in a concluding section.

G1) The Political, Social and Cultural Factors that Undermine Labor Unions

³ For a complete list of interviewees, see the Appendix.

The national context shows that trade unionism in Guatemala is very weak. Less than 3% of the economically active population (EAP) is organized into a union. It is estimated there are about 140,000 unionized workers in the country. Of these, the majority are public sector workers. Approximately 100,000 unionized workers are found in two sectors, education and health. The rest are distributed across a large number of public sector unions. The private sector has a very limited union presence. Some of the main reasons which explain the low rate of unionization in the country, particularly in the private sector, are as follows:

- A hostile political climate with respect to unions which translates into practices of repression, persecution and the systematic assassination of leaders. This political environment goes back to the decades of armed conflict in Guatemala where authoritarian regimes relied on repression including targeted assassinations of union leaders as a strategy for political domination. In the past imprisonment and physical attacks including assassination had an explicitly political purpose and the perpetrators operated openly, in full view of the public. The current strategy is to criminalize union leaders, for instance, linking them to organized crime and drug trafficking and blaming these activities for their disappearance or deaths. Informants from unions and human rights groups uniformly described killings as part of employers' anti-union arsenal but selectively used, not generalized.
- The climate of terror established during the decades of armed conflict left a deep social trauma in the Guatemalan population. Specifically, it created a culture of fear and intimidation which inhibits participation in trade unions. Participation in unions is associated with social persecution, job loss and the risk of death. This culture of fear, according to all respondents, is one of the main factors inhibiting greater social participation in unions.
- Changes in the labor market have also favored the expansion of informal activities and self-employment to unprecedented levels in comparison to previous decades. This has involved employer flight from the employment arrangement in which a wage relationship between an employer and its employees predominates. With the rise of subcontracting, traditional labor relations constitute only a small portion of changing labor markets construction. Additionally, small and micro-enterprises where the chances of union organizing are very small have expanded greatly. Added to this are the effects of the privatization of public institutions in the 1990s which involved mass layoffs of public sector workers and greatly contributed to the erosion of the membership base of unions. Finally, increased migration from the countryside has increased competition in manual labor.
- A conservative political ideology and a conservative cultural matrix entrenched in the political establishment (the political elite, the ruling class, and business groups) views trade unionism as a model of anti-employer organization, and therefore as a threat to the interests of these groups. According to the respondents this ideology is displayed in the development of campaigns to discredit the union movement and its leaders which then undermines the credibility that these organizations have in the population, and which then reduces the possibility of advocacy and support for unions.
- Businesses' anti-union practices largely prevent the formation of unions in the private sector. These practices culminate in the firing of workers who attempt to organize new unions or who join existing ones in private companies. Some strategies for disciplining labor beyond dismissal

include the creation of blacklists which are distributed to employers in the industry. At the same time, state institutions, which in theory exist to protect labor rights, systematically fail to protect workers, as evidenced in rulings which show a bias towards business interests. This failure reveals an authoritarian work environment where management prerogatives are privileged above the institutions of labor laws and protections. At the same time, these practices reinforce the fear among workers of getting involved in unions because usually workers who do so pay a high price.

- Finally, the labor movement has inherited significant divisions and internal conflicts from the political fragmentation experienced during the armed conflict (for example ideological divisions between Christian-social, social-democratic and socialist-oriented political tendencies). A more recent cause for internal conflict is linked to the competition for international funds and control of spaces of representation and national advocacy. According to the respondents all of this has undermined the organizational capacity and social credibility of these types of organization.

Failure to observe basic labor rights is a common practice in Guatemala. The informants for this study refer to Guatemala's labor market as totally precarious. For example, only 20 % of the EAP has social security coverage whereas 80% subsist with informal jobs, high job instability, temporary contracts, outsourcing models and self-employment. It is so widespread that, according to several interviewees, one could argue the failure of state policies to protect labor rights is institutionalized. This is partly because of the refusal of businesses to recognize any worker rights for the growing number of precarious and informal workers, and in part because of the weakness of labor institutions, namely the Ministry of Labor. While recognizing that this institution has increased its capacity by recruiting new labor inspectors, it still lacks the effective power to sanction and limit the impunity enjoyed by employers who violate, daily, the labor laws and the freedom of unions to organize. Thus, some of the respondents hold the Guatemalan state jointly responsible for the extreme vulnerability of workers in the country because labor institutions fail in practice to fulfill their regulatory function. These institutions actually limit state interventions, disempower workers, and promote business interests.⁴

G2) The Restructuring of the Construction Sector

In addition to social, political and cultural factors there are a set of associated factors specifically linked to investment in the sector's organization, employment relations and labor process, which significantly decrease the possibilities of union organizing in construction. Among the most important we were able to identify the following:

- First, there is a lack of investment in Guatemala's construction industry. According to the interviewees, since the global recession of 2008 there have been no significant investments in new infrastructure projects or in large social housing programs. That is, the sector is not experiencing significant economic growth, only a stable influx of relatively moderate investment. Consequently, profit-seeking companies are reluctant to invest in workforce skills.

⁴ The systematic violation of the right to unionize recently compelled Guatemalan unions to file a lawsuit against the Guatemalan state with the ILO, and to lobby American unions to support a new CAFTA provision which includes sanctions emerging from labor disputes. Guatemalan trade unionists hope these two ongoing international efforts can help to reverse the anti-union climate and repression against existing leaders.

- Second, the sector operates in the context of a labor market characterized by the existence of a structural surplus of labor. This surplus has exerted strong downward pressure on labor conditions. As a result workers' main strategy is simply to find a job that generates an immediate income for the survival of the family unit, postponing for the future the enforcement of basic labor rights. According to interviewees, an important part of this contingent is made up of rural migrant workers moving to cities in search of work, particularly in the construction sector.
- Third, in the last two decades the construction sector has turned to outsourcing as a major strategy for the reorganization of production. Large firms tend to decentralize their work by hiring smaller companies which usually specialize in a specific area of construction. The generalization of subcontracting in the construction sector implies three consequences for workers. 1) The time spent on a project tends to decrease as they are hired by companies doing only specific activities in the construction process. 2) It obscures the employment relationship between the company responsible for the work and the worker through the operation of an extensive subcontracting chain. 3) This way, firms manage to hold onto very small groups of permanent workers and at the same time access to a large contingent of flexible workers brought on projects only when necessary. Thus, subcontracting manages to reduce production costs by increasing the efficiency of the construction process via the recruitment of specialized subcontractors in specific areas and via the reduction of labor costs.
- Fourth, the structural labor surplus has been perpetuated by recruitment of rural migrants, especially indigenous people, into the industry. Rural-to-urban migration in Guatemala has been accelerated by both push and pull factors. Push factors include increased productivity of agribusiness and neoliberal policies (trade liberalization, reduced agricultural subsidies and assistance) that have made rural livelihoods less viable. This is particularly true in primarily indigenous regions, where levels of education and infrastructure are lower. But pull factors, in the form of labor recruitment, have also been important. Escalated subcontracting has increased reliance on labor contractors, many of whom recruit crews from their home villages or towns.
- Fifth, the predominance of subcontracting relationships based on family, kinship or "compadrazgo" (fictive kin) ties and networks hinders unions due to an extensive fragmentation of "production units" and the difficulty of enforcing labor rights in the context of these relationships.
- Finally, there is a large segment of the housing market that is organized informally and is primarily concerned with building individual housing units or conducting repairs, enlargements and improvements of existing homes. In this segment of the market, the contracting model is to hire a foreman who in turn subcontracts to a network of workers composed of relatives and friends. Usually, subcontractors are not registered with an institution, and contracts with the owners of the project are oral.

Above all, three basic features of the organization of this sector, fragmentation, dispersion and informality, make it difficult to organize construction workers. Organizing efforts relying on the classic model of union action that aims to make gains by signing collective bargaining agreements are for the most part ineffective in this market. The networks of subcontractors are highly mobile and operate across different subsectors. As a result, the practices of informality described are present throughout

the construction sector including in large-scale projects (construction of buildings, public infrastructure and housing projects).

G3) Sindicato Nacional de Trabajadores de la Construcción y Servicios de Guatemala (SINCS-G)

SINCS-G (Union of Construction and Service Workers-Guatemala) is the one active construction union in Guatemala. Formally is the union has a national scope, however, in practice it only has a regional presence with its base of operations located in the western region of the country, specifically in the city of Quetzaltenango. SINCS-G's concentration in Quetzaltenango is tied to the union leadership's understanding that this region holds the largest investments in the construction sector and will continue to attract the greatest amount of investments in the future.

The union's capacity for organizing workers is low. The true size of its membership is unclear. Although its leaders claim they have a membership of between 2000 and 3000 workers, their level of participation and commitment is unclear. These figures may include workers who have been at some point in the past a member but are no longer. Members do not pay dues and there is no systematic contact with the union. The union has also failed to consolidate a base among construction workers in any of the companies in the construction industry.

Part of the reason for this minimal organizational capacity is that organizing efforts have been met with strong resistance from employers. Consequently, organizing must be conducted clandestinely and outside workplaces. To date, the union has not been able to reach a collective bargaining agreement with a single company. Their contacts and members are mainly self-employed workers.

The union has sought to overcome its organizational weakness by deploying a set of broad initiatives involving active coordination with other national and international, trade unions; unions operating in Quetzaltenango; and local community-based groups. Additionally, it has developed a comprehensive and systematic set of organizing and advocacy practices in terms of promoting regional economic development, promoting social dialogue with industry and maintaining a constructive dialogue with the Ministry of Labor. This gives the union plenty of opportunities for advocacy. To date it has gained a strong regional presence, plays an active role in shaping a regional trade union coalition (South-west Regional Coalition, COSINSO), and has promoted the formation of a regional development council under the "social dialogue" initiative promoted by the Ministry of Labor.

Additionally, the union offers strong leadership to the coordination of international and Central American initiatives. Currently, its secretary general, Julio Diaz, is the general coordinator of the Construction Trade Union Coalition of Central America and Panama. The union is affiliated with the Building and Woodworkers International (BWI) and the Latin American Federation of Workers in the Construction Industry and Wood.

G4) Conclusions from the Guatemalan fieldwork

There are six lessons from the fieldwork in Guatemala:

1. The organizational capacity of construction workers in Guatemala is very weak. There is only one union in this field, and it has regional rather than national coverage. Its membership is very limited, the membership fee is voluntary and is collected sporadically, and its "affiliates" are in practice not organized well-enough to be mobilized to defend their labor rights. For this reason,

SINCS-G has few resources to conduct its work and its ability to directly influence the regulation of labor relations in the workplace is very limited.

2. There is a lack of effective mechanisms for labor regulation by public institutions in the sector. Instead existing institutions have not to date, reversed anti-union business practices, trade union persecution and the widespread lack of basic labor rights (minimum wages, social security, paid vacation, bonus, and the like). The absence of effective mechanisms of labor regulation, and in particular public institutions to effectively sanction labor violations, constitutes a vulnerability factor that discourages the organizing of construction workers.
3. Employers have created a climate hostile for trade unionism in the sector. In the construction sector a structural imbalance of power exacerbates the vulnerability of workers who toil in this field. The violation of the right to organize, the institutionalization of practices of persecution, and the widespread dismissal of workers who show some favorable inclination toward unions are common barriers to the unionization of construction workers.
4. We note the most important feature in terms of the organization of the production process is the deepening of outsourcing. In practice this has increased labor turnover in an industry which by its nature already involves the frequent movement of workers from one site to another. In this case, the speed of this movement is accelerated as contracts are shortened. In practice, this high turnover rate has formed another major factor limiting the organizing of construction workers in Guatemala.
5. Recruitment of rural-to-urban, largely indigenous, has intensified an already-existing labor surplus of manual labor in Guatemala. This source of competition from desperate workers with few economic alternatives has also led to degradation of jobs in construction.
6. Last, the existence of a large segment of construction labor market practices organized around informal subcontracting, kin- and friendship-based social networks and a high degree of fragmentation and dispersion of production units is also a major obstacle that limits the possibilities of the trade union of construction workers in Guatemala.

Organizing Precarious Labor in Costa Rica's Construction Sector

Our Costa Rican fieldwork reveals that in Costa Rica, as in Guatemala, construction workers and their labor organizations face a very adverse national context with respect to levels of labor vulnerability, recruitment and the possibilities for the self-organization of workers. The existence of a structural imbalance of power between employers and workers and the presence of a large contingent of migrant workers set the context for construction workers in Costa Rica. Given Costa Rica's external reputation for democracy, stability, and rule of law, we were somewhat surprised to find a labor environment that in many ways is similar to the one in Guatemala.

This report is based on 12 qualitative interviews with union officials, construction workers, engineers / architects with extensive experience in the field, field researchers and government officials of Costa Rican labor institutions. The interviews were conducted between November 24 and December 5, 2014.⁵

⁵ See list of interviews in the appendix to this report.

Reflecting the fact that the Costa Rican results were somewhat unexpected, we lay them out in more detail than in the counterpart Guatemalan case study. The text of the Costa Rican case is organized into five sections. In the first we broadly describe the most relevant features of the national context that have direct implications on shaping labor and trade union dynamics in the construction sector in the country. In the second, we zero in on how unions and union supporters are persecuted in Costa Rica. The third examines the pervasive weakness of government regulation of labor conditions, and the fourth changes in the organization of production. Section CR5 focuses on the union presence in the construction sector—specifically, the case of SUNTRACS, Unified National Union of Construction and Related Workers—in the context of obstacles, challenges and existing opportunities for the self-organization of construction workers. A final section gives brief, summary conclusions from the Costa Rican case study.

CR1) The National Context: Political, Social and Cultural Factors

The national political environment is generally hostile to the development of trade unions in Costa Rica. This is especially true in the private sector of the economy. The ideology and politics of this environment result from the defeat of trade union movements in the civil war of 1948, and the consequent outlawing of the Central de Trabajadores de Costa Rica, the main federation of labor unions in the country. Additionally, the historical origins of unions have been linked with the emergence and development of the Communist Party, and they have been stereotyped as a movement motivated by communist ideology and the development of confrontational strategies in the workplace. As a result, the labor movement has a small organizational base. The rate of union membership in Costa Rica, in November 2014, accounted for only 10.8 % of the country's workforce. There is also a huge imbalance between public sector union power and the private sector. Seventy percent of union membership is concentrated in the public sector, with the rest found in the private sector. The latter group is made up mostly of small and medium farmers who have self-designated as a “union” to promote their organizations and make claims of agrarian character before the state (land reform policies, subsidies, tariff protections, technical assistance, and product marketing).⁶ Strictly speaking, the unionized workforce in the private sector of the economy represents only 0.3% of the total private wage and salary workforce.

According to the Ministry of Labor and Social Security, in November of 2014, there were 292 labor unions formally registered and active in the country. Most of these operate in the public sector, as the private sector holds only 23 active unions. SUNTRACS, Unified National Union of Construction and Related Workers, is the only union officially operating in the construction sector. The 23 private sector unions have an active membership of just 12,939 workers, of which half (6,814) have labor relations regulated by a collective bargaining agreement. In the construction sector there is an agreement with only one company, INCESA STANDARD, whose union is the SUNTRACS.⁷ This data shows the private sector basically operates as a union-free environment and the construction sector adheres, fully, to this rule. Labor relations in the non-unionized private economy, which includes 87% of the workforce, are regulated, in the main, by the provisions of Costa Rican Labor Code relating to individual contracts. In a context where the balance of power favors employers in a disproportionate way, the chances of enforcing labor laws in order to avoid precarious work conditions, will depend on competitive business

⁶ The rate of union membership in the private sector, reported by the Ministry of Labor, was 4.0% in 2012 (overall union membership was estimated at 10.0% that year). When organizations of small and medium rural producers are excluded from the union sector, the rate drops to less than 0.5% of the private sector working population.

⁷ Only 15 private sector companies report having a collective agreement signed with a trade union in the country.

strategies as well as on the political willingness of employers to comply with social norms regulating labor relations in the private sphere.

The literature in the Costa Rican case shows that in the second half of the 20th century, the social pact derived from the civil war was based on compliance with basic standards of labor regulation in the private sector. However, this historic pact seems to have been exhausted during the debt crisis, in the early years of the 1980s, and the subsequent transition to a new development model based on the adoption of neoliberal policies. In this context, particularly in the last 15 years, respondents reported substantial changes in the workplace, and a growing reluctance of large business to attend to existing labor legislation and consequently, a reversal of labor protections which feeds into job insecurity, particularly but not exclusively in the private sector.⁸

CR2) Anti-union Climate and Union Persecution

One of the most notable features of Costa Rican political and cultural climate is a strong bias in favor of the business sector. As noted above, unionism has been stigmatized as anti-employer, pro- communist and generating social and labor problems. In this context, campaigns against the union movement are constant. The private sector in particular has totally rejected unions. Business has developed a highly effective set of closed-door policies, based on a set of long-standing anti-union practices. Among the most important are the following:

- A. The firing of union leaders in cases where it was not possible to obstruct union organizing campaigns in their early stages. These dismissals have a dual function. They are exemplary measures as they show the limits of the power of labor unions. And, secondly, they show the limits of the institutions of labor protection such as the Ministry of Labor. Usually the firing of union leaders are codified as “dismissal without employer liability” under the “disloyalty to the business” clause, as stipulated in the Labor Code.
- B. Everyday practices of systematic surveillance and harassment, which usually culminate in lack of freedom of trade union organization and ultimately dismissal of workers who are critical of their companies’ labor relations models and reluctant to submit to corporate guidelines.
- C. Ideological campaigns that reinforce an anti-union cultural climate in which unions are presented as causing loss of competitiveness, and forms of organization of work and management antagonistic to cooperative union-employer relations.

⁸ The deterioration of working conditions in the public sector comes as a result of the outsourcing of “non-inherent” features in the work of public institutions. Among others, included in this outsourcing are cleaning services, security, transportation, and correspondence.

Additionally, since the 1980s, employers have been boosted by strong support from a set of company unions promoted by conservative sectors of the Catholic Church, under the banner of Solidarismo.⁹ These so-called Solidarity Associations were established by employers, with assistance from the Church, as a preventive organizing vehicle to keep workers away from unions. The associations, formed at the enterprise level, advocate the development of cooperative, supportive working relationships between employers and workers, aiming to create a work climate that preserves social peace and achieves business goals in order to guarantee stable employment and jobs. They differ from Mexico's "protection unions" (Tilly 2014), in that Mexican *contratos de protección*, while equally protective of the employer, do not correspond to an actual organization of workers that engages in activities. Costa Rica's Solidarity Associations, in contrast, do serve workers, but with access to benefits outside the workplace such as scholarships, low-interest loans, and recreational programs—not collective bargaining with employers. .¹⁰

In 2012, the records of the Ministry of Labor reported 1,393 Solidarity Associations active in the country, accounting for 18.7 % of the wage and salary workforce in the country with a total of 286,977 active members.¹¹ But unlike the union movement, Solidarismo's central organizational base is in the private sector. Ninety-one of the solidarity associations operating in the private sector account for 77% of the total membership of the movement in the country. The construction sector is not immune to this phenomenon, reporting 30 solidarity associations that year. However, it should be noted that this sector has the lowest presence of organizations and members of the so-called solidarity movement.

CR3) Weak Governance Institutions

Weak regulatory institutions such as the Ministry of Labor and Labor Courts reinforce a model of labor relations sustained by authoritarian principles and processes that generate job insecurity. These institutions, compared with their counterparts in the rest of the region, show a greater degree of institutional consolidation, and have more resources for operation. However, respondents indicate that this does not translate in practice to better labor regulation. On the contrary, they are permissive institutions, by way of an institutional inefficiency which generates a greater empowerment of business while increasing the vulnerability of workers.

The Ministry of Labor informed us the weakest section of the institution, and the one with the fewest resources, is precisely labor inspection. In practice, this inspection does not have the power to punish employers. In fact all respondents concur that in the last three decades the effective capacity of supervision, inspection and regulation of the Ministry of Labor has weakened. And, the number of labor inspectors, nearly 134, is insufficient to cover the needs of this sector. Previously, employers feared legal

⁹ The origins of this Solidarity movement in Costa Rica go back to 1947, in a context marked by the rise of the labor movement, achievement labor reforms (the Labor Code and Social Security), and of the runup to the 1948 civil war.

¹⁰ The pro-employer, anti-union nature of the Solidarity movement has been the subject of extensive research in Costa Rica. The pioneering work in this field is Blanco, Gustavo, and Navarro, Blanco (1984) "Solidarismo: Thought and social dynamics of a labor-management movement," Editorial Costa Rica.

¹¹ In 1981 there were a total of 216 solidarity associations with little organizational and economic strength and little influence on the working life of the country as only 7% of collective bargaining agreements were of the type promoted by the solidarity movement. In 1990 the solidarity movement had 1154 associations with a membership accounting for 16% of the working population employed. In 2012, the number of associations had reached 1393, had 286,977 members, covering about 19% of the working population employed.

action from the Ministry of Labor. But today, they perceive it as an institution with limited powers for intervening in labor matters. Similarly, the workers interviewed have the same perception. In their opinion the Ministry of Labor is not an institution that achieves enforcement of labor law. It's only at best a platform to sue and seek direct settlements with employers.

Because of the weaknesses of the Ministry of Labor, unions indicate that they rely directly on the courts to sue for violations of the Labor Code, or for violations of the collective rights of labor unions. However, this approach generates two types of problems. First, labor disputes are not resolved expeditiously. Slowness characterizes the work of these courts, because of the bureaucratic processes required to process claims. This slowness prevents quick solutions to labor problems, a particular problem with respect to the freedom to organize unions since a late resolution leaves workers fully exposed to repression from employers. Second, in the case of resolutions favorable to workers most economic sanctions on employers are never implemented. Often these sanctions cannot be implemented because employers are not formally registered as such in the case of subcontracting arrangements. Or, because companies have used various legal and administrative loopholes which enable them to not report certain assets that can be seized as part of the imposition of sanctions by the Labor Court.

In practice, the weakness and slowness of labor institutions creates an environment in which workers lack labor protections. According to the interviewees, this is what explains why a practice of closed doors and union persecution in the private sector exists in the country. These practices prevent the autonomous organization of workers in the workplace since they make union work activity risky, carrying the potential for workers who carry it out to be fired.

Moreover, the existence in the Labor Code of two clauses, “dismissal with management responsibility” and firing without employer liability for reasons of “corporate disloyalty” further hampers the ability of private sector workers to organize. In the first case, employers are permitted by law to dismiss any employee even those with trade union immunity because in practice this protection does not apply. In the second case, a method widely used by employers, “disloyalty to the business” is given as a reason for firing workers who are organizing, by arguing they are engaged in an unfair practice. Regardless of the method used, the outcome is the same, total control of employers and the prevention of any attempt for workers to freely organize in the private sector.

CR4) Changes in the Construction Process and the Vulnerability of Workers

Four interconnected changes in the construction process have contributed to the creation of an acute sense of job insecurity in the sector. The new elements include:

First, a complex and comprehensive process of outsourcing has recently emerged as the core organizational model in the construction sector. This change began in the early 1990s, however, it was in the first decade of the 21st century when it acquired strength. This has involved the reorganization of large construction companies and their gradual replacement by long chains of subcontracting, a phenomenon that has become feasible due to a division, fragmentation and specialization of the construction process. The organization of the construction process under this model has led to a significant reduction of core workers in large companies. At the base are the companies that perform direct recruitment of unskilled or semi-skilled work. Core construction workers are hired here. At the top are large companies, transnational, Costa Rican and joint ventures, participating in bidding processes for public and private projects. Once having obtained a project, they organize work under the outsourcing model. Outsourced work constitutes a broad spectrum of activities: it ranges from

specialized architects subcontracted in the field, to the supervision of the construction process. Some subcontractors perform all of the operations required by the permitting process. The fragmentation of the construction process involves specialized tasks, which in turn require a greater coordination effort by the companies in charge of the work. Coordinating tasks usually are assigned to highly skilled core workers (foremen or engineers for example).

From the perspective of those interviewed, which included workers, engineers and architects, the main reason for outsourcing is to reduce the cost of labor.¹² In Costa Rica, labor costs come to represent, on average, up to one third of the total cost of a construction site. Another advantage of outsourcing work to specialty contractors is performing specific “parts” of the construction process more quickly.

Usually, in the opinion of respondents, outsourcing has resulted in the erosion of the company’s responsibility for the workers. Since, in practice, on a construction site multiple legal entities converge with various distinct individual actors responsible for the hiring, supervising and managing of labor. In practice this dissipates the traditional capital-labor relationship, especially when the “subcontractors” are master builders operating in the context of informal enterprises. Add to this the fact that the Costa Rican Labor Code has no concept of joint employment. Consequently, the organization of production processes based on models of outsourcing ends up diluting the responsibility of the owner of the project in relation to workers and labor authorities. According to the respondents, the problem is that many of the subcontractors barely meet the formal requirements for legal registration. In practice many of them operate informally.

Second, the fragmentation of the production process has broken large construction jobs into a series of shorter-term projects. This has led to a significant reduction in the time that a group of workers is present on a construction site. This is a striking change according to all respondents, and gives rise to three phenomena. First a high turnover rate. Workers are forced to look for work in shorter time cycles. Second, the consolidation of small networks of workers who tend to move in groups, from one job site to another, bound by a “subcontracting agreement”, negotiated by a kind of broker or labor recruiter. Third, there is increased spatial mobility of labor, which must move not only from one site to another, but also to different regions. These three elements seem to be affecting work-life within projects since it makes it difficult to generate a sense of collective identity among construction workers and hinders the consolidation of broader long-term social relationships, since group solidarity is confined to members of localized networks.

Third, there seems to be a relative shortage of Costa Rican labor for jobs which require lower skills in construction. Respondents point to three cultural factors. First the increase in living standards and in particular in the educational levels of the Costa Rican workers has raised their expectations for

¹² Undoubtedly the biggest cost avoided is payment of social security. Employers must provide for social security and pensions 14.7 % of the reported salary for each employee (when the wage is below the minimum, it is used as a basis for contributions). Additionally, they provide income equivalent to 12% of the reported salary of each employee to fund a variety of social programs, supplementary pension funds and operation of institutions of vocational education and training (National Training Institute). Overall the full employer contribution amounts to 26% of the labor payroll reported to the Costa Rican Social Security. Withholding wages achieves two important objectives for employers: it lowers both direct labor costs (wages) and indirect costs (social security). Additionally, every employer must take out insurance risk in this case working with the National Institute of Social Security. These insurance premiums are set as follows: Total cost of the project * 0.3 for buildings below 10 million colones and total cost of the work * 0.37 for buildings valued at 10 million colones or more. (Estimate provided by the Association of Engineers and Architects of Costa Rica.)

employment, reducing their participation in the construction sector. Second, these have also led to a cultural change whereby construction work tends to be undervalued. Construction work is not recognized as prestigious, on the contrary, being a construction worker is associated with manual labor and means lower status within the Costa Rican occupational hierarchy. Third, as noted above, the processes of fragmentation and outsourcing have been associated with intense precarization of employment, in particular, with a loss of labor and social guarantees associated with the job.

Fourth and finally, the corporate response to the relative scarcity of labor has been the massive recruitment of immigrant labor from Nicaragua. According to the engineers and construction workers interviewed, at present, the presence of Nicaraguan construction workers in construction is massive. By their estimates, based on working with these workers on many projects as well as encountering them in recruitment or construction supervision, up to 60% of workers are Nicaraguan nationals. This appears to contradict official statistics regarding the industry; we offer some possible interpretations of this apparent contradiction in the General Discussion and Conclusions section that follows the concluding section of the Costa Rican case.

The arrival of Nicaraguan immigrant labor to the Costa Rican construction sector also has led to a growing segmentation of the labor market. Nicaraguans are relegated to jobs at the base of the occupational pyramid, while Costa Ricans are located in middle and upper positions. And very few opportunities for upward job mobility exist according to interviewees. An exception might be an immigrant worker who acquires the status of master builder and starts a company dedicated to outsourcing, most often conducted informally.

It is important to note that Nicaraguan immigrant workers, regardless of their immigration status, are somewhat vulnerable to abuse. Usually they are connected to the construction industry through some subcontracting chain. Subcontractor companies are used to recruit workers and keep them under control. Four control mechanisms can be identified:

- a) The dependence of migrant workers on social contacts and networks that provide employment. Those who are expelled from these networks, or are limited by them to very vulnerable positions, have few chances to continue working in construction. The master builder is directly responsible for the recruitment and therefore the generation of job opportunities for immigrant labor in the construction sector.
- b) The constant intimidation of immigrant construction workers by their direct or indirect employers. Employers threaten and discipline workers with the prospect of deportation. Faced with the daily threat of being reported to the Directorate of Immigration, workers end up submitting to abusive employment relationships.¹³
- c) The high turnover rate. Derived from the fragmentation of the aforementioned production process, these workers exhibit high turnover rates, and therefore have become very dependent on recruitment networks (subcontractors). These companies often develop practices of stigmatizing workers who collaborate with unions quickly closing future job opportunities.

¹³ Several respondents indicated that reporting workers to immigration authorities is a common employer practice used to generate a fear of deportation among immigrant workers.

- d) The existence of a large contingent and surplus workforce from Nicaragua willing to work for wages only, without benefits. This contingent of surplus labor, including new recruits who cross the border daily, in practice enables employers to maintain very poor working conditions. When a worker attempts to renegotiate their salaries, benefits, or working conditions, the employer typically argues this is not possible because there are many willing to take the job even below the current salary. Due to fear of being fired or displaced, workers end up agreeing to very precarious employment arrangements and work conditions.

While Costa Rican labor legislation itself does not discriminate on the basis of nationality or immigration status, Nicaraguan immigrants routinely experience direct labor law violations in the country. It is the responsibility of employers, not workers, to comply with basic labor regulations. But due to the obscuring of these responsibilities arising from complex outsourcing systems, in practice few employers comply with this obligation. The main factor motivating these practices, as noted before, is the reduction of direct and indirect labor costs. Given the weakness of regulatory labor market institutions, there are many employers who are willing to violate labor standards for a “windfall” in profits.

CR5) Sindicato Unitario Nacional de Trabajadores de la Construcción y Similares (SUNTRACS)

As already indicated, the trade union movement in the construction industry has historically been very weak. In addition to the barriers imposed by employers to freedom of trade union organizing in the private sector, the high turnover rates and the large presence of Nicaraguan immigrant workers have constituted additional obstacles for labor organizing. The data show that construction is the sector with the lowest presence of solidarity associations, labor unions and other associative forms (such as Worker’s Standing Committees).¹⁴

In this context, only one functional union performs organizational tasks in the Costa Rican construction industry, the Sindicato Unitario Nacional de Trabajadores de la Construcción y Similares (Unified National Union of Construction and Related Workers, SUNTRACS). It is a longstanding union, formed in 1943, which has gone through different phases in its history. It grew substantially in the decade of the 1970s, when the country registered a boom in the construction industry. Since 1980, following the crisis of the import substitution model many construction companies went bankrupt and union affiliation suffered significant losses. A new phase began in the first decade of this century, when as a result of rising tourism development a new construction boom led to an increase in private investment and the hiring of workers in the sector.¹⁵

SUNTRACS is a very active union. It has developed an extensive organizational capacity and institutional coordination, in order to achieve political impact on labor matters in the country. Due to the particularities of the Costa Rican construction sector it has prioritized the organizational work of

¹⁴ In 2012, 262 active unions were reported in the country. Only one of them was located in the construction sector. 1393 Solidarist Associations, of which only 30 operate in companies linked to the construction industry, were also reported. Additionally, between 2000 and 2012 173 strikes were recorded in the country, 16% took place in the private sector and none in the construction sector. In 2012 94 collective bargaining agreements were registered with the Ministry of Labor, of which only 1 is for employees linked to the construction industry. Similarly 118 direct arrangements were reported by private companies, none in the construction industry. Data from MTSS (2013) Statistical Yearbook of Costa Rica 2012, Labor Market Observatory, MTSS, San Jose.

¹⁵ The largest concentration of foreign investment was located in coastal areas and in the north of the country. The projects focused on tourist infrastructure (docks, roads, airports), resorts and luxury housing complexes. This construction boom ended with the economic recession of 2008-2009.

immigrant labor since it is the most vulnerable group from the standpoint of labor. However, it has also made significant efforts in occupational health.

Involvement in these two issues, migration and occupational health, has created opportunities to develop organizational and institutional coordination with NGOs, other trade unions, public institutions and even with the Chamber of Construction Entrepreneurs. This work has culminated in the formulation of proposals for the reform of the Migration Act; strengthening labor inspection, especially in monitoring conditions of immigrant labor; and the development of training programs in occupational safety and health undertaken in coordination with the Chamber of Construction.

In these areas, SUNTRACS has shown great initiative, leadership and advocacy. But despite this, their leaders are aware that their main weakness lies in organizing. The union really only has a solid and longstanding membership base in one company - INCESA Standard.¹⁶

Anti-union discrimination by employers and subcontractors, high labor turnover, territorial mobility, migrant labor recruitment, and the deepening the subcontracting system as an organizational model in the construction process have made it very difficult to consolidate a membership base. The union has been able to recruit new members, but it has no way to regularly collect a membership fee. Also, on construction projects under control of subcontractors, where labor is most intense, hiring is casual, with no formal payroll and therefore no way to collect dues directly. Additionally, if the union discloses to an employer a list of unionized workers it opens the door a process of harassment and persecution that in most cases end with the dismissal of workers.¹⁷

Additionally, union representatives, their leaders and organizers, are not allowed to enter construction projects to interact and dialogue with workers. As a result, organizing activities must be performed outside of the workplace in a clandestine manner. The closed-door policy that employers apply to union workers in construction, has led SUNTRACS to conduct outreach to workers and to conduct training in gathering places of migrant labor, such as the Parque La Merced, or in low income communities with high concentrations of Nicaraguan immigrant labor, such as La Carpio.¹⁸ This strategy has allowed the SUNTRACS to expand its organized base but with the problem that the union affiliation and disaffiliation processes are often very fluid and dynamic. As a result, according to its secretary general, the union lacks recognition by employers as a union with the power and strength to bargain on behalf of workers, a core function of labor unions.

¹⁶ This company has been owned by several multinationals companies. Today it is owned by Colombian capital. The union has signed collective bargaining agreements with this company continuously since 1967, when the company was still Costa Rican owned and only had 30 workers. Currently the collective bargaining agreement covers about 500 workers.

¹⁷ There are countless numbers of cases in which workers linked to any emerging union campaign are fired. Not coincidentally, the Costa Rican unions have, on several occasions, filed complaints in the ILO against the government of CR, for breaching their freedom of association. The ILO's findings usually side with union organizers and recommend the Costa Rican government take the appropriate measures to ensure the freedom to exercise this right. However, to date, this has not been achieved.

¹⁸ This strategy is also being used by other unions trying to organize a base among immigrant workers. In particular the National Association of Public and Private Employees (NAPE) and the Rerum Novarum Confederation of Workers (CTRN), use this strategy, in conjunction with education and organization of community members, via the formation of groups of promoters.

Union work with immigrants from Nicaragua is concentrated in three areas. First, there are campaigns to publicize their labor rights. Second, there is leadership training. And, third there is legal counseling with law firms which teach workers how to make labor rights violation complaints or provide advice on immigration procedures. The first is considered very important because migrant workers are unaware of their labor rights, contributing to abusive practices by employers. The second has as a main objective building a base among immigrant workers, who tend to be receptive. The third aims to build trust by providing guidance on legal actions and showing the advantages of having the support of the union.

A limitation facing SUNTRACS is that these tasks must be performed with very few resources because they do not have fixed income from member dues with the only exception being the one company where they have successfully negotiated a collective bargaining agreement. The lack of economic resources has restricted union operation to the central region of the country, particularly to the greater San José metropolitan area, with occasional forays into other areas.¹⁹

CR6) Conclusions from the Costa Rican fieldwork

There are five lessons from the fieldwork in Costa Rica:

1. The conditions of employment in the construction sector seem to have experienced a marked deterioration in the last two decades as a result of the fragmentation of large construction companies, the generalization of subcontracting as a dominant model in the construction process, the limited capacity of labor authorities to enforce mandatory compliance with labor laws, anti-union practices developed by employers, and a weak union presence in this sector.
2. The labor turnover and increased territorial mobility of the workforce and constant job-hopping between employers, together with the anti-union practices of employers, are factors that hinder union organizing in the construction sector. These conditions seem to bring into question the feasibility and potential effectiveness of organizational strategies focused on classical models of union organizing which presuppose a stable employment relationship, a direct link between employer and employee, and take as a base of reference a single productive unit (workplace).
3. The growing influx of immigrant labor, mostly under conditions of informality, may be a factor contributing to a strengthening of the industrial action if unions manage to attract these groups of workers into their ranks. This is a promising strategy since these workers have displayed an awareness of the high labor vulnerability to which they are subjected, abusive practices by employers and the violation of their labor and human rights. However, at the same time, these workers are limited by their vulnerability as immigrants who must work to ensure their survival and to send remittances to their families. And, employers readily rely on the large influxes of immigrant workers as a mechanism by which they can discipline and punish labor if necessary.
4. Costa Rican governmental labor institutions exhibit a significant degree of consolidation, professional and institutional programming. They are attuned to the violation of labor rights as well as to the problem of unfair labor practices against migrant workers. They have developed

¹⁹ The greater metropolitan area is an urban region formed by the central areas of the provinces of San José, Alajuela, Heredia and Cartago and the surrounding municipalities. It is estimated two thirds of the country's population inhabit this area.

important initiatives of interagency coordination and campaigns for their rights, showing a willingness to dialogue with trade unions and NGOs to carry out these tasks. However, they have little ability to compel employers to comply with labor laws. De facto, the Costa Rican state has adopted a highly permissive labor deregulation. It has not developed specific actions to regulate subcontracting practices, so widespread in the construction sector, and to ensure the enforcement of labor rights in general, and the right to unionize in particular.

5. The presence of unions in construction is very limited. Despite all SUNTRACS's efforts on dissemination, organization and political and institutional impact, its organizational base is very modest. Its main challenge is to break the blockade against unions established by entrepreneurs in the industry, especially in the current period of expansion of outsourcing models for organizing the construction process and recruitment of migrant labor. It is likely that this period requires a creative new organizational design that transcends the logic of organization around a single workplace, which does not presuppose the existence of a traditional employment relationship (employer and employee) and which takes into account the mobile construction worker. SUNTRACS, despite all efforts, seems to have neither the sufficient financial and human resources or organizational design and viable union practices to meet this challenge.

IV. CONCLUSION

Our statistical analysis shows a highly, and disproportionately, precarious ensemble of construction jobs in Guatemala and Costa Rica. Analysis of Guatemala's ENEI and Costa Rica's ECE also identify the groups of workers most at risk for precarious conditions, both relative to other construction workers and relative to the workforce as a whole. Our interviews depict the long-standing political and social obstacles that block union organizing in this sector and minimize government regulation, closing off two possible avenues for reducing precarity. They also highlight recent changes in the structure of the construction industry—outsourcing and subcontracting—that have intensified the drivers of precariousness. And the interviews depict building contractors' massive recruitment of rural-to-urban migrants, particularly the indigenous in Guatemala and Nicaraguan migrants in Costa Rica, which add highly vulnerable groups to the construction workforce, with further reserves still available to tap in the Guatemalan countryside and Nicaragua.

Our particular interests in this Conclusion are two. First, we seek to scrutinize key points of contact between the two types of information about construction work, quantitative survey data and qualitative interview data. We weight elements of complementarity, contrast, and contradiction between the two information sources. Second, we offer some preliminary thoughts on strategies for lessening precarity in construction jobs in the two countries.

Points of contact between the surveys and the interviews

We consider here two issues that arise from our findings. The first is that our analysis of the ENEI and the ECE uncovered many associations between precariousness and other characteristics of the job or job-holder, but these associations fall into several different types. Some are simply added elements of precarity, some signal worker characteristics that increase or decrease access to less precarious jobs, and some actually *shape* the degree of precarity of construction jobs. We focus particularly on the third type of association, and explore how these statistical associations fit with the explanations that emerged from the in-depth interviews. The second issue is that our quantitative and qualitative findings clash regarding the role of Nicaraguan migrants in Costa Rica's construction sector.

Let us drill deeper into the variables correlated with precarious work in our statistical analysis. Again, a first group of correlates seem likely to form part of the "precarity package"—varied negative aspects of jobs that cluster together to constitute precarity. Lack of benefits, unpleasant or unsafe working conditions, and unwanted work schedules (among employees in Guatemala and proprietors in Costa Rica) make up this group. The second group of factors correlated with precariousness consists of traits that lead to workers being sorted into more precarious jobs. In construction in these two countries, younger and less educated workers more often end up in precarious jobs. Wage and salary employees in construction suffer greater precarity than their self-employed counterparts, and own-account self-employed construction workers are at greater risk for precariousness than employers. We also expect that ethnic groups facing discrimination and social exclusion will be more likely to end up in precarious jobs. In the survey data, this expectation is borne out for indigenous Guatemalans, but not Costa Rica's Nicaraguan migrants, as we have noted repeatedly above and explore further below.

But the third type of associations, variables that arguably have a causal impact on the mix and overall level of precarious work in construction, are most interesting. Here we first list such variables and apply *a priori* reasoning to formulate hypotheses about the underlying causal mechanisms. Then we consider how insights from the interviews shed additional light on those mechanisms.

The list of candidates for causal mechanisms spotlighted in the quantitative tables includes:

- *Unionized* construction jobs are far less likely to be precarious, as evidenced in Table 17G. We know that unions directly reduce precarity through collective bargaining and pressure.
- *Rural* construction jobs have higher rates of precarity. We would suggest two reasons. First, both union organizing and regulation of practices on construction worksites are easier in denser, urban settings. Second, rural areas tend to have a large supply of underemployed persons in agriculture and forestry.
- *Smaller firms* house more precarious construction jobs. Again, the difficulty of regulating or unionizing numerous small units participating for short periods on any given project (as opposed to one or a few large ones attached to the project for its duration) is a likely causal factor. And, smaller firms have less economic capacity to provide stable, remunerative jobs. Note that a simple-minded analysis based on the correlates that are “sorting factors” might suggest that a shift to smaller firms would *reduce* precariousness. Wage and salary employees are more likely to hold precarious jobs than own-account self-employed or employers in construction, and a shift to smaller firms means higher percentages of self-employed and employers, which could lead one to expect lower precarity. The problem with this line of reasoning is that it assumes all else is equal, whereas in fact a shift to smaller firms affects ease of regulation and heightens competitive pressure, reducing subcontractor’s ability to provide good jobs.
- *Guatemalan* construction jobs are more precarious than Costa Rican ones. This cross-national difference results from a confluence of causes. Guatemala is poorer, has a weaker regulatory system, and more violent anti-union repression, up to and including assassination and disappearance of union leaders.

Now, to put the set of *a priori* explanations in conversation with the analyses that emerge from the interviews. To start with, our interviewees pointed to weakness of unions and regulatory capacity as results of *long-standing features* of the two countries. The interviews detailed how Central American social and political institutions and employer resistance keep unions out of construction (and most of the rest of the private sector), removing one potential source of protection against precarity. Costa Rica’s company unions in the Solidarismo movement should be viewed as part of the institutional barriers to real unions, not as exceptions to them. Similarly, the interviews described the *institutionalization* of a feeble regulatory capacity as regards labor standards—reducing the degree of government monitoring and enforcement. In this context, it is not surprising that there is only one collective bargaining contract in construction in Costa Rica, and none in Guatemala.

Our informants also flagged important *changes* in the construction industry in Guatemala and Costa Rica. First, they indicated that in both countries, increased outsourcing has fragmented construction projects among large numbers of tiny firms. The results they pointed to conformed with our *a priori* expectations: more barriers to union organization and regulation, less firm capacity to offer good jobs, and consequently more precarious construction jobs.

The second major change is greater recruiting of rural migrants—indigenous Guatemalans in one case, migrant Nicaraguans in the other. Migration essentially makes the urban sites of most construction work *more like rural areas*, in the sense of providing employers access to a very large pool of underemployed workers for whom a precarious construction job is preferable to the other options they face. In the same sense, it makes Costa Rica *more like Guatemala* by generating a vast supply of desperate workers, many of rural origin, from a marginalized ethnic group.

This set of causal connections closes the circle between the statistical findings and the interview-based ones. But there is still one glaring inconsistency: conflicting accounts about Nicaraguan migrants in Costa Rica.

The status of Nicaraguan migrants in Costa Rica

Our key informants agree that Nicaraguan migrants comprise the majority of the construction workforce in Costa Rica, and that they are especially intensely exploited. But the ECE survey indicates they only make up about one-fifth of Costa Rica's construction workforce, and are less likely to be precarious than Costa Rica natives in construction by a number of measures. The explanations for the inconsistency regarding the size of the group, and regarding their precariousness, are overlapping but distinct, and we separate the two.

We suggested five possible explanations of the apparent paradox regarding level of precariousness:

- 1) The household-based survey may simply disproportionately miss precariously employed Nicaraguans, who often live in crowded group quarters or even on the building site.
- 2) Given that Nicaraguans need social security to hold a work permit, employers may misclassify them as self-employed, compelling them to pay their own social security.
- 3) Alternatively, employers may list Nicaraguan workers in social security but fail to pay for it, leaving them uninsured.
- 4) Documented migrants in large firms that *do* offer social security are more likely to accurately self-report as Nicaraguans, whereas undocumented Nicaraguans in small firms may misrepresent their nationality to the government's surveyors, perhaps out of fear of deportation.
- 5) Nicaraguans may disproportionately over-report their enrollment in social security, to deflect the anti-immigrant stigma that brands immigrants as free riders on government-provided health services.

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The first explanation, undercounting of precarious Nicaraguan construction workers, and the fourth, misreporting of nationality by undocumented Nicaraguans, could also help explain the survey's estimate of a relatively small proportion of Nicaraguans in construction.

All of these explanations point to the conclusion that the interviewees are correct and the survey is not. However, there is at least one other plausible explanation that would point in the other direction:

- Small firms recruit through kin and acquaintance networks, so small Costa Rican employers end up with a mainly Costa Rican workforce.
- Large firms recruit through labor brokers, who are the main access channel for Nicaraguans. The large contractors preferentially hire the Nicaraguans, whom they can work long hours at low pay. Due to this preference, they do offer the migrants relatively steady employment, and may even genuinely pay into social security for them.
- Large companies and large projects are more visible and salient to the various observers we interviewed.
- So the interviews are accurately describing a *subset* of the construction workforce, whereas the surveys capture a broader sample and convey a more mixed reality.

Unfortunately, our methods do not allow us to determine which of these interpretations is correct. More research will be required to sort this out.

Strategies for reducing precariousness in construction work in Guatemala and Costa Rica

We know that broader, more effective enforcement of labor regulations and more extensive and stronger construction unions are key tools for curbing precarious work. But where could the pressure to strengthen regulation or unions come from? Our interviewees were very clear that Guatemalan institutions and ideology conspire against such strengthening, and nobody pointed to new initiatives or movements likely to shift that balance in the near term. External pressure, which has had an impact on textile and apparel jobs (Anner and Evans 2005, Anner 2011), has relied particularly on trade preferences and consumer sentiment for leverage. However, these avenues are ill-suited to targeting construction, which is not an export industry.

Perhaps the most promising prospect is the possibility of more broadly targeted external pressure and support. Three institutional fields might respond to more generalized nudges from outside these countries:

- Pressure and technical support for general upgrading of labor inspection (Schrank and Piore 2007). While the “stick” might be trade sanctions, the hope is that a beefed-up regulatory system would exert spillover effects on domestic as well as export industries.
- Pressure and, again, technical support for democracy-building, strengthening the rule of law, and ending impunity for the perpetrators of repression and violence. Movement in these directions could open up new opportunities for unions and reduce the climate of fear that currently blocks organizing and even dissent in the workplace.
- Support for existing unions, including technical assistance, solidarity actions, and advocacy through international institutions from the ILO to the World Bank.

While this report is addressed primarily to a US audience, we suspect external pressure and support will be more effective if it comes from a wide range of countries, certainly including the United States and the European Union, but also regional powers such as Brazil and Argentina. Pressure emanating principally from the United States may be viewed with suspicion as motivated by protectionism or other hidden agendas. Technical assistance from countries with similar economies that have wrestled with related institutions and ideologies in the recent past will be especially useful. Brazil in particular has had notable success in combining stronger regulation, a robust set of social welfare programs, support for unions, and pro-growth policies in ways that have reduced labor precarity (Baltar *et al.* 2010). The push will also achieve greater reach, scope, and innovative potential if it includes a range of institutional actors, including government agencies, unions, NGOs, and possibly groups of Guatemalan and Costa Rican expatriates.

This report has documented wide and deep problems of precarious work in the construction sectors of Guatemala and Costa Rica. Their problems will not yield easily, and solutions will not materialize quickly. But, armed with the findings of this study, we do know some of the demographic and economic groups at greatest risk, some of the factors that undermine decent work, and some of the leverage points that can make a difference.

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VI. TABLES

Tables: Guatemala and Costa Rica

Table 1. Total Population, Persons of Working Age, and Labor Force in Guatemala and Costa Rica, by Gender, 2013-14

	GUATEMALA (2013)			COSTA RICA (2014)		
	Men	Women	Total	Men	Women	Total
Total population	7,384,498	8,001,338	15,385,836	2,400,287	2,353,052	4,753,339
Of working age	4,515,379	5,224,191	9,739,570	1,829,469	1,810,400	3,639,869
Labor force	3,790,390	2,119,384	5,909,774	1,410,182	916,035	2,326,217
Employed	3,699,178	2,021,903	5,721,081	1,296,161	804,640	2,100,801
Unemployed	91,212	97,481	188,693	114,021	111,395	225,416
As percentages						
Working age	61.1	65.3	63.3	76.2	76.9	76.6
Labor force participation	83.9	40.6	60.7	77.1	50.6	63.9
Unemployment rate	2.4	4.6	3.2	8.1	12.2	9.7

Note: Working age is 15+. Persons of working age and labor force do not include cases where age is unknown

Sources: Guatemala from ENEI, I-2013. Costa Rica from ECE, I-2014

Table 2G. Distribution of Workers by Economic Sector and Gender in Guatemala, 2013

Sector	Men		Women		Total	
	Total	%	Total	%	Total	%
Agriculture, forestry, fisheries	1,547,973	41.8	191,895	9.5	1,739,868	30.4
Manufacturing and mining	468,360	12.7	286,567	14.2	754,927	13.2
Construction	329,618	8.9	3,021	0.1	332,639	5.8
Wholesale and retail, transport and warehousing, hospitality	833,660	22.5	859,788	42.5	1,693,448	29.6
Information and communication	35,445	1.0	15,030	0.7	50,475	0.9
Finance and insurance	36,736	1.0	37,675	1.9	74,411	1.3
Real estate	13,084	0.4	4,092	0.2	17,176	0.3
Professional, scientific, technical, administrative, and support services	130,747	3.5	45,704	2.3	176,451	3.1
Public administration, defense, education, health, social assistance	188,503	5.1	272,786	13.5	461,289	8.1
Other services	115,052	3.1	305,345	15.1	420,397	7.3
Total	3,699,178	100.0	2,021,903	100.0	5,721,081	100.0

Source: ENEI, I-2013

Table 2CR. Distribution of Workers by Economic Sector and Gender in Costa Rica, 2014

<i>Sector</i>	Men		Women		Total	
	<i>Total</i>	<i>%</i>	<i>Total</i>	<i>%</i>	<i>Total</i>	<i>%</i>
Agriculture, forestry, fisheries	179,977	13.9	32,661	4.1	212,638	10.1
Manufacturing	123,870	9.6	59,125	7.4	182,995	8.7
Construction	128,530	9.9	8,288	1.0	136,818	6.5
Other secondary (production) sectors	30,389	2.3	7,172	0.9	37,561	1.8
Wholesale and retail	280,698	21.7	164,089	20.4	444,787	21.2
Transport and warehousing	97,084	7.5	12,158	1.5	109,242	5.2
Hotels and restaurants	41,696	3.2	68,629	8.5	110,325	5.3
Finance and insurance	32,141	2.5	23,293	2.9	55,434	2.6
Professional, scientific, technical, administrative, and support services	120,329	9.3	66,189	8.2	186,518	8.9
Public administration and defense	57,644	4.5	31,070	3.9	88,714	4.2
Education and health	85,495	6.6	136,918	17.0	222,413	10.6
Communication and other services	89,984	6.9	53,006	6.6	142,990	6.8
Household employees	26,910	2.1	137,761	17.1	164,671	7.8
Unknown	1,414	0.1	4,281	0.5	5,695	0.3
Total	1,296,161	100.0	804,640	100.0	2,100,801	100.0

Source: ECE, I-2014

Table 3G. Distribution of Construction Workers and Population as a Whole by Age and Gender in Guatemala, 2013

<i>Age</i>	Men		Women		Total		Workforce	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>
15 to 19	32,791	10.0	502	16.6	33,293	10.0	641,744	11.2
20 to 29	108,116	32.8	1,156	38.3	109,272	32.9	1,700,747	29.7
30 to 49	145,587	44.2	762	25.2	146,349	44.0	2,294,461	40.1
50+	43,124	13.1	601	19.9	43,725	13.1	1,084,129	19.0
Total	329,618	100.0	3,021	100.0	332,639	100.0	5,721,081	100

Source: ENEI, I-2013

Table 3CR. Distribution of Construction Workers, and Entire Workforce, by Age and Gender in Costa Rica, 2014

<i>Age</i>	Men		Women		Total		Workforce	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>	<i>Age</i>	<i>%</i>
15 to 19	4,874	3.8	--	--	4,874	3.6	15-24	31.6
20 to 29	42,278	32.9	3,885	46.9	46,163	33.7	25-34	10.0

30 to 49	57,910	45.1	3,391	40.9	61,301	44.8	35-44	8.1
50+	23,468	18.3	1,012	12.2	24,480	17.9	45+	50.3
Total	128,530	100.0	8,288	100.0	136,818	100.0		100.0

Source: ECE, I-2014

Table 4G. Distribution of Construction Workers by *Ethnicity* and Gender in Guatemala, 2013

<i>Ethnicity</i>	Men		Women		Total		Population*
	<i>Number</i>	%	<i>Number</i>	%	<i>Number</i>	%	%
Not indigenous	221,440	67.2	2,652	87.8	224,092	67.4	60.2
Indígenas	108,178	32.8	369	12.2	108,547	32.6	39.8
Total	329,618	100.0	3,021	100.0	332,639	100.0	100.0

*2012

Source: ENEI. 1-2013

Table 4CR. Distribution of Construction Workers, and Workforce as a Whole, by *Nationality* and Gender in Costa Rica, 2014

<i>Nationality</i>	Men		Women		Total		Workforce
	<i>Number</i>	%	<i>Number</i>	%	<i>Number</i>	%	%
Costa Rica	99,600	77.5	6,447	77.8	106,047	77.5	89.0
Nicaragua	27,271	21.2	1,841	22.2	29,112	21.3	8.9
Other	1,659	1.3	--	--	1,659	1.2	2.1
Total	128,530	100.0	8,288	100.0	136,818	100.0	100.0

Source: ECE, I-2014

Table 5G. Distribution of Construction Workers, and Population as a Whole, by Level of Education and Gender in Guatemala, 2013

<i>Highest level of education</i>	Men		Women		Total		Population	
	<i>Number</i>	%	<i>Number</i>	%	<i>Number</i>	%	<i>Number</i>	%
None	142,005 ¹	43.1	393 ²	13.0	142,398	42.8	2,687,698	43.5
Primary	118,653	36.0	0	0.0	118,653	35.7	1,469,314	23.8
High school degree	35,134	10.7	789	26.1	35,923	10.8	584,738	9.5
Post-high school technical school	12,734	3.9	369	12.2	13,103	3.9	651,112	10.5
Technical college	17,811	5.4	1,470	48.7	19,281	5.8	633,716	10.3
Bachelor's degree	3,281	1.0	0	0.0	3,281	1.0	155,029	2.5
Total	329,618	100.0	3,021	100.0	332,639	100.0	6,181,607	100.0

¹ Of whom 38,948 (11.3 percentage points) are illiterate.

²All (a full 13%) are illiterate.

Source: ENEI. 1-2013

Table 5CR. Distribution of Construction Workers by Level of Education and Gender in Costa Rica, 2014

<i>Highest level of education</i>	Construction						All industries
	Men		Women		Total		
	Number	%	Number	%	Number	%	
Primary or less	66288 ¹	51.6	426 ²	5.1	66,714	48.8	33.6
Secondary, but high school not completed	39,321	30.6	1,013	12.2	40,334	29.5	24.3
High school completed	12,463	9.7	2,843	34.3	15,306	11.2	15.2
Technical degree	1,999	1.6	1,012	12.2	3,011	2.2	6.9
Professional degree	7,570	5.9	2,994	36.1	10,564	7.7	20.0
Not known	889	0.7	--	--	889	0.7	0.1
Total	128,530	100.0	8,288	100.0	136,818	100.0	100.0

¹ Of whom 1,638 are illiterate.

² Of whom 59 are illiterate.

Source: ECE, I-2014

Table 6. Geographic Distribution of Construction Workers and Total Workforce in Guatemala and Costa Rica, 2013-14

<i>Type of area</i>	GUATEMALA			COSTA RICA		
	Construction		Workforce	Construction		Workforce
	#	%	%	#	%	%
Metropolitan urban area	74,355	22.4	20.9	103,487	75.6	74.8
Other urban	104,144	31.3	30.3			
Rural	154,140	46.3	48.8	33,331	24.4	25.2
Total	332,639	100.0	100.0	136,818	100.0	100.0

Source: ENEI, 1-2013; ECE, I-2014

Table 7G. Distribution of Construction Workers by Type of Worker and Gender in Guatemala, 2013

<i>Type of worker</i>	Men	%	Women	%	Total	%	Population	%
Wage and salary	265,898	80.7	3,021	100.0	268,919	80.8	3,264,328	57.1
Self-employed, no employees	51,796	15.7	0	0.0	51,796	15.6	1,086,963	19.0
Employer	8,531	2.6	0	0.0	8,531	2.6	141,820	2.5
Unpaid worker	3,393	1.0	0	0.0	3,393	1.0	599,044	10.5
Total	329,618	100.0	3,021	100.0	332,639	100.0	5,721,081	100.0

Source: ENEI, 1-2013

Table 7CR. Distribution of Construction Workers and All Employed by Type of Worker and Gender in Costa Rica, 2014

<i>Type of worker</i>	Men	%	Women	%	Total	%	All employed (%)
Wage and salary	91,393	71.1	4,499	54.3	95,892	70.1	75.3
Self-employed, no employees	30,311	23.6	945	11.4	31,256	22.8	18.9
Employer	6,304	4.9	1,012	12.2	7,316	5.4	3.6
Unpaid worker	522	0.4	1,832	22.1	2,354	1.7	2.2
Total	128,530	100.0	8,288	100.0	136,818	100.0	100

Source: ECE, I-2014

Table 8G. Distribution of Construction Workers by Establishment Size and Gender in Guatemala, 2013

<i>Establishment size</i>	Men		Women		Total		All employed (%)
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>	
1 worker	43,809	13.3	0	0.0	43,809	13.2	24.8
2 to 5 workers	162,856	49.4	1,182	39.1	164,038	49.3	39.9
6 to 9 workers	27,503	8.3	0	0.0	27,503	8.3	5.7
10 to 20 workers	40,908	12.4	502	16.6	41,410	12.5	8.2
20 to 99 workers	33,251	10.1	0	0.0	33,251	10.0	6.9
100+ workers	21,291	6.5	1,337	44.3	22,628	6.8	14.6
Total	329,618	100.0	3,021	100.0	332,639	100.0	100.0

Source: ENEI, 1-2013

Table 8CR. Distribution of Construction Workers and All Employed Workers by Establishment Size and Gender in Costa Rica, 2014

<i>Establishment size</i>	Men		Women		Total		All Employed	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>
1 worker	19,201	14.9	--	--	19,201	14.0	463,204	22.1
2 to 5 workers	49,067	38.2	2,850	34.4	51,917	38.0	501,166	23.9
6 to 9 workers	8,379	6.5	1,148	13.9	9,527	7.0	103,015	4.9
10 to 29 workers	13,428	10.5	1,250	15.1	14,678	10.7	200,114	9.5
30 to 99 workers	17,217	13.4	1,038	12.5	18,255	13.3	350,337	16.7
100+ workers	21,238	16.5	2,002	24.2	23,240	17.0	482,965	23.0
Total	128,530	100.0	8,288	100.0	136,818	100.0	2,100,801	100.0

Source: ECE, I-2014

Table 9. Percentage of Construction Workers and All Workers with Earnings below Minimum Wage, by Various Characteristics, in Guatemala and Costa Rica, 2013-14

Characteristics	GUATEMALA (2013)				COSTA RICA (2014)			
	Construction			All	Construction			All
	Men	Women	Total		Men	Women	Total	
Age group								
15 to 19	93.8	100.0	93.9	93.9	24.8	--	24.8	58.2
20 to 29	88.2	68.3	87.9	87.9	23.5	71.9	27.6	35.8
30 to 49	58.7	51.6	58.6	58.6	30.1	14.4	29.3	32.6
50+	72.0	-	71.0	71.0	38.3	0.0	36.8	45.9
Highest level of education								
None	75.9	100.0	76.0	76.0	31.6	72.3	31.8	54.8
Primary	81.1	-	81.1	81.1				
Secondary, but high school not completed					35.0	8.4	34.4	44.4
High school degree	73.5	100.0	74.1	74.1	21.8	68.0	30.5	34.0
Post-high school technical school	56.5	0.0	54.9	54.9	8.0	94.2	37.0	20.0
Technical college	30.8	34.2	31.3	31.3				
Bachelor's degree	0.0	-	0	0	0.0	0.0	0.0	10.1
Ethnicity (G)/Nationality (CR)								
Not indigenous/Costa Rican	85.1	0	84.8	84.8	31.7	35.1	31.9	36.4
Indigenous/Nicaraguan	67.9	63.5	67.9	67.9	21.1	55.4	23.2	50.7
Other (CR only)					13.8	--	13.8	33.1
Type of area								
Metropolitan urban area	60.7	45.5	60.5	60.5	28.3	37.8	29.0	34.2
Other urban	69.2	34.8	68.8	68.8				
Rural	82.6	100.0	82.7	82.7	32.0	61.2	32.6	47.5
Type of worker								
Wage and salary	76.1	55.7	75.8	75.8	23.9	32.2	24.3	31.0
Self-employed, no employees	70.2	--	70.2	70.2	49.1	0.0	47.6	61.7
Employer	6.2	--	6.2	6.2	4.1	0.0	3.5	17.3
Unpaid worker	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Establishment size								
1 worker	75.2	--	75.2	75.2	58.0	--	58.0	73.1
2 to 5 workers	77.0	100.0	77.2	77.2	30.9	66.8	32.9	51.4
6 to 9 workers	76.9	--	76.9	76.9	25.2	0.0	22.0	32.1
10 to 20 workers (G)/ 10-29 (CR)	71.1	100.0	71.4	71.4	16.2	12.3	15.9	25.0
20 to 99 workers (G)/30-99 (CR)	63.3	--	63.3	63.3	23.5	15.1	23.0	16.3
100+ workers	60.2	0.0	56.6	56.6	14.0	53.2	17.4	12.9

Total Construction	73.6	55.7	73.4		29.2	39.6	29.8	--
National Workforce	76.5	74.4	80.4	76.5	31.2	47.8	--	39.5

Source: ENEI, 1-2013; ECE, I-2014

Table 9CR. Percentage of Construction Workers and All Workers with Earnings below Imputed Hourly Minimum Wage¹, Costa Rica, 2014

Nationality	CONSTRUCTION			WORKFORCE
	<i>Men</i>	<i>Women</i>	<i>Total</i>	
Costa Rica	26.7	4.6	25.3	23.7
Nicaragua	36.1	55.4	37.3	40.7
Other	13.8	--	13.8	13.8
Total	29.5	15.9	27.8	25.0

¹Monthly minimum wage divided by standard number of hours per month.

Source: ECE, I-2014

Table 10. Distribution of Construction Workers without Social Security in Guatemala and Costa Rica, 2013-14

	GUATEMALA (2013)				COSTA RICA (2014)			
	<i>Construction</i>			<i>All</i>	<i>Construction</i>			<i>All</i>
Characteristics	<i>Men</i>	<i>Women</i>	<i>Total</i>		<i>Men</i>	<i>Women</i>	<i>Total</i>	
<i>Age group</i>								
15 to 19	94.3	100.0	94.3	96.2	91.7	--	91.7	72.6
20 to 29	90.2	68.3	90.0	77.2	48.8	48.9	48.8	31.2
30 to 49	89.7	51.6	89.5	69.6	33.5	37.4	33.4	25.7
50+	92.6	100.0	92.7	78.5	34.3	100.0	37.0	41.1
<i>Highest level of education</i>								
None	93.6	100	93.6	90.5	45.1	83.1	45.4	45.5
Primary	94.2	—	94.2	84.8				
Secondary, but high school not completed					46.2	86.8	47.2	40.1
High school degree	78.9	100	79.3	76.0	33.1	34.3	33.3	27.1
Post-high school technical school	72.3	0	70.3	49.6	11.8	94.2	39.5	19.4
Technical college	79.5	75.03	79.2	43.6				
Bachelor's degree	100.0	—	100.0	13.1	1.9	34.0	11.0	12.5
<i>Ethnicity (G)/Nationality (CR)</i>								
Not indigenous/Costa Rican	95.6	0	95.3	69.1	44.9	63.9	46.1	31.5
Indigenous/Nicaraguan	88.3	86.2	88.3	88.8	27.4	3.2	25.8	45.2
Other (CR only)					19.4	--	19.4	25.8
<i>Type of area</i>								
Metropolitan urban area	83.51	100.0	83.76	57.7				
Other urban	93.44	34.8	92.81	75.0	41.1	49.2	41.7	30.5
Rural	92.3	100.0	92.3	85.7	40.3	65.6	40.8	38.8
<i>Type of worker</i>								
Wage and salary	88.5	75.6	88.3	71.3	45.0	8.7	43.3	25.8
Self-employed, no employees	100.0	100.0	100.0	82.1	36.8	100.0	38.7	55.0
Employer	100.0	100.0	100.0	30.1	2.7	100.0	16.1	27.1
Unpaid worker	100.0	100.0	100.0	100.0	24.3	100.0	83.2	81.7
<i>Establishment size</i>								
1 worker	100.0	100.0	100.0	84.5	38.0	--	38.0	65.5
2 to 5 workers	99.8		99.8	87.4	63.0	100.0	65.0	50.9
6 to 9 workers	100.0		100.0	77.2	42.5	88.2	48.0	32.1
10 to 20 workers (G)/ 10-29 (CR)	86.0	86.0	86.1	65.9	33.5	17.0	32.1	21.0
20 to 99 workers (G)/30-99 (CR)	72.6		72.6	58.9	7.4	--	7.0	8.0
100+ workers	27.2	45.0	28.3	47.2	23.6	5.2	22.0	4.9
Total Construction	90.7	75.6	90.6	--	40.9	50.4	41.5	--
National Workforce	80.5	81.5	81.5	76.5	27.5	40.8	--	32.6

Source: ENEI, 1-2013; ECE, I-2014

Table 11G. Percentage of Construction Workers without an Employment Contract in Guatemala, 2013

Characteristics	Construction			All
	Men	Women	Total	
Age group				
15 to 19	93.5	100.0	93.6	90.0
20 to 29	83.1	68.3	82.9	61.4
30 to 49	83.2	51.6	83.0	59.7
50+	85.5	0.0	83.8	71.9
Highest level of education				
None	89.9	100	90.0	90.1
Primary	88.7	--	88.7	78.0
High school degree	75.7	100	76.3	62.3
Post-high school technical school	62.7	0	60.3	31.3
Technical college	53.3	34.15	51.1	29.5
Bachelor's degree	0.0	--	0.0	17.8
Ethnicity				
Not indigenous	92.3	63.5	92.6	85.2
Indigenous	80.1	0.0	79.9	55.7
Type of area				
Metropolitan urban area	75.4	45.5	74.8	49.7
Other urban	87.9	34.8	87.2	66.8
Rural	86.5	100.0	86.5	73.0
Type of worker*				
Wage and salary	84.6	55.7	84.3	65.0
Establishment size				
1 worker	100.0	100	100.0	100.0
2 to 5 workers	98.3	--	98.3	93.6
6 to 9 workers	90.4	--	90.4	72.4
10 to 20 workers	81.4	100.0	81.6	58.7
20 to 99 workers	49.8	--	49.8	49.0
100+ workers	45.7	0.0	43.0	25.7
Total Construction	84.7	55.7	84.3	--
National Workforce	69.2	55.5	64.9	64.9

*Question only asked of wage and salary workers

Source: ENEI, I-2013

Table 12CR. Percentage of *Wage and Salary Workers* who Lack Stability in Costa Rica, 2014

Characteristics	Construction			All
	Men	Women	Total	
Age group				
15 to 19	96.2	--	96.2	64.5
20 to 29	56.2	51.3	55.9	48.1
30 to 49	52.4	65.0	53.2	30.0
50+	79.0	--	79.0	23.7
Highest level of education				
Primary or less	74.6	100.0	74.8	44.2
Secondary, but high school not completed	51.7	100.0	51.9	41.4
High school degree	32.0	53.7	35.5	32.2
Technical degree	7.7	100.0	11.1	24.0
Professional degree	18.5	52.5	30.2	22.1
Nationality				
Costa Rican	60.5	61.4	60.5	34.7
Nicaraguan	55.5	55.4	55.5	45.4
Other	74.0	--	74.0	17.6
Type of area				
Metropolitan urban area	57.2	53.8	57.0	64.5
Rural	64.8	100.0	65.6	35.5
Establishment size (wage workers)				
1 worker*	100.0	--	100.0	41.5
2 to 5 workers	81.8	100.0	81.9	52.7
6 to 9 workers	46.6	36.0	46.4	32.6
10 to 29 workers	47.2	100.0	51.7	34.4
30 to 99 workers	47.4	15.1	45.4	30.9
100+ workers	42.3	56.1	43.5	26.3
Total Construction	59.2	58.9	59.2	--
National Workforce	37.7	31.1	--	35.5

*1 worker other than the employer.

Source: ECE, I-2014

Table 13CR. Percentage of *Employers and Self-Employed* Who Do Not Keep Formal Accounts in Costa Rica, 2014

Characteristics	Construction	All
<i>Age group</i>		
15 to 19	--	97.5
20 to 29	53.9	83.9
30 to 49	48.8	67.6
50+	51.0	76.6
<i>Highest level of education</i>		
Primary or less	73.6	89.6
Secondary, but high school not completed	64.7	75.5
High school degree	35.9	71.1
Technical degree	56.7	66.7
Professional degree	17.2	44.4
<i>Nationality</i>		
Costa Rican	50.6	74.0
Nicaraguan	63.2	84.9
Other	34.9	53.8
<i>Type of area</i>		
Metropolitan urban area	45.7	70.6
Rural	65.7	84.4
<i>Type of worker</i>		
Self-employed, no employees	82.2	80.8
Employer	39.4	39.4
<i>Establishment size (wage workers)</i>		
1 wage worker	97.3	87.0
2 to 5 workers	48.8	55.9
6 to 9 workers	26.0	26.9
10 to 29 workers	33.9	31.7
30 to 99 workers	0.0	0.0
100+ workers	0.0	0.0
Total Construction	50.3	74.9

Note: Excludes those who do not report whether they kept accounts.

Source: ECE, I-2014

Table 14G. Percentage of Construction *Wage and Salary Workers* and All Wage and Salary Workers by Level of Precariousness in Guatemala, 2013

	Not precarious	Low precariousity	Medium precariousity	High precariousity	Total
Men	3.0	11.3	19.2	66.5	100.0
Women	24.4	19.9	0.0	55.7	100.0
Total construction	3.2	11.4	19.0	66.4	100.0
All workers	16.9	16.9	12.3	53.9	100.0

Source: ENEI, I-2013

Table 14CR. Percentage of Construction *Wage and Salary Workers* and All Workers by Level of Precariousness in Costa Rica, 2014

	Not precarious	Low precariousity	Medium precariousity	High precariousity	Total
Men	37.5	24.3	31.4	6.8	100
Women	66.5	24.8	3.6	5.1	100
Total construction	38.9	24.3	30.1	6.7	100
All workers	58.3	19.0	19.7	3.0	100

Source: ECE 1-2014

Table 15G. Percentage of Construction *Wage and Salary Workers* and All Wage and Salary Workers with Access to Certain Benefits and Schedules in Guatemala, by Level of Precariousness 2013

Benefit	Not precarious	Low precariousity	Medium precariousity	High precariousity	Total construction	All workers
Vacations	74.7	67.6	42.5	50.5	52	64.4
Family leave days	81.5	79.9	57.2	62.5	64.1	73.2
Sick days	92.9	77.8	56.4	62.9	64.3	74.1
Maternity/paternity leave	68.3	75.6	57.2	58.7	60.7	71.1
Private insurance	3.1	12.4	4.0	0.0	2.3	8.4
Annual longevity bonus ("Bono 14")	86.3	52.8	7.0	3.1	12.2	35.5
Annual holiday bonus ("Aguinaldo")	89.5	57.3	7.0	3.1	12.8	35.9
Vacation pay	0.0	1.2	0.0	0.0	0.2	6.1
Productivity bonus	0.0	2.2	1.2	0.0	0.5	2.7
Works > 60 hours/week	38.2	52.4	18.6	23.6	26.5	29.0
Works <40 hours/week	0.0	0.0	2.3	1.9	1.7	13.7
Wishes to work more hours	46.5	9.6	17.6	37.3	30.7	23.2
Wishes to change jobs	32.6	16.1	18.1	41.8	34.0	26.9

Source: ENEI, I-2013

Table 15CR. Percentage of Construction *Wage and Salary Workers* and All Wage and Salary Workers with Access to Certain Benefits and Schedules in Costa Rica, by Level of Precariousness 2013

<i>Benefit</i>	<i>Not precarious</i>	<i>Low precariousness</i>	<i>Medium precariousness</i>	<i>High precariousness</i>	<i>Total construction</i>	<i>All workers</i>
Sick days	99.5	52.8	10.4	4.3	55.0	75.0
Annual holiday bonus ("Aguinaldo")	90.8	58.4	59.3	0.0	67.3	78.8
Vacation pay	95.5	35.1	2.1	0.9	46.4	72.6
Workers' comp insurance	95.7	56.6	9.0	5.1	54.1	64.3
Overtime premium	79.2	31.1	13.3	1.3	42.4	42.2
Wage fluctuation	82.3	63.7	45.9	31.2	63.4	78.8
Schedule fluctuation	93.9	87.8	43.0	36.8	73.2	78.0
Works 60 or more hours/week	64.1	60.8	79.5	68.4	68.2	71.1
Works <40 hours/week	99.2	95.2	69.3	83.6	88.2	73.4
Wishes to work more hours	56.2	66.8	40.0	62.6	54.4	69.8
Wishes to change jobs	67.1	50.8	31.2	41.6	50.6	64.8

Source: ECE 1-2014

Table 16G. Percentage of Construction *Wage and Salary Workers* and All Wage and Salary Workers Exposed to Certain Working conditions in Guatemala, 2013

<i>Exposed to:</i>	<i>Not precarious</i>	<i>Low precariousness</i>	<i>Medium precariousness</i>	<i>High precariousness</i>	<i>Total construction</i>	<i>All workers</i>
High temperatures	11.1	24.2	40.1	34.1	33.4	21.5
Dampness	14.3	22.1	36.4	23.8	25.7	14.7
Noise	14.3	22.1	36.4	23.8	25.7	14.7
Vibrations	14.3	25.7	24.9	18.5	20.4	10.2
Inadequate light	10.9	5.1	10.4	8.7	8.7	5.5
Toxic substances	11.1	13.6	11.3	5.1	7.5	9.5
Smoke and dust	18.4	43.3	63.7	53.1	52.9	26.7
Has protective clothing or equipment	100.0	100.0	89.6	74.4	83.4	21.5

Source: ENEI, I-2013

Table 17G. Percentage of *Wage and Salary* Construction Workers and All *Wage and Salary* Workers Affiliated with Unions, by Level of Precariousness, in Guatemala, 2013

		<i>Not precarious</i>	<i>Low precarity</i>	<i>Medium precarity</i>	<i>High precarity</i>	<i>Total</i>
Construction	<i>Union member</i>	10.5	0.0	0.0	0.0	0.3
	<i>Non- member</i>	89.5	100.0	100.0	100.0	99.7
<i>All workers: Union member</i>		10.0	3.9	0.4	0.1	2.4

Source: ENEI, I-2013

Table 18CR. Percentage Distribution of Level of Precariousness of *Wage and Salary* Construction Workers and All *Wage and Salary* Workers by Tenure in Current Job, in Costa Rica, 2014

<i>Tenure</i>	<i>< 3 months</i>	<i>3-11 months</i>	<i>1-4 years</i>	<i>5-9 years</i>	<i>10+ years</i>	<i>Total</i>
Not precarious	19.9	37.9	68.8	74.2	55.2	51.2
Low precarity	48.6	25.1	17.4	23.6	44.8	28.6
Medium precarity	24.5	30.8	12.8	1.6	0.0	17.0
High precarity	7.0	6.3	1.0	0.7	0.0	3.3
Total	100	100	100	100	100	100
<i>Percentage of all workers</i>	12.3	13.1	36.4	17.7	20.6	

Source: ECE, 1-2014

Table 19CR. Percentage Distribution of Level of Precariousness of *Wage and Salary* Construction Workers and All *Wage and Salary* Workers by Skill Level in Current Job, in Costa Rica, 2014

<i>Skill level</i>	<i>Low</i>	<i>Medium</i>	<i>High</i>
Not precarious	18.6	58.6	95.0
Low precarity	25.0	31.7	3.8
Medium precarity	48.1	3.3	1.2
High precarity	8.3	6.4	0.0
Total	100	100	100
<i>Percentage of all workers</i>	28.6	48.3	23.8

Note: Excludes 182 cases with unknown skill level.

Source: ECE, 1-2014

Table 20G. Male *Non-Wage-and-Salary Workers* in Construction and All Industries, Percentage Distribution of Level of Precariousness as Defined by Monthly Earnings Level, Guatemala, 2013

<i>Level of monthly earnings precariousness</i>	<i>Men</i>	<i>All workers</i>
Earnings equal to or above the minimum wage	36.8	16.5
Earnings between 0.5 and 1 minimum wage	27.2	70.9
Earnings below 0.5 minimum wage	36.0	12.6
Total	100.0	100.0

Note: Non-wage-and-salary includes employers, self-employed, and unpaid workers.

Source: ENEI, I-2013

Table 20CR. Male *Non-Wage-and-Salary Workers* in Construction and All Industries, Percentage Distribution of Level of Precariousness as Defined by Monthly Earnings Level, Costa Rica, 2013

<i>Level of monthly earnings precariousness</i>	<i>Men</i>	<i>All workers</i>
Earnings equal to or above the minimum wage	57.4	40.8
Earnings between 0.5 and 1 minimum wage	25.0	18.4
Earnings below 0.5 minimum wage	19.6	40.7
Total	100.0	100.0

Note: Non-wage-and-salary includes employers, self-employed, and unpaid workers.

Source: ECE, 1-2014

Table 21G. *Non-Wage-and-Salary Workers* by Type of Worker in Construction and All Industries, Percentage Distribution of Level of Precariousness as Defined by Monthly Earnings Level, Guatemala, 2013

<i>Level of monthly earnings precariousness</i>	<i>Employers</i>	<i>Self-Employed</i>	<i>Unpaid workers</i>
Earnings equal to or above the minimum wage	93.9	29.8	--
Earnings between 0.5 and 1 minimum wage	6.2	26.9	--
Earnings below 0.5 minimum wage	--	43.3	100.0
Total	100.0	100.0	100.0
<i>Percentage of all non-wage-and-salary workers</i>	13.4	81.3	5.3

Note: "Self-employed" have no employees

Source: ENEI, I-2013

Table 21CR. *Non-Wage-and-Salary Workers* by Type of Worker in Construction and All Industries, Percentage Distribution of Level of Precariousness as Defined by Monthly Earnings Level, Costa Rica, 2013

<i>Level of monthly earnings precariousness</i>	<i>Employers</i>	<i>Self-Employed</i>	<i>Unpaid workers</i>
Earnings equal to or above the minimum wage	96.5	52.4	--
Earnings between 0.5 and 1 minimum wage	3.5	28.9	--
Earnings below 0.5 minimum wage	0	18.7	100.0
Total	100.0	100.0	100.0

Note: "Self-employed" have no employees

Source: ENEI, I-2013

Table 22CR. Selected business and work characteristics of self-employed and employers in construction in Costa Rica, 2014

<i>Business and work characteristics</i>	<i>Construction</i>	<i>All</i>
Does not keep formal accounts	58.4	70.8
Not registered with the government	68.4	85.5
Does not rent or own a separate office space	61.9	54.9

Does not hire workers on a permanent basis	66.2	67.2
Wishes to work more hours ¹	44.8	33.7
Wishes to change jobs ¹	31.7	25.2

¹Includes unpaid workers.

Source: ECE, 2014.

VII. APPENDIX: LIST OF INTERVIEWEES

Interviews are listed in chronological order.

Guatemala

Julio Diaz	Secretary General , Sindicato Nacional de Trabajadores de la Construcción y Servicios de Guatemala (SINCS-G)
Carlos Salguero	SINCS-G leader
Jose Luis	Executive Director, Centro Experimental para el Desarrollo de la Pequeña y la Mediana Empresa Rural (Experimental Center for Rural Small and Medium Enterprise Development, CEDEPM)/ Movimiento Tzuk Kim-Pop
Carla Contreras	Minister of Labor and Social Security, Guatemala
Alejandra Gordilla	Executive Secretary , Consejo Nacional de Atención al Migrante de Guatemala (Guatemalan National Council for Migrant Services, CONAMIGUA)
Julia González Deras	Director, Mesa Nacional para las Migraciones en Guatemala (Guatemalan National Forum on Migration, MENAMIG)
Juan Francisco Mendoza	Director, Fundación Mario López Larrave
Luis Linares	Former Minister of Labor, Secretary General of ASIES (Association for Business Survey Research and Social Studies)
Jorge Santos	Centro Internacional de Investigaciones en Derechos Humanos (International Center for Research on Human Rights)
Carlos Salguero	Former Secretary General of SINCS-G, member of Advisory Committee SUNTRACS
Alexander Sosa	Youth Secretary of SINCS-G
Three anonymous union officials	
Carlos Ulbán	Vice Minister of Labor
José Angel Ortiz	General Subdirector, Ministry of Labor
Erick Morales	Coordinator of Labor Observatory, Ministry of Labor
Collective interview	6 union leaders of the Coordinadora Sindical del Sur-Occidente (Union Coalition of the Southwest, COSINSO) and two youth leaders of the SINCS-G

Costa Rica

Dr. Abelardo Morales	Professor, Facultad Latinoamericana de Ciencias Sociales-Costa Rica (FLACSO)
Arq. Marian Pérez	Director for Housing and Human Settlements, Costa Rican Ministry of Housing

Ing. Sonia Vargas	Centro de Investigación en Vivienda y Construcción (Center for Research on Housing and Construction, CIVCO), Instituto Tecnológico de Costa Rica
Ing. Rolando Fournier	Centro de Investigación en Vivienda y Construcción, CIVCO, Instituto Tecnológico de Costa Rica
Alexander	Construction worker with 40 years of uninterrupted experience in the sector
Alonso	SUNTRACS organizer
Anonymous construction workers. Collective interview with 6 Nicaraguan Workers	
Miguel Marín	SUNTRACS Secretary General
Lic. Fidelina Mena	Lead Attorney of the Migrant Section of the Asociación Nacional de Empleados Públicos y Privados (National Association of Public and Private Employees, ANEP)
Lic. Johnny Ruiz	Director of Department of Labor Migration, Ministry of Work and Social Security
Rodrigo Aguilar	Union leader, Central de Trabajadores Rerum Novarum
Ing. María Lourdes Medina	Occupational Safety and Health, Instituto Tecnológico de Costa Rica



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