

## **Current State of Guatemalan Employment**

The total unemployment rate in Guatemala is 2.5%, according to the National Statistics Institute, INE, which is equivalent to some 179,000 people of the employed population of 6.9 million. Among the economically active employed population of 6.9 million, 4.6 million are men and 2.3 million are women.

The working-age population was 12 million; the economically active population is 7.1 million; the economically inactive population 4.8 million. However, according to the (Census related) National Survey of Employment and Income, ENEI, it is striking that visible or hourly underemployment (part-time employment) is 667 thousand people, representing 9.7% of the economically active. That 9.7% or 667,000 is broken down into 402,815 men and 265,145 women.

### **Variables by gender and area**

The variable of hourly underemployed and unemployed, is hitting more people who have completed a full diversification (high school). That is, they have prepared themselves in their studies, but cannot get a full-time job or are unwilling to accept part-time hour jobs.

Luis Linares López, analyst at the Social Studies Research Association (ASIES), explained that people who have a high school education cannot find a full-time job and are forced to work in part time positions. There are not enough available jobs, for young people especially for the more educated.

That is, they have prepared themselves in their studies, but cannot get a full-time job or accept part-time or shorter-hour jobs. ENEI indicates that among the underemployed population of 402,815 men, 18.9% are high school graduates. Among the underemployed population of 265,145 women, 20% are high school graduates.

"People prepare and do not find a job opportunity and that is where the problem of migration arises, because the labor market does not generate enough jobs," López said. In addition, it means that promoting part-time work is not the solution since the number of young people who want to work a full /ordinary day is high.

Every year about 200 thousand young people join the labor market. The employed population according to economic activity is: 31.9% is in agriculture; 26.9% in commerce; 11.5% in manufacturing industry; 9.2% in public administration activities; 7.8% in service activity; and 7.5% in construction.

### **Informality predominates**

By economic sector, ENEI indicates that 70.2% are employed in the informal sector (characterized by not earning a stable salary, not being covered by social security, not having access to health insurance, not paying income tax, being of low income, usually paid in cash, often piecing together more than one job to make ends meet, (seven out of 10 workers). And three out of ten workers, or 29.8% are employed in the formal (salaried with benefits) sector.

The percentage of informal employment in various areas is: urban areas, 79%; rural areas, 74.6%; and the urban metropolitan areas, 44%. In the same order, but in the formal sector, it is 21% for urban areas; 25.4% in rural areas; and 55.8% in the metropolitan urban areas. ENEI determined that, in the informal sector, the breakdown of economic activities is: 40.9% agriculture, 28.3 % commerce, 9.4% manufacturing industries 8.7%, construction 8.7% and 9.9% other service activities The overall average monthly income for employed persons is Q2 thousand 352 (\$316.60). For the informal sector it is Q1 thousand 688 (\$225.06) per month, and for the formal sector it is Q3 thousand 650 (\$486.66) per month.