Centre for Trade and Economic Integration (Geneva Graduate Institute) and
World Trade Institute (University of Bern)

A sustainability analysis on the social dimension of sustainable development in the context of the possible EFTA-Mercosur free trade agreement

Final report

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Disclaimer: This report was prepared for the State Secretariat for Economic Affairs (SECO). It was mostly conducted during the second half of 2024 and thus does not reflect social and human rights related developments since the beginning of 2025. The report was slightly updated on specific provisions of the treaty following the official signing of the agreement in July 2025. Views represented here are those of the authors alone.

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List of Abbreviations

ARG	Argentina
Art.	Article
BIT	Bilateral Investment Treaty
BRA	Brazil
CEACR	Committee of Experts on the Application of Conventions and Recommendations
CGE	Computable General Equilibrium
CHE	Switzerland
CIMI	Indigenist Missionary Council
CLT	Consolidation of Labour Laws
CNODS	National Commission for Sustainable Development Objectives (Brazil)
COVID	Coronavirus disease
CSR	Corporate Social Responsibility
ECLAC	United Nations Economic Commission for Latin America and the Caribbean
ECOSOC	United Nations Economic and Social Council
EFTA	European Free Trade Association
e.g.	for example
EMFTA	EFTA-Mercosur Free Trade Agreement
ESF	Brazilian Family Health Strategy
Et al.	and others
EU	European Union
EvA	Evidence to Action
FCES	Economic Social Consultative Forum of Mercosur
FTA	Free Trade Agreement
FUNAI	National Foundation for the Indigenous (Brazil)
GHG	Greenhouse gas emissions
GSP	Swiss Generalized System of Preferences
GDP	Gross domestic product
GMOs	Genetically modified organisms
GSIM	Generic Statistical Information Model
GTAP	Global Trade Analysis Project
HIV	Human Immunodeficiency Virus
HR	Human Rights
HRIA	Human-Rights Impact Assessment
IACHR	Inter-American Commission of Human Rights
IBGE	Brazilian Institute of Geography and Statistics
ICESCR	International Covenant on Economic Social and Cultural
ILO	International Labour Organisation
INAI	National Institute for Indigenous Issues (Argentina)
INCRA	National Colonization and Agrarian Reform Institute (Brazil)
INDI	Paraguayan Indigenous Institute
IPR	Intellectual Property Rights
ITUC	International Trade Union Confederation
LAC	Latin America and Caribbean
LAS	Trade Union Associations

LSE	London School of Economics
MERCOSUR	Argentina, Brazil, Paraguay, and Uruguay
MFN	Most Favoured Nation
MIC	Ministry of Industry and Commerce (Paraguay)
MRIO	Multi-Region Input output
MTESS	Ministry of Labour, Employment and Social Security (Paraguay)
NGO	Non-governmental organisation
NH_3	ammonia
NMVF	Non-methane volatile organic compounds
No.	Number
NORMLEX	Information System on International Labour Standards
NTMs	Non-tariff measures
OECD	Organisation for Economic Co-operation and Development
PAHO	Pan American Health Organisation
PHSSR	Partnership for Health System Sustainability and Resilience
PM_{10}	Inhalable particulate matter with an aero-dynamic diameter of 10 micrometers or less
PnadC	National Continuous Household Survey of the Brazilian Institute of Geography and Statistic
pp	pages
PRY	Paraguay
PTAs	Preferential trade agreements
R$	reais (Brazilian currency)
RBCLAC	Responsible Business Conduct in Latin America and the Caribbean
RIGI	Incentive Regime for Large Investments (Argentina)
SDG	Sustainable Development Goal
SIA	Sustainability Impact Assessment
SMEs	Small and medium enterprises
SO_2	Sulfur dioxide
SUAS	unified social assistance system (Brazil)
TRIPS	Agreement on Trade-related Aspects of Intellectual Property Rights
TRQs	Tariff rate quotas
TSD	Trade and sustainable development
UN	United Nations
UDHR	Universal Declaration of Human Rights
UNDP	United Nations Development Program
UN GA	United Nations General Assembly
UPOV	International Convention for the Protection of New Varieties of Plants
URY	Uruguay
US	United States
USD	US dollar(s)
USMCA	United States-Mexico-Canada Agreement
WTI	World Trade Institute

Executive summary

This report provides a sustainability impact assessment (SIA) on the social dimensions of the envisaged EFTA-Mercosur free trade agreement (EMFTA thereafter). Conducted mostly during the second half of 2024, with minor adjustments after the signature of the agreement in July 2025, it builds on a prior SIA study that primarily focused on economic and environmental dimensions (WTI, 2020). It is anchored on a computable general equilibrium (CGE) analysis based on information from draft agreement texts provided during the negotiations and estimates the overall and sectoral impacts of the agreement. The report then complements the quantitative findings based on a set of indicators with a largely qualitative approach. It first provides a description of the baseline situation on key social and human-rights issues in the respective countries, with a focus on Mercosur countries. It then identifies current draft provisions of the negotiated EFTA-Mercosur agreement with the greatest relevance for social issues. Third, based on the two preceding steps and in particular the wage and employment effects estimated by the CGE modelling, it discusses the potential impact of the EMFTA on social dimensions, combining desk research with insights from targeted stakeholder consultations conducted in the four Mercosur countries as well as a more limited consultation in Switzerland.

Our quantitative analysis corroborates the Federal Council's expectations of limited impact on trade flows of additional free trade agreements concluded by Switzerland.[1] Our CGE modelling estimates minor trade changes, especially for MERCOSUR, with a 0.12-0.13% increase in both exports and imports, and a 0.31-0.33% increase in Switzerland's exports and imports. In terms of social impact, overall, real wages are not expected to change significantly but results show positive effects. Switzerland realizes increases in real wages across all groups and particularly for the agricultural sector and unskilled workers (i.e., machinery operators in industrial sectors as well as agricultural workers) of 0.17%. For Argentina, Brazil, Paraguay and Uruguay, increases are smaller but among those Uruguay experiences the largest gains. We observe sectoral variation in the number of jobs as well as in real gross wage payments. Across sectors, Switzerland has the largest sectoral variation. Textiles, chemicals and chemical products and motor vehicles experience the largest increases. Mercosur members see small employment increases in textiles and leather products, and moderate negative effects in pharmaceuticals and medical products.

Our qualitative assessment of the expected impact of EMFTA on social dimensions focuses mainly on labour and some fundamental human rights (right to health, right to food, right to and adequate standard of living). This part is based on a mix of approaches, including mapping domestic conditions, ongoing social policies, a discussion of the draft treaty obligations as well as a stakeholder survey and consultation. It finds that little aggregate change should be expected from the anticipated implementation of the treaty. This is mostly due to the similarity and overlap of the relevant provisions of the treaty with existing commitments of parties through their adherence to multilateral or bilateral instruments. Our stakeholder consultation strategy, relying on interviews, online questionnaires and focus group discussions, identifies a variety of concerns regarding the expected impact of EMFTA but most of them stem from a lack of information on the content of EMFTA and are coloured by the parallel negotiations of Mercosur with the European Union. Therefore, stakeholders expect higher trade flows impacts than our CGE models suggest. Discussions with stakeholders highlight the key role of domestic policies and flanking mechanisms to accompany trade liberalization, as well as the importance of cooperation and monitoring procedures, and knowledge and information transfer, in support of the overall state of labour and human rights.

[1] See the response to Postulate 19.3011 (Bundesrat 2022).

1 Introduction

This report provides a sustainability impact assessment (SIA) of the EFTA-Mercosur free trade agreement (EMFTA thereafter).[2] The potential effects on Mercosur countries and Switzerland on social parameters are discussed.[3] Conducted during the second half of 2024, it follows existing methodologies to carry out sustainability analyses, including human-rights research assessment (HRIA). The first part of the study presents findings from a computable general equilibrium (CGE) analysis of the planned agreement conducted by the World Trade Institute in 2020 (WTI 2020). Given the availability of new data and the restricted coverage of the original 2020 study, the report extends the analysis to the current period and provides additional insights on selected social and human-rights effects. The second and largest part of the assessment follows a qualitative approach. It first provides a description of the baseline situation on key social and human-rights issues in Mercosur countries. It then identifies current provisions of the negotiated EFTA-Mercosur agreement with the greatest relevance for social and human-rights issues. Third, based on the preceding steps, and on a broad stakeholders' consultation process, it assesses the potential impact of the EMFTA on social and human-rights dimensions

2 Quantitative benchmark: estimation of macro-economic and labour market impact

2.1 Methodological approach

The first results presented in this study rely on a computable general equilibrium (CGE) model to estimate the macroeconomic and sector level economic effects. The CGE model computes changes in the allocation of activities, intermediate inputs, labour, and natural resources across sectors and regions resulting from a policy shock, in this case the entry into force of EMFTA. We provide a quick overview of the changes from an economic and trade perspective (gross domestic product, imports or exports) and then focus on social results (employment and wage effects by sex, urban-rural or subnational units). We briefly allude to a set of environmental results with a potential link to health. Several national and international databases are also used to retrieve information for social and environmental indicators. The analysis also takes advantage of what is called multi-region input output (MRIO) analysis of the benchmark database, as well as the counterfactual database (meaning the post-EMFTA database) generated by the CGE analysis. MRIO analysis makes possible the tracing of resource and embodied emission flows across global value chains. The negotiated outcome in trade in goods of the EMFTA (tariff concessions) serves as the input into the CGE model to compute the changes in economic activity, employment effects and social effects regarding wages by gender, geography (urban-rural) and environmental effects due to the EMFTA.[4]

[2] The study was conducted in the second half of 2024, with minor adjustments reflecting institutional dimensions of the signed agreement in July 2025t, and therefore does not reflect social and human rights related developments since the beginning of 2025.

[3] See the report of the Federal Council (Bundesrat 2022) for the rationale and unfolding of such assessments.

[4] The simulation uses the schedule of tariff commitments agreed upon in 2019. There have been only minor changes since then, namely an increase in tariff-free quotas for maize for animal feeding (from 7000 tons to 8000 tons), for vegetable oils (from 2000 tons to 3000 tons) and for red wine (from 35000 hl to 50000 hl). Those changes are too small to have any significant effect on the overall results of the simulation.

When it comes to market access, the most notable difference with the pre-existing situation lies in the fact that the new treaty makes current access conditions to the Swiss market internationally binding. Short of EMFTA, while all MERCOSUR States are classified as developing countries according to the Swiss Generalized System of Preferences (GSP) and receive preferential tariff treatment, this could change with a change of status of those countries. Also, the Swiss approach to offering GSP is a unilateral decision in nature and concessions could be revoked. Moreover, the agreement is also extending current market access for a few products such as wine, vegetable oils or meat among others, and securing the zero tariffs for industrial goods adopted unilaterally in 2024.[5] As to market access in MERCOSUR, Swiss exports of goods benefit from improved conditions, with the gradual elimination of all tariffs. For agricultural products, the changes in market access under the EMFTA translate into relatively small socio-economic and sustainability impacts, as detailed below.[6]

2.2 Summary of main results

On a macroeconomic scale, the EMFTA would result in a positive, albeit minor change in real GDP for all partner countries, with an estimated 0.06% increase in Switzerland's real GDP, and a 0.01% increase for overall MERCOSUR real GDP. Trade changes are also minor, especially for MERCOSUR, with a 0.12-0.13% increase in both exports and imports, and a 0.31-0.33% increase in Switzerland's exports and imports.

Turning to the social impact of the EMFTA, overall, real wages are not expected to change significantly but results show positive effects. Switzerland realizes increases in real wages across all groups and particularly for agriculture and unskilled workers (i.e., machinery operators in industrial sectors as well as agricultural workers). For Argentina, Brazil, Paraguay and Uruguay increases are smaller but among those countries Uruguay experiences the relatively largest gains. The agreement also benefits third countries. Other EFTA countries (also part of the agreement) experience gains like those in Switzerland with positive impacts on agricultural and unskilled workers. Employment and wages will see a minor increase for both skilled and unskilled workers.

Focusing on real wage payments in Switzerland, we expect an average increase of 0.08%. We estimate increases of almost 70 million US$ in real wages paid in the sector of chemicals and chemical products, also almost 70 million US$ in the sector of pharmaceutical and medicinal products, increases of 90 million US$ in other machinery and equipment, while non-ferrous metals see a decrease in total wage payments of 25 million US$. Regarding services sectors, trade and warehousing wage payments increase by 70 million US$ while government and other services increase by 100 million US$. However, there are decreases for finance, insurance and real estate sectors as well as other business services. These effects in millions of US$ are a result of how large a sector is in the economy regarding its market value is, but changes at the

[5] This additional liberalisation (decision being implemented in 2024 to offer zero tariffs on industrial goods) was not included in the original design of the simulation, therefore we run an additional analysis based on a GSIM Model (a multi-region sector specific model). In the Annex V: Changes in Swiss industrial tariffs, the effects for textiles and apparel sectors including the additional liberalisation. Table 13 in Annex V shows that the effects are almost identical as the primary driver of changes in output for these sectors is the mix of non-tariff measures (NTMs) and MERCOSUR tariffs rather than Swiss tariffs.

[6] Please see Annex II: Estimation of the TRQ impacts on trade volumes for more details on tariff rate quota modelling.

sector level as mentioned above are small. It is important to keep in mind that these changes are driven by both changes in employment and changes in wages.[7]

Employment by gender varies across sectors, women are more prevalent in some sectors and men in others. This means changes in employment at the sector level will have a different aggregate impact on labour market outcomes for each group. To interpret further disaggregation of employment effects, we have to note that in the CGE model, labour supply is fixed. To be more specific, the labour market is modelled based on a fixed labour supply implying that the total number of workers available in the economy is constant. Wages adjust to ensure that labour demand equals labour supply in each segment of the market. The demand is derived from firms' profit-maximizing behaviour where they chose the optimal mix of labour and capital and other inputs given production technology and input prices. It changes based on output demand, technology and policy interventions. Labour, however, can move freely across sectors (and across sub-national regions within a country) ensuring equalized wages for similar work. The results are obtained homogeneously for men and women as this differentiation cannot be included in the modelling process for all the countries due to the lack of cross-country comparable data. However, after the model results are obtained, we make additional calculations for MERCOSUR and Switzerland using available additional data from statistical services in Latin American countries such as the United Nations ECLAC Cepalstat database, Eurostat, and the Federal Statistical offices. This data is used to split the percentage changes in employment retrieved from the CGE results. In this procedure, we aggregate the CGE sectors to a higher level of aggregation for which we have information on employment by gender, and we put these figures and the CGE changes in relation in the graphs below.[8]

Regarding further disaggregation of employment levels by gender in Switzerland, we can observe that the manufacturing industry is the one that experiences most of the increases. This is a male dominated sector which occupied 25% of men who will receive an increase of 0.22% on average, while less than 10% of women receive those gains. The services sector which is a female dominated one occupying more than 60% of women experience decreases in employment of 0.12% which would affect them negatively.

In contrast to Switzerland, across Mercosur countries agriculture, other services and transport sectors are positively impacted while manufacturing slightly declines. There is a minor reallocation of manufacturing activities to Switzerland and agricultural and services activities to Latin America. Regarding gender disaggregation, men experience notable declines in manufacturing which is also a male-dominated sector while women are exposed to benefits arising from increases in the "other services" sector. These patterns are similarly observed across all the countries, but it will be particularly relevant for Brazil, Paraguay or Uruguay with increases of 0.03% in the services sector. Men may benefit more from the increases in the agricultural sector, this impact is small for Argentina which occupies less than 1% of the population in this sector, but it will be large for Brazil as around 12% of the men population will see an increase of 0.02%. Similarly, 12% of the Uruguayan men will experience an increase of 0.03%.

[7] These changes are calculated as follows: ((percentage change in wages across occupation + percentage change in the number of jobs)/100) *Volume or magnitude of that sector in the economy. We do this by occupation and then we aggregate across all occupations summing all the effects

[8] Sources and mappings at the sector level can be seen in Annex I: Data sources and mapping of sectors (for CGE modelling).

Focusing on geography differentiated by urban and rural regions and the changes in employment levels, the largest differences can be observed in agriculture and other services sectors. Rural areas tend to benefit from increases in agriculture while urban areas benefit more from other services. As a result, men in rural areas benefit from higher employment levels while in urban areas women are the ones favorably exposed to increases in employment levels. Particularly, expected changes in other services are largest for Brazil and Uruguay while in agriculture Uruguay may experience the largest positive effects. The decreases in manufacturing affect more men than women and especially those living in urban areas. Argentina is the country that is exposed to the largest decreases in manufacturing around 0.12% affecting around 10% of women and 14% of men.

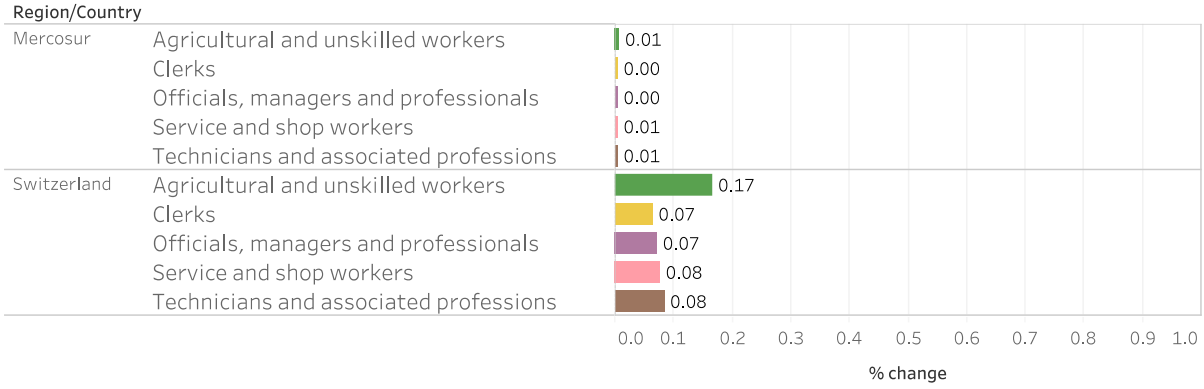
As health-related outcomes are also a dimension of the assessment, we have also considered the environmental effects of the EMFTA that can be linked to changes in human health. Following the pattern for GHG emissions, estimates indicate that air pollution will not change significantly neither in the whole world with 0.00% change nor in the MERCOSUR countries (generally ±0.0%), while percentage changes in air pollution indicators for Switzerland are between 0.1% and 0.3%, with NH_3 (ammonia) increasing by 0.13%, NMVF (Non-methane volatile organic compounds (long cycle carbon) by 0.2%, SO_2 by 0.3%, and PM_{10} by 0.17%. These changes are driven by a small, estimated increase in overall Swiss manufacturing activities, as discussed above. For the world, and for the rest of the world, the changes are negligible for all air pollutants (consistently ±0.0%). Other environmental impacts regarding land use, natural resources biodiversity and water resources are not factored in due to small changes. Regarding water use and biodiversity risks, if agricultural trade increases there can be small negative impacts.[9]

2.3 Social effects: employment and wage effects

Figure 1 below provides an overview of the results using the CGE model for real wages across all sectors and different types of occupations (agricultural and unskilled workers, clerks, managers, service and shop workers and technicians). Overall, real wages are not expected to change significantly but results show positive effects. Switzerland realizes increases in real wages across all groups and particularly for agriculture and unskilled workers of 0.17%. This could imply a decrease in wage inequality as this group of workers tend to be in the lower bottom of the income distribution. For Argentina, Brazil, Paraguay and Uruguay increases are smaller but among those Uruguay experiences the largest gains. The agreement also benefits third countries. Other EFTA countries (also part of the agreement) experience gains similar to those in Switzerland with higher gains for agricultural and unskilled workers. Employment and wages slightly increase for both skilled and unskilled workers.

[9] For more details on this please see Annex IV: Results of CGE modelling for environmental effects related to human health. Changes in emissions in both GHG and other pollutants emissions depends on the underlying emission intensity of the economies that are modelled. As discussed in WTI (2020) the trade agreement may lower the access costs to cleaner technologies.

Figure 1: Changes in real wages (in %)



Source: Own calculations using GTAP.

The analysis, following the approach used in the previous report (WTI 2020), was done for 43 sectors that include primary, manufacturing and services sectors. In the annex tables, we have separated the results for each of the occupations and sectors. We observe sectoral variation in the number of jobs as well as in real gross wage payments. The pattern across sectors is driven not only by market access changes in particular sectors, but also the relative variation in market access gains across sectors. This is because expansion of some sectors requires the contraction of others as overall resource constraints apply to each economy overall. These are known as general equilibrium effects.

- Across all jobs in all sectors, Switzerland experiences the largest sectoral variation. Textiles, chemicals and chemical products and motor vehicles experience the most notable increases. Mercosur members see small employment increases in textiles and leather products, and negative effects in pharmaceuticals and medicinal products which is explained by the reallocation of manufacturing activities to Switzerland and agricultural and services activities to the Latin American countries. Other manufacturing activities that experience increases in Switzerland contrary to Mercosur countries are other machinery and equipment, motor vehicle parts, computer and electronics and metal products. Some differences are also visible when we focus on real gross wage payments in millions of US$. Switzerland experiences an average of 0.08% increase which underlines sectoral heterogeneity as can be seen in Table 1. Individuals move from sectors with lower wages to sectors with higher wages where labour demand is higher until wages are equalized. In terms of real wage payments (see Table 2), due to the relevance of certain manufacturing sectors in the economy and differences in market access gains toward those sectors,[10] chemicals and chemical products, pharmaceutical and medicinal products experience increases in wage payments of almost 70 million US dollars (US$) in real wages paid, other machinery and equipment see an increase of 90 million US$, while non-ferrous metals see a decrease in total wage payments of 25 million US$. Regarding services sectors, trade and warehousing wage payment increase by 70 million US$ while government and other services increase by 100 million US$. However, there are projected decreases for finance, insurance and real estate as well as other business services. These effects in millions of US dollars are a result of how large a sector is in the economy regarding its market value, however, changes at the sector level as mentioned above are small.

[10] See WTI (2020).

Table 1: Changes in number of jobs across sectors (in %)[11]

	CHE		ARG	BRA	PRY	URY
	Switzerland	**MERCOSUR**	**Argentina**	**Brazil**	**Paraguay**	**Uruguay**
Primary sectors						
Wheat		-0.03	-0.06	-0.07	-0.05	-0.03
Vegetables, fruit & nuts	-0.14	0.00	0.02	-0.08	-0.03	0.03
Oil seeds	0.19	0.02	0.04	0.03	0.03	0.04
Cattle	0.03	0.02	0.02	0.04	0.04	0.06
Forestry	-0.05	-0.01	-0.01	0.01	-0.01	0.02
Other primary activities	0.01	0.01	0.01	0.04	0.00	-0.07
Other mining extraction	-0.06	0.02	0.02	0.03	0.01	0.02
Energy	-0.05	0.08	0.02	0.04	0.03	0.10
Manufacturing sectors						
Cattle meat products	0.02	0.01	0.01	0.03	0.04	0.07
Other meat product	-0.09	0.02	0.03	0.14	-0.01	0.01
Milk & dairy products	0.30	-0.14	-0.06	-0.08	0.00	-0.71
Vegetable oils & fats	2.09	0.04	0.05	-0.06	0.06	0.00
Processed rice and sugar	-0.73	0.00	0.00	0.03	0.02	0.07
Other processed food	0.38	-0.04	-0.06	-0.24	-0.29	0.00
Beverages & tobacco products	-0.04	0.01	0.01	-0.01	0.00	0.06
Textiles	1.02	0.03	0.02	0.06	-0.10	0.73
Wearing apparel	0.07	0.11	0.13	0.09	-0.04	0.32
Leather products	-0.20	0.09	0.12	0.22	0.08	0.43
Wood products	-0.14	0.00	-0.01	0.02	0.01	0.01
Paper & Paper Products	0.01	-0.03	-0.04	-0.01	-0.02	-0.01
Chemicals & chemical prods	1.20	-0.05	-0.07	-0.05	0.02	0.01
Pharmac. & medicinal prods	0.20	-0.92	-1.17	-0.71	-0.42	-0.55
Rubber & plastics prods	0.16	0.01	0.02	0.00	-0.01	-0.04
Other non-metallic minerals	-0.03	-0.01	-0.02	0.00	0.01	0.01
Ferrous metals	0.13	0.05	0.07	-0.04	0.04	-0.03
Non-ferrous metals	-0.37	-0.03	0.02	-0.11	0.00	-0.26
Metal products	0.27	-0.06	-0.02	-0.05	-0.15	-0.31
Computer & electronic prods	0.16	-0.09	-0.09	0.03	0.10	0.01
Electrical equipment	0.18	0.06	0.05	0.14	-0.10	0.08
Other machinery & equipment	0.87	0.00	0.01	-0.24	-0.04	-0.04
Motor vehicles & parts	1.43	0.05	0.06	0.05	0.07	0.05
Other transport equipment	-0.53	0.25	0.18	0.18	0.18	0.11
Other manufactures	0.09	-0.09	-0.09	-0.19	-0.12	-0.32
Service sectors						
Utilities	-0.03	0.00	0.00	-0.02	0.06	0.00
Trade and warehousing	0.00	0.00	0.00	-0.01	0.00	0.00
Land transport	-0.18	0.01	0.00	0.00	0.01	0.03
Water transport	-0.13	0.25	0.13	0.10	0.01	0.10
Air transport	0.02	0.02	0.01	0.00	-0.04	0.12
Communication	-0.05	0.01	0.01	0.00	0.00	0.01
Finance, insurance & real estate	-0.13	0.00	-0.01	-0.01	-0.02	0.00
Other business services	-0.12	0.04	0.03	0.06	0.06	0.07
Recreation, accommodation & food	-0.08	0.00	0.00	0.01	0.00	0.02
Government and other services	-0.01	0.00	0.00	0.00	0.00	0.00

Source: Own calculations using data from GTAP.

[11] Labour can move freely, so individuals move to sectors with higher wages. The model is long run and there can be structural unemployment, but this is not affected by the simulations. Regarding the interpretation of the importance of change in a specific sector, the effect is just a matter of the size of the change and the magnitude of the sector in the economy.

Table 2: Changes in real gross wage payments across sectors (in million USD)[12]

	CHE		ARG	BRA	PRY	URY
	Switzerland	**MERCOSUR**	**Argentina**	**Brazil**	**Paraguay**	**Uruguay**
Primary sectors						
Wheat	0.02	-0.63	-0.44	-0.04	-0.13	-0.02
Vegetables, fruit & nuts	0.01	0.49	1.23	-0.74	-0.10	0.10
Oil seeds	0.11	6.63	5.20	1.04	0.37	0.01
Cattle	0.74	2.03	1.00	0.32	0.46	0.24
Forestry	0.32	-0.58	-0.69	0.01	0.00	0.10
Other primary activities	3.00	2.80	2.90	1.33	0.07	-1.50
Other mining extraction	0.45	1.82	1.40	0.02	0.01	0.39
Energy	0.19	11.61	1.68	0.00	0.06	9.87
Manufacturing sectors						
Cattle meat products	1.29	0.74	0.41	0.02	0.07	0.24
Other meat product	0.12	2.57	2.49	0.08	0.00	0.00
Milk & dairy products	7.76	-12.05	-3.23	-0.04	0.02	-8.80
Vegetable oils & fats	2.48	2.41	2.45	-0.07	0.02	0.01
Processed rice and sugar	-0.08	0.38	0.31	0.03	0.03	0.01
Other processed food	25.33	-9.94	-8.28	-0.64	-1.83	0.81
Beverages & tobacco products	0.59	1.21	0.86	0.00	0.01	0.34
Textiles	4.93	3.56	1.56	0.12	-0.03	1.90
Wearing apparel	0.51	19.35	18.55	0.44	-0.05	0.40
Leather products	-0.34	8.71	7.78	0.75	0.05	0.13
Wood products	-0.90	0.07	-0.39	0.10	0.03	0.33
Paper & Paper Products	3.43	-4.08	-4.21	0.01	-0.03	0.16
Chemicals & chemical prods	66.45	-7.56	-7.67	-0.03	0.03	0.12
Pharmac. & medicinal prods	67.97	-40.68	-38.91	-0.24	-0.35	-1.17
Rubber & plastics prods	6.82	2.51	2.77	0.01	-0.01	-0.25
Other non-metallic minerals	1.61	-1.65	-2.04	0.03	0.02	0.34
Ferrous metals	2.20	3.13	3.16	-0.02	0.01	-0.02
Non-ferrous metals	-24.95	-1.11	0.28	-0.05	0.00	-1.34
Metal products	23.79	-8.96	-2.76	-0.13	-0.14	-5.94
Computer & electronic prods	32.31	-11.56	-11.76	0.01	0.02	0.19
Electrical equipment	9.26	1.63	1.00	0.04	-0.02	0.61
Other machinery & equipment	94.82	0.27	0.72	-0.06	-0.04	-0.36
Motor vehicles & parts	14.86	10.26	9.60	0.01	0.05	0.59
Other transport equipment	-10.72	13.16	7.14	0.01	0.03	5.97
Other manufactures	20.53	-14.01	-10.06	-0.39	-0.20	-3.36
Service sectors						
Utilities	2.21	0.16	-1.61	-0.03	0.88	0.91
Trade and warehousing	69.27	4.44	-1.28	0.24	0.28	5.22
Land transport	-13.11	4.68	-0.21	0.07	0.24	4.58
Water transport	-0.26	14.38	6.76	0.05	0.00	7.58
Air transport	1.57	1.66	0.53	0.01	0.00	1.11
Communication	8.07	6.93	2.96	0.10	0.05	3.82
Finance, insurance & real estate	-25.04	-6.89	-9.11	-0.01	-0.52	2.74
Other business services	-26.84	44.53	17.07	0.20	0.66	26.60
Recreation, accommodation & food	6.82	8.05	1.17	0.65	0.21	6.01
Government and other services	105.70	3.25	-28.14	1.08	1.23	29.09

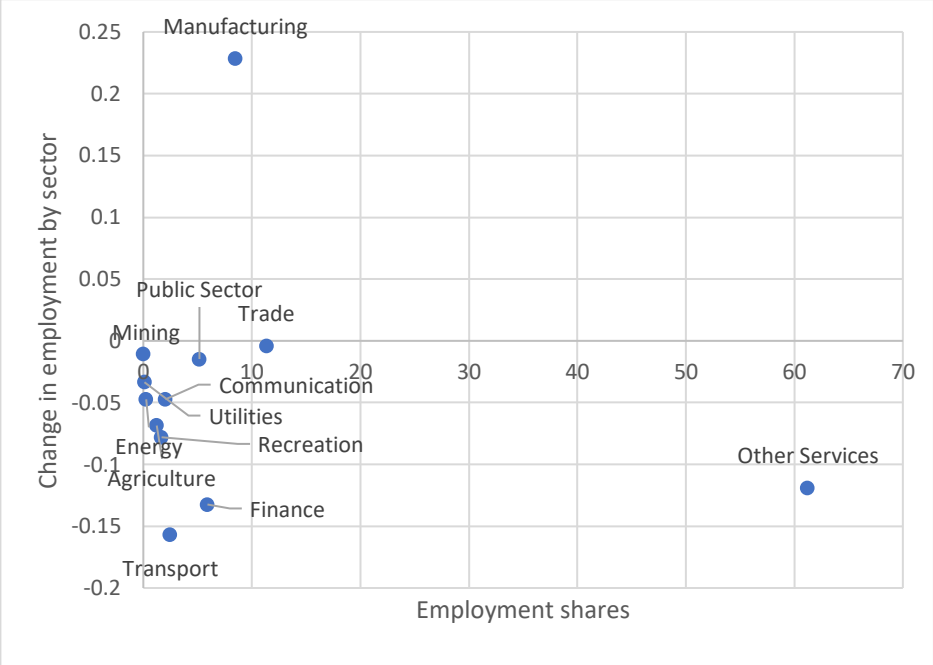
Source: Own calculations using data from GTAP. Impacts in millions of US $ are a factor of how large a sector is in the economy regarding its market value but changes at the sector level as mentioned above are small.

[12] Some of the changes in Table 2 may seem surprising, it is important to keep in mind, as emphasized when discussing the results in Table 1, that the effects in millions of US $ are conditioned by how large that sector is in the home economy.

2.3.1 Switzerland

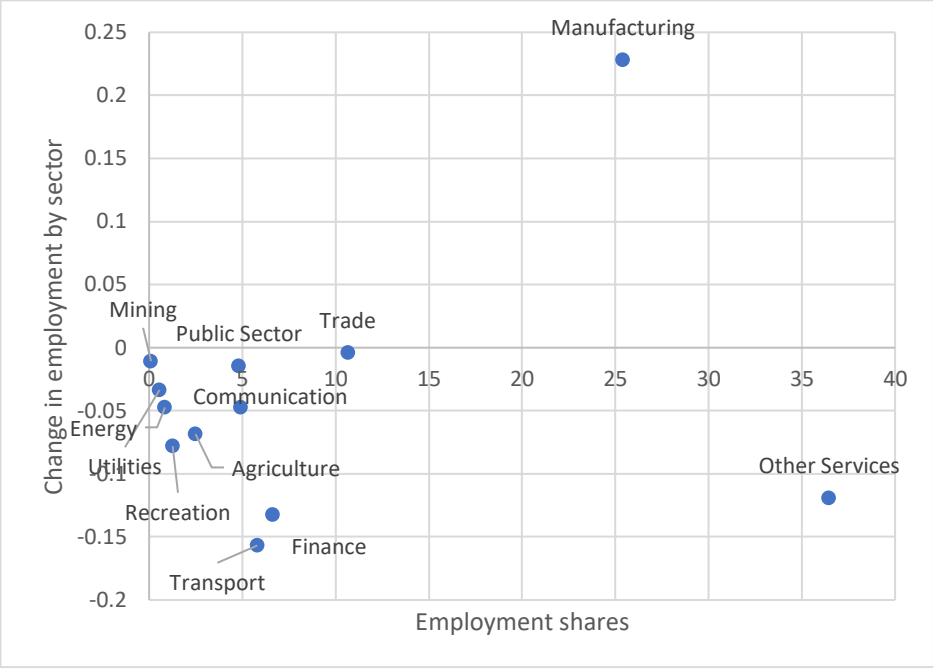
Figure 2 and Figure 3 below highlight the changes in the employed individuals by sector and by gender respectively. In the x-axis (horizontal axis), we have the employment shares by sector while on the y-axis (vertical axis) we have the percentage change in employment obtained by the CGE model comparing the concluded trade agreement to a baseline in 2040 (without agreement). Manufacturing experiences the largest increases while all the other sectors show small decreases. As manufacturing is a male dominated sector, men benefit more than women from this agreement. While "other services", that is a female-dominated sector, experience decreases of 0.12%. Overall, this translates to larger benefits for men.

Figure 2: Changes in people employed and employment shares for women in Switzerland (in %)



Source: Own calculations using data from GTAP and Eurostat. See Table 9: Data sources for CGE modelling in Annex I: Data sources and mapping of sectors (for CGE modelling) for more information on the data sources. In that Annex, see Table 10 for the mapping from GTAP to Swiss sectors.

Figure 3: Changes in people employed and employment share for men in Switzerland (in %)

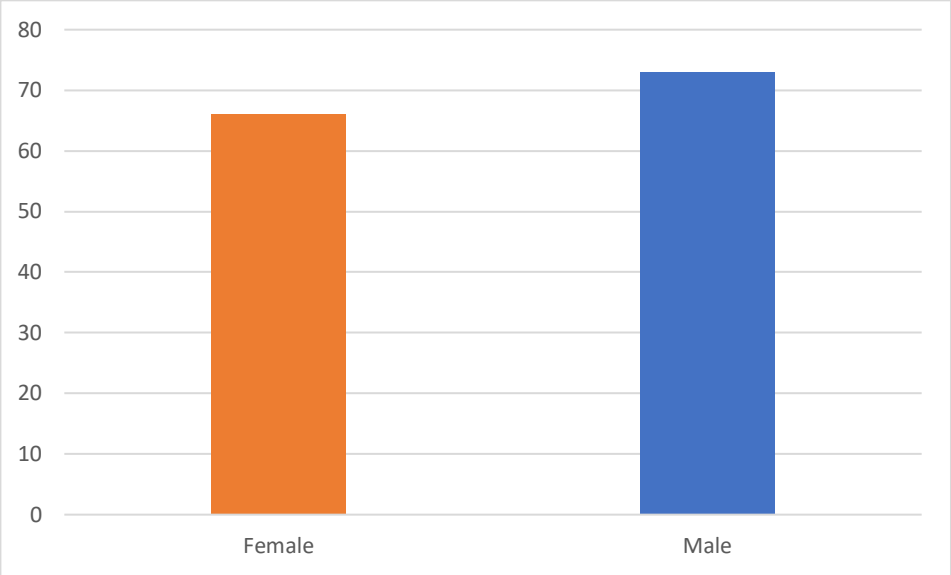


Source: Own calculations using data from GTAP and Eurostat. See Table 9 in Annex I: Data sources and mapping of sectors (for CGE modelling) for more information on the data sources. See Table 10 for the mapping from GTAP to Swiss sectors.

Next, we look at potential changes in real wages for Switzerland across occupations. After the homogenous wage effects are obtained from the CGE, we retrieve data from the Federal Statistical Office for wages by gender and we multiply these wages by the calculated CGE per cent changes. Figure 4 shows that the annual real wages on average per person increase for men by 72 francs and for women by 66 francs. The original data from the Federal Statistical Office shows already a gender wage gap, therefore the differences across men and women are not due to the agreement which shows the same wage increase for both groups but from the existing gender wage gap that is also found across European countries.[13]

[13] Across EU countries in 2023, women's gross hourly earnings were on average 12.0% below those of men. See https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Gender_pay_gap_statistics.

Figure 4: Changes in annual real wages for Switzerland (per person in francs)

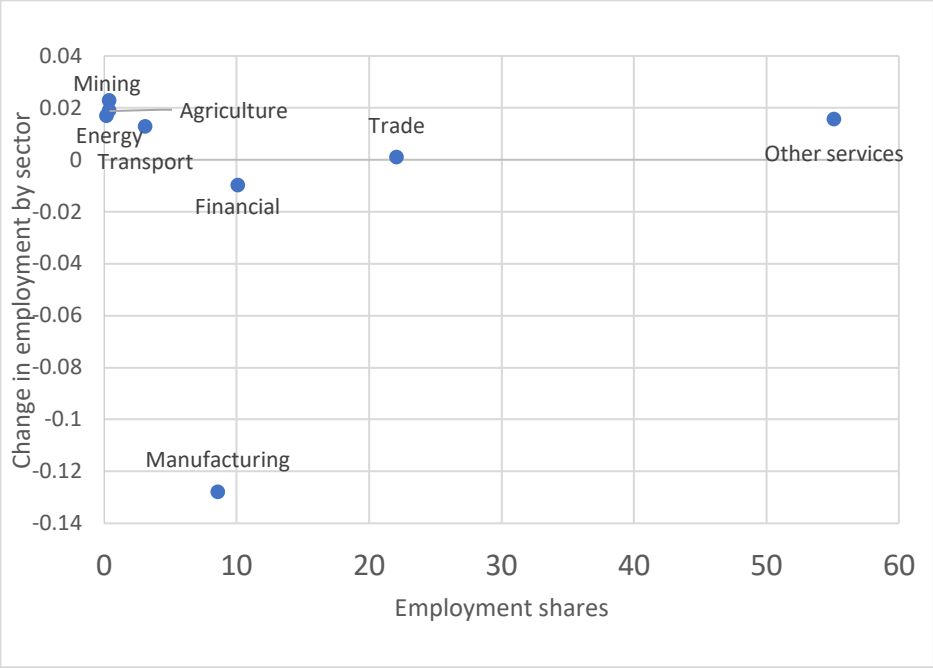


Source: Own calculations using data from GTAP and the Swiss Federal Statistical Office. See Table 9 in Annex I: Data sources and mapping of sectors (for CGE modelling) for additional information on the data sources.

2.3.2 Mercosur

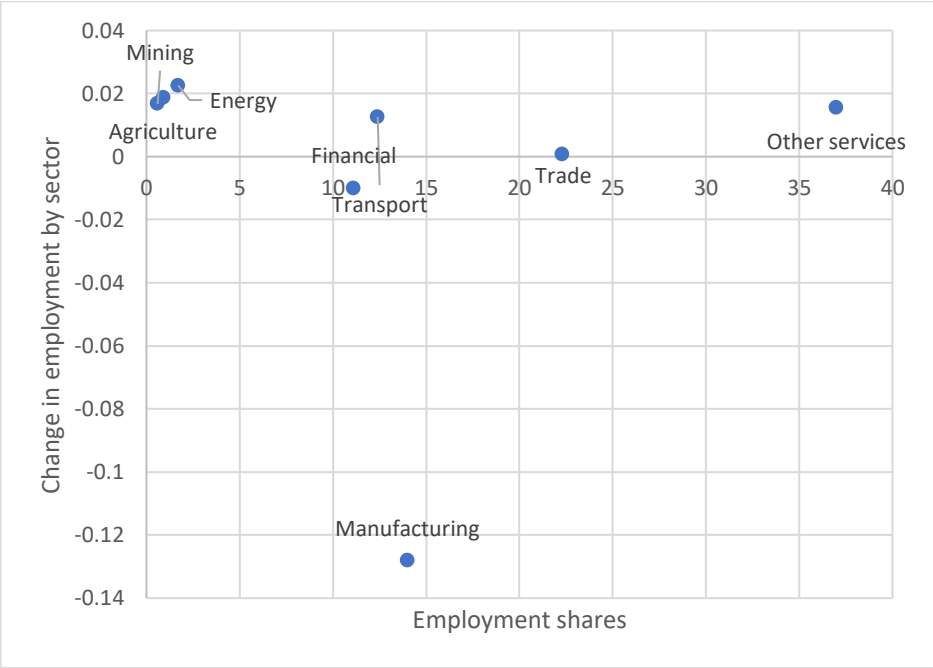
Figure 5 to 12 below provide an overview of the changes in employment by sector and the employment shares for Mercosur countries (Argentina, Brazil, Paraguay and Uruguay in this order). In these Latin American countries, although there is some country heterogeneity, contrasting effects, as compared to Switzerland, occur. Namely, manufacturing decreases while other services and agriculture increases. Women will benefit more from the increases in "other services" as these sectors occupy a larger group of women. This will be particularly relevant for Brazil, Paraguay or Uruguay with increase of 0.03%. Men benefit more from the increases in agriculture, this impact is small for Argentina which occupies less than 1% of the population in this sector, but it will be larger for Brazil as around 12% of the men population will see an increase of 0.02%. Similarly, 12% of the Uruguayan men will experience an increase of 0.03%.

Figure 5: Changes in people employed and employment shares for women in Argentina (in %)



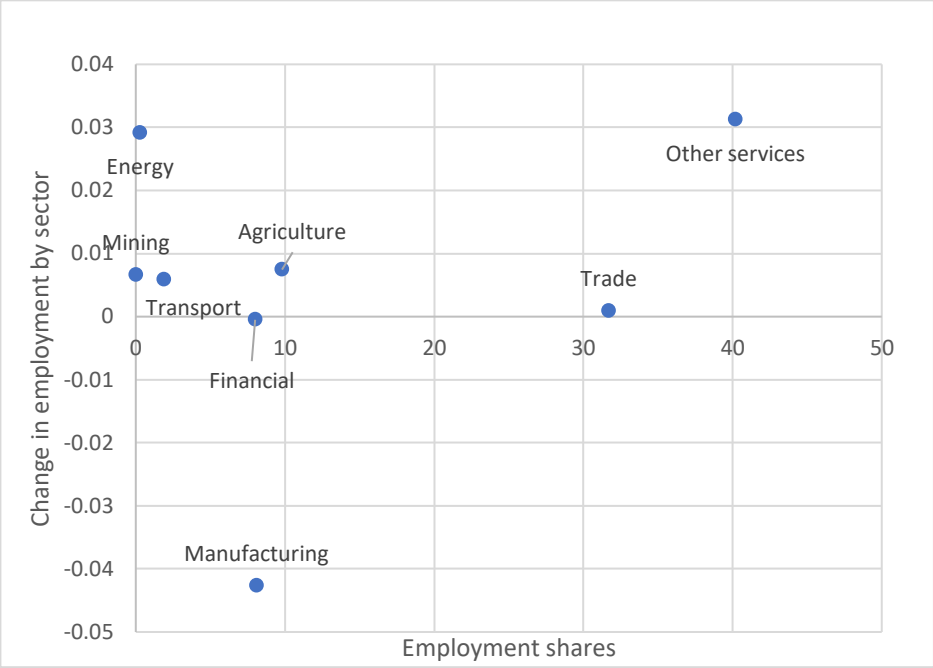
Source: Own calculations using data from GTAP and ECLAC. See Table 9 in Annex I: Data sources and mapping of sectors (for CGE modelling) for more information on the data sources. See Table 11 for the mapping from GTAP to ECLAC sectors.

Figure 6: Changes in people employed and employment shares for men in Argentina (in %)



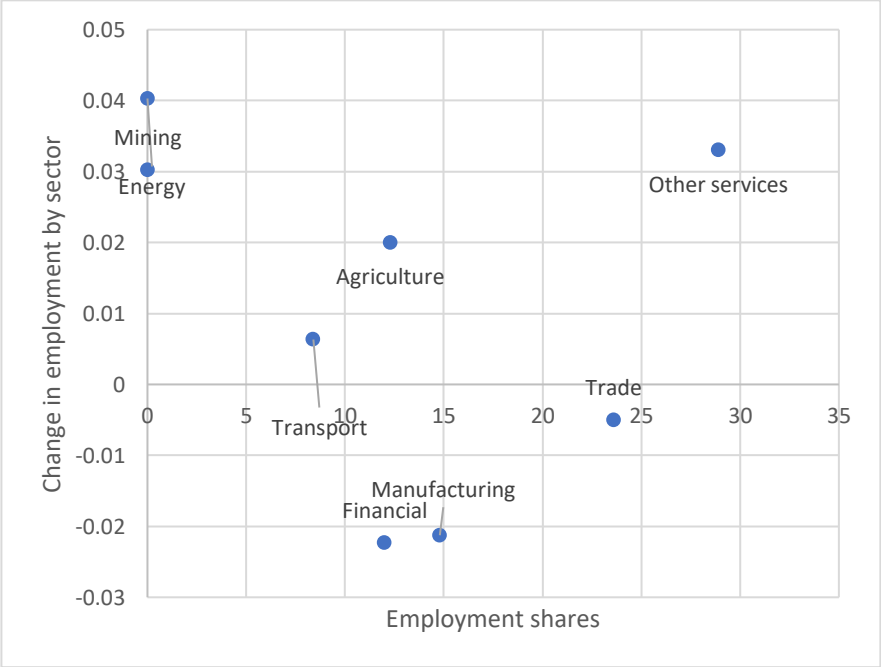
Source: Own calculations using data from GTAP and ECLAC. See Table 9 in Annex I: Data sources and mapping of sectors (for CGE modelling)for more information on the data sources. See Table 11 for the mapping from GTAP to ECLAC sectors.

Figure 7: Changes in people employed and employment shares for women in Brazil (in %)



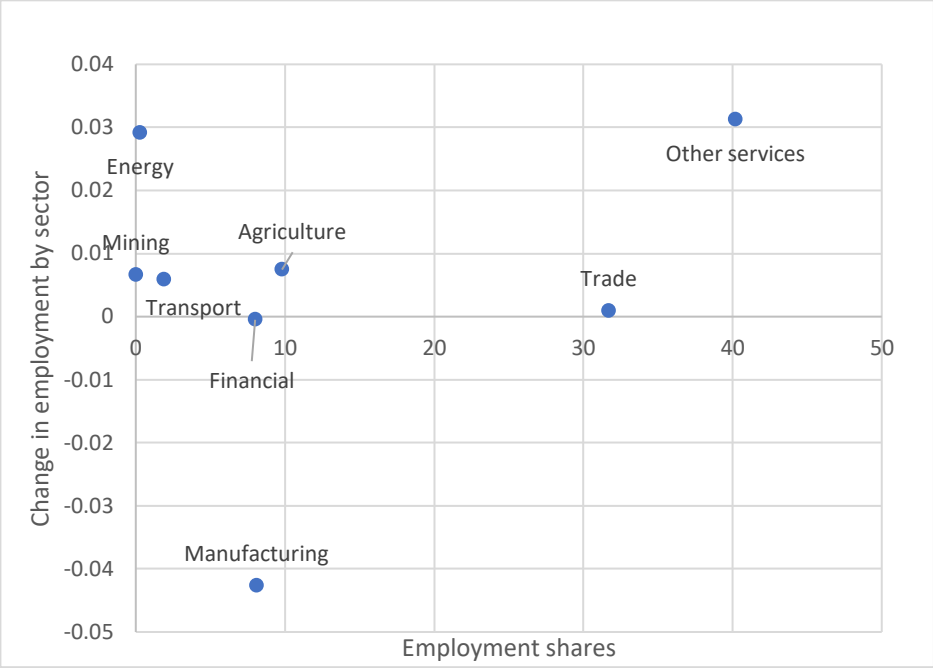
Source: Own calculations using data from GTAP and ECLAC. See Table 9 in Annex I: Data sources and mapping of sectors (for CGE modelling) for more information on the data sources. See Table 11 for the mapping from GTAP to ECLAC sectors.

Figure 8: Changes in people employed and employment shares for men in Brazil (in %)



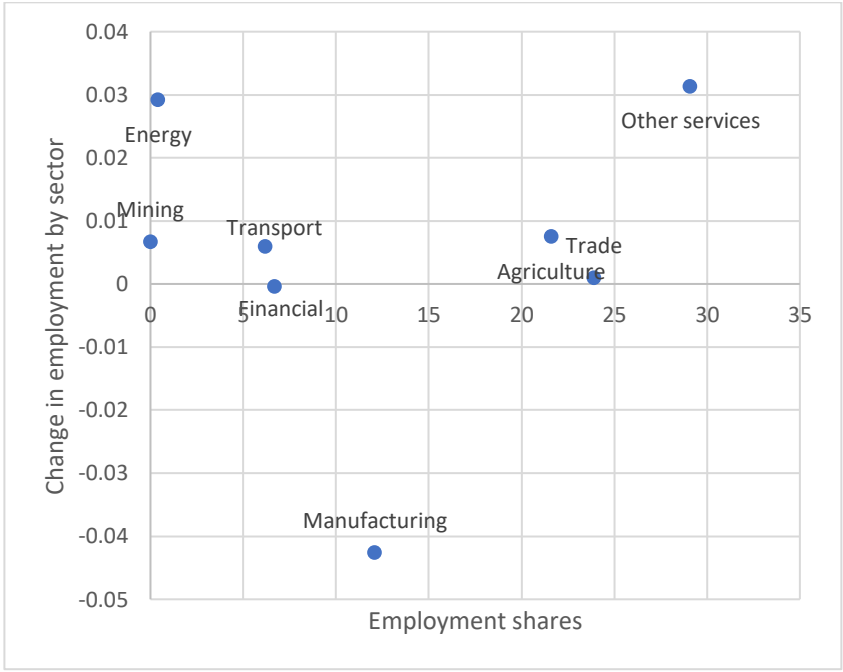
Source: Own calculations using data from GTAP and ECLAC. See Table 9 in Annex I: Data sources and mapping of sectors (for CGE modelling) for more information on the data sources. See Table 11 for the mapping from GTAP to ECLAC sectors.

Figure 9: Changes in people employed and employment shares for women in Paraguay (in %)



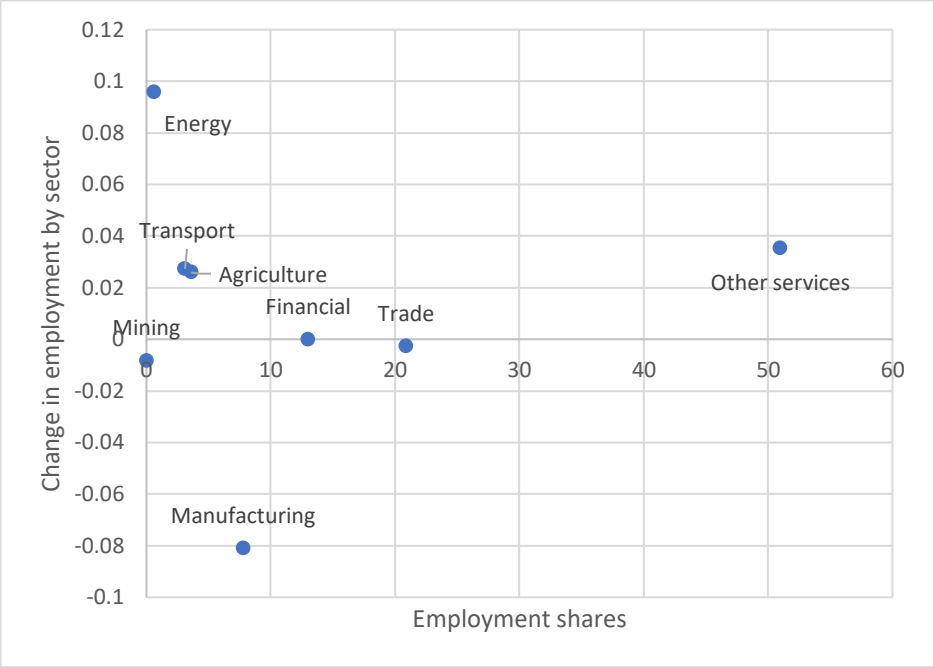
Source: Own calculations using data from GTAP and ECLAC. See Table 9 in Annex I: Data sources and mapping of sectors (for CGE modelling) for more information on the data sources. See Table 11 for the mapping from GTAP to ECLAC sectors.

Figure 10: Changes in people employed and employment shares for men in Paraguay (in %)



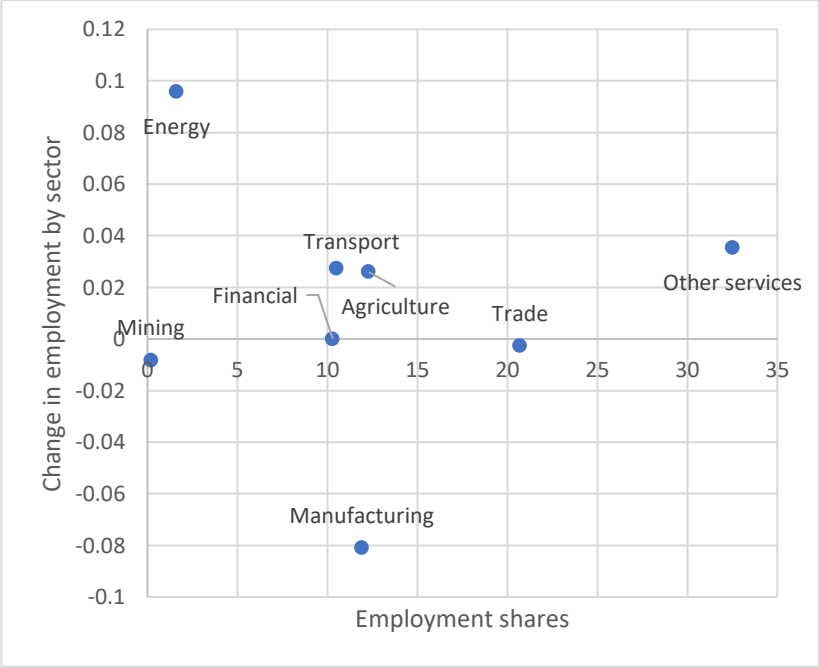
Source: Own calculations using data from GTAP and ECLAC. See Table 9 in Annex I: Data sources and mapping of sectors (for CGE modelling) for more information on the data sources. See Table 11 for the mapping from GTAP to ECLAC sectors.

Figure 11: Changes in people employed and employment shares for women in Uruguay (in %)



Source: Own calculations using data from GTAP and ECLAC. See Table 9 in Annex I: Data sources and mapping of sectors (for CGE modelling) for more information on the data sources. See Table 11 for the mapping from GTAP to ECLAC sectors.

Figure 12: Changes in people employed and employment shares for men in Uruguay (in %)



Source: Own calculations using data from GTAP and ECLAC. See Table 9 in Annex I: Data sources and mapping of sectors (for CGE modelling) for more information on the data sources. See Table 11 for the mapping from GTAP to ECLAC sectors.

Figures 13 to 26 in Annex III: Results of CGE modelling for the urban/rural areas by gender show the results across all Mercosur countries comparing women in rural and urban areas and men in rural and urban areas. The most notable differences are observed in agriculture and other services sectors. Rural areas benefit from increases in agriculture while urban ones benefit more from other services. As a result, men in rural areas benefit relatively more than women while in urban areas, women are the ones that may increase more their employment levels. Particularly, changes in other services are larger for Brazil and Uruguay while in agriculture Uruguay is the one that experiences larger expansions. The decreases in manufacturing affect more men than women and especially those in urban areas. Argentina is the country that is projected with the largest decreases in manufacturing around 0.12% affecting around 10% of women and 14% of men. Labour supply will move from sectors with lower demand to sectors with higher demand and higher wages.

3 Labour standards framework

Taking as a baseline the quantitative effects on the labour markets presented in the previous section, we proceed in this section with a discussion of the current situation on labour rights. The discussion focuses on the countries' commitments with regards to international obligations and their enforcement efforts for the period 2020 to 2024. For Mercosur countries, it updates and complements the mapping provided in the study conducted by LSE Consulting on the EU-Mercosur agreement (LSE Consulting 2020: 37-64). For this assessment, we focus our discussion on enforcement of international commitments in Mercosur countries. Switzerland's practices and laws on labour standards generally align with the relevant international standards and therefore we abstain in this study to further elaborate on them.[14]

3.1 Identification of core labour standards

In its 1998 Declaration on Fundamental Principles and Rights at Work, the International Labour Organisation (ILO) established four core labour standards that operate as a benchmark for the protection of workers' rights and are considered universal: 1) freedom of association and the effective recognition of the right to collective bargaining; 2) the elimination of all forms of forced or compulsory labour; 3) the effective abolition of child labour; 4) and the elimination of discrimination in respect of employment and occupation.[15] In 2022, the International Labour Conference added safety and health as a fifth category to the Fundamental Principles and Rights at Work. The following ten fundamental conventions are referenced for the implementation of these five core labour standards:

1. Freedom of Association and Protection of the Right to Organise, 1948 (Convention 87)
2. Right to Organise and Collective Bargaining, 1949 (Convention 98)
3. Forced Labour, 1930 (Convention 29)
4. Abolition of Forced Labour, 1957 (Convention 105)
5. Minimum Age,1973 (Convention 138)
6. Worst Forms of Child Labour, 1999 (Convention 182)
7. Equal Remuneration, 1951 (Convention 100)
8. Discrimination (Employment and Occupation), 1958 (Convention 111)
9. Occupational Safety and Health Convention, 1981 (Convention 155)

[14] We follow the approach chosen by LSE Consulting for its SIA of the EFTA-Thailand FTA (LSE Consulting 2024).
[15] This section updates and complements the mapping done by LSE Consulting (2020), p. 44-46.

10. Promotional Framework for Occupational Safety and Health Convention, 2006 (Convention 187)

In 2008, with the Declaration on Social Justice for a Fair Globalization, the ILO emphasised in particular the importance of the so-called "Governance Conventions", which include the Labour Inspection Convention, 1947 (No. 81); the Employment Policy Convention, 1964 (No. 122); the Labour Inspection (Agriculture) Convention, 1969 (No. 129); and the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144). These conventions are very relevant for the present study because they deal with inspection, one of the challenges observed in the four Mercosur countries in terms of labour rights implementation. Other relevant ILO Conventions for the present study include the Indigenous and Tribal Peoples Convention, 1989 (No. 169), the Safety and Health in Agriculture Convention, 2001 (No. 184), and the Violence and Harassment Convention, 2019 (No. 190). In addition, different ILO programmes are relevant in some of the countries studied in this report, which include the following countries and programmes: Argentina, Brazil and Paraguay participate in the project called "Responsible Business Conduct in Latin America and the Caribbean" (RBCLAC).[16] Argentina has started an active Decent Work Country Programme (2022-2026) in close cooperation with the ILO.[17] Argentina is also active participant in the project "Evidence to Action" (EvA): Increasing the impact of research to mobilise efforts against forced labour in Argentina and Madagascar.[18] Brazil for its part is together with the ILO implementing a project to promote labour rights and decent work.[19] In Paraguay, there is a project underway led by UNDP and ILO on supply chains in the agricultural sectors.[20] Finally, there is also an ongoing initiative by the ILO and UN Women that addresses violence and harassment in the Mercosur countries.[21]

3.2 Mercosur, Switzerland and commitment to international labour conventions

Mercosur members have ratified the ten fundamental Conventions, with some exceptions: Brazil has not ratified Convention 87 on "Freedom of Association and Protection of the Right to Organise 1948"; Brazil, Paraguay, and Uruguay have not ratified the "Protocol of 2014 to the Forced Labour Convention 1930" (P. 029); Paraguay for its part has not ratified the Convention 155 on "Occupational Safety and Health 1981" (No. 155); and Brazil, Paraguay and Uruguay have not ratified Convention 187 on "Promotional Framework for Occupational Safety and Health 2006" (No. 187). When it comes to the ILO Governance Conventions, Argentina has not ratified the "Employment Policy Convention 1964" (No. 122); Brazil and Paraguay have not ratified the "Labour Inspection (Agriculture) Convention 1969" (No. 129) and Paraguay has not ratified the "Tripartite Consultation (International Labour Standards) Convention 1976" (No. 144). Switzerland has ratified the ILO fundamental Conventions, with the exceptions of Convention 155 on "Occupational Safety and Health" and of Convention 187 on "Promotional Framework for Occupational Safety and Health". It has ratified the Governance Conventions except for Convention C129 on "Labour Inspection (Agriculture)".

[16] https://www.ilo.org/projects-and-partnerships/projects/responsible-business-conduct-latin-america-and-caribbean-rbclac
[17] https://www.ilo.org/resource/other/decent-work-country-programmes-americas-region
[18] https://www.ilo.org/projects-and-partnerships/projects/evidence-action-eva-increasing-impact-research-mobilise-efforts-against#:~:text=The%20EvA%20Project%20aims%20to,contributes%20to%20eliminate%20forced%20labour.
[19] https://www.ilo.org/resource/news/brazil-and-ilo-new-agreement-promote-labour-rights-decent-work#:~:text=In%202024%2C%20the%20Brazil%2DILO,40%20countries%20across%20four%20continents.
[20] https://www.undp.org/facs/blog/supply-chain-paraguay-space-increasingly-led-women
[21] https://lac.unwomen.org/en/noticias-y-eventos/articulos/2021/06/oit-y-onu-mujeres-es-hora-de-decir-basta-a-la-violencia

Table 3: Status of Ratification of Key ILO Conventions by Mercosur Members and Switzerland

Key ILO Conventions	ARG	BRA	PRY	URY	CHE
Fundamental ILO Conventions					
Forced Labour Convention 1930 C029 Protocol 2014 to the Forced Labour Convention 1930 P029	X C029 X P029	X C029	X C029	X C029	X CO29 X P029
Freedom of Association and Protection of the Right to Organise Convention 1948 C087	X		X	X	X
Right to Organise and Collective Bargaining Convention 1949 C098	X	X	X	X	X
Equal Remuneration Convention 1951 C100	X	X	X	X	X
Abolition of Forced Labour Convention 1957 C105	X	X	X	X	X
Discrimination (Employment and Occupation) Convention 1958 C111	X	X	X	X	X
Minimum Age Convention 1973 C138	X	X	X	X	X
Occupational Safety and Health Convention 1981 C155	X	X		X	
Worst Forms of Child Labour Convention 1999 C182	X	X	X	X	X
Promotional Framework for Occupational Safety and Health Convention 2006 C187	X				
Four ILO Governance Conventions					
Labour Inspection Convention, 1947 C081	X	X	X	X	X
Employment Policy Convention, 1964 C122		X	X	X	X
Labour Inspection (Agriculture) Convention, 1969 C129	X			X	
Tripartite Consultation (International Labour Standards) Convention, 1976 C144	X	X		X	X
Other Relevant ILO Conventions					
Indigenous and Tribal Peoples Convention, 1989 C169	X	X	X		
Safety and Health in Agriculture Convention, 2001 C184	X				
Violence and Harassment Convention, 2019 C190	X			X	

3.3 Overview of labour rights enforcement in Mercosur members

Notwithstanding ongoing efforts, the overall situation has not changed significantly over the past years compared to years prior to 2020. Whereas labour movements play an important role in the four Mercosur countries, their influence differ across countries. There also remains a persistent gap between de jure labour standards and de facto labour standards. There exists a significant informal employment sector in the region and we also observe strong regional differences among and within Mercosur members.[22] An interviewed official from an international organisation stressed that among the key problems that remain in the region are the following: forced labour in certain sectors located upstream in supply chains; mining activities and the conflict with local communities and indigenous populations, particularly when it comes to access to water and land; size of the informal sector; issues pertaining to gender equality; low unionisation, freedom of association and collective bargaining, which get attention through complaints discussed at the ILO. The following analysis of the state of fundamental labour rights draws almost exclusively on the NORMLEX database. It is based on recent cases submitted to the ILO Committee of Experts on the Application of Conventions and Recommendations (CEACR) with a focus on the period 2020 to 2024. It is complemented by insights gained from the consultation with stakeholders and from publicly available information.

3.3.1 Freedom of association and right to collective bargaining

As noted above, the four Mercosur countries have ratified the "Freedom of Association and Protection of the Right to Organise Convention 1948" (C87) and the "Right to Organise and Collective Bargaining Convention 1949" (C98), with the notable exception of Brazil that has

[22] LSE Consulting (2020), pp. 44-45.

not ratified Convention 87. Due to lack of recent data regarding the levels of union density and union concentration in Mercosur members, we work with benchmarks from earlier studies assuming little change in the past years (see table 4 below on variation in union density).

Table 4: Union density among Mercosur members (in per cent of employees in the formal sector)

Country	Union Density	Year of data (last available)
Argentina	27.7	2014
Brazil	13	2019
Paraguay	6.9	2019
Uruguay	30.1	2013

Source: ILOSTAT

CEACR's comments on Conventions 87 and 98 continue to relate mainly to state measures infringing upon freedom of association, right to strike, trade union election, inadequate protection of collective bargaining, and inadequate protection against anti-union discrimination. Below, we list some more recent country-specific criticism through information provided mainly by the CEACR platform complemented with additional information gathered through interviews.

Concerning **Argentina**, there are concerns about the government's lack of actions in bringing Act No. 23,551 of 1988 on trade union associations (LAS) into conformity with Convention 87 and delays in procedures for the registration of trade unions and obtaining trade union status.[23] In 2022 a total of 1,024 collective agreements were signed and registered, but the recent high inflation rates in the country have hampered collective bargaining, severely affecting its rhythm and content due to the difficulty of adjusting to fast changing conditions. Argentina is faced with high level of informality in the private sector, where estimations range between 36 per cent (Argentine National Institute for Statistics, 2023) and 45 per cent (ILO, 2022).[24] These estimations were published before the elections of a new government in 2023. On January 15, 2024, Argentina's three labour federations submitted a complaint via the ILO Committee on Freedom of Association, claiming that the incoming administration launched new policies, including an anti-picketing protocol, that violate freedom of association and the right to strike.[25] Interviewed stakeholders from the trade union sector in Argentina have expressed concerns about certain measures adopted by the Milei Government in the past year, which affect the freedom of association and representation of workers through trade unions, as well as those that demonize trade unions witnessed in official public statements and through official social media channels.

Concerning **Brazil**, the CEACR noted in 2023, after the election of a more labour-friendly government, "the absence of information from the Government on the progress made in the investigations of the crimes alleged by ITUC (International Trade Union Confederation) and the protection measures adopted for trade union leaders who have received death threats."[26] It

[23] ILO, CEACR Observation, Argentina C 87 2023, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4379325,102536:NO

[24] Wage workers can be employed in the informal or formal sector. ILO, CEACR Direct Request, Argentina C 98 2023, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4366194,102536:NO

[25] https://ctaa.org.ar/las-tres-centrales-sindicales-presentaron-ante-oit-una-queja-contra-el-comando-unificado-de-bullrich/

[26] ILO, CEACR Observation, Brazil C 98, 2023, https://normlex.ilo.org/dyn/nrmlx_en/f?p=NORMLEXPUB:13100:0::NO::P13100_COMMENT_ID%2CP13100_COUNTRY_ID:4372840%2C102571

also noted the ongoing limitations to collective bargaining introduced by the changes in the Consolidation of Labour Laws (CLT) in 2017. What stands out are sections 611-A and 611-B that violate ILO Conventions 98 and 154. These make collective bargaining more difficult, resulting in a lower number of collective agreements and more discretionary power for enterprises. The Committee called further for the amendment of the specific sections and a careful monitoring of the number of collective agreements. Brazil was also recently requested to address concerns about section 614(3) of the CLT that reduces the maximum duration of collective agreements to two years and that negatively affects a the continuation in case of non-renewal.[27] The *unicidade sindical* (union exclusivity) system in Brazil, which allows only one union per professional or economic category within a given geographic area, faces criticism for limiting workers' freedom of association. This model is seen as restrictive, as it prevents union plurality, which could improve representation and competition among unions.[28]

As regards **Paraguay**, since the adoption of Act No. 213 of 1993 establishing the Labour Code, CEACR has been regularly highlighting the lack of compliance of various provisions of the Labour Code with Convention 98, in particular the discrimination in the protection given to workers depending on their trade union status.[29] Interviewed stakeholders from Paraguay have expressed concerns about a recent project to reform the labour legislation. According to trade unions, the labour reform promoted by the government seeks to modify fundamental rights, such as paid holidays, the minimum wage and the right to strike.[30]

Concerning **Uruguay**, in July 2020, the Urgent Consideration Law No. 19,889 was introduced to provide guarantees for the peaceful exercise of the right to strike and the right of the employees to enter the premises freely. The CEACR in its reports in 2022 requested the government to ensure that the intervention of the police in trade union demonstrations is proportional to the danger for the public order that the authorities are attempting to control.[31] The CEACR also stressed that the proposed Bill in 2022 did not address an essential element that it has been highlighting for years concerning the amendment of the labour law to ensure the bipartite nature of collective bargaining.[32] An expert we interviewed**,** nevertheless, considered that there is a higher degree of freedom of association and right to collective bargaining in Uruguay compared to the other Mercosur countries and that the cases of labour non-compliance in the private sector are very isolated.

3.3.2 Elimination of all forms of forced and compulsory labour

As noted above, all four Mercosur countries have ratified the "Forced Labour Convention 1930" (C029) and the "Abolition of Forced Labour Convention 1957" (C105). However, only Argentina has ratified the Protocol of 2014 to the "Forced Labour Convention 1930" (P029).

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[27] ILO, CEACR, Direct Request, Brazil C 98, 2023, https://normlex.ilo.org/dyn/nrmlx_en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4372837,102571

[28] Monteiro 2011, https://lume.ufrgs.br/bitstream/handle/10183/36540/000818106.pdf?sequence=1.

[29] ILO, CEACR Observation, Paraguay C 98 2022, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4312317,102796:NO

[30] https://latamgremial.com/paraguay-sindicatos-se-movilizan-contra-recortes-presupuestarios-y-la-reforma-laboral-de-pena/

[31] ILO, CEACR Observation, Uruguay C 87 2022, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4320714,102876:NO

[32] ILO, CEACR Observation, Uruguay C 98 2022, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4321094,102876:NO

Forced and compulsory labour endures in various forms in the region, including agricultural forced labour, labour in the illegal mining sector and labour in the garment sector. The CEACR's comments related to forced labour in Mercosur in the last years have referred in particular to the exploitation and debt bondage of indigenous populations, the implementation of policies designed to eliminate forced or compulsory labour and the implementation of policies to combat human trafficking and exploitation. The UN and regional bodies have also echoed this problem. An interviewed stakeholder noted that forced labour along the supply chains (mostly located upstream) is a source of concern in Latin America, including Mercosur countries.

In the case of **Argentina** what stands out is that the CEACR noted with concern, on the basis of information provided by workers' organisations, the continuing recourse to forced labour in the garment and agriculture sectors.[33] A recent ILO survey on forced labour in the Argentinian garment sector showed that coercion occurs both in the formal and informal sector, while workers up to the age of 30 are most likely to be subject to forced labour.[34]

Regarding **Brazil**, the CEACR requested in 2022 the government to step up its general inspection and enforcement efforts so as to achieve the objectives of the National Plan for the Eradication of Slave Labour.[35] It noted, among others, the ongoing disagreements about how to define and outlaw practices that resemble slavery**,** despite clear and precise interpretation in high courts. The Committee welcomed efforts in addressing trafficking in line with the National Plan to Combat Trafficking in Persons adopted in 2018, however, it requested detailed information about the evolution of such trafficking for labour and sexual exploitation, with a focus on the socioeconomic profile of victims.[36] InPACTO, a Brazilian NGO with a mission to eradicate slave and child labour in Brazil noted that there is also a considerable degree of regional variation in the level of vulnerability of workers in Brazil, with higher levels in North and Northeast regions.[37] Recently, the debate regarding the 6-1 system (six days of work followed by one day of rest) has intensified discussions about the phenomenon of overwork in the country. Multiple organizations have supported ending the 6-1 regime as it legitimizes working excessively.[38]

Turning to **Paraguay**, the CEACR noted that in her 2018 mission to Paraguay, the UN Special Rapporteur on contemporary forms of slavery commended the Government on the positive steps taken. This related to the development of a legal and institutional framework in the country to combat modern forms of slavery. The UN Rapporteur also emphasised the greater awareness in society of the various forms of exploitation (A/HRC/39/52/Add.1, paragraph 18). However, the CEACR also pinpointed the issue of exploitation of indigenous workers in the Chaco region, including concerns about debt bondage. The CEACR noted that the UN Special Rapporteur remained concerned because of cases of forced and slave labour in smaller workplaces and more remote and less accessible ranches. The CEACR had noted previously

[33] ILO, CEACR Observation, Argentina 29 2022, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4314463,102536:NO
[34] Forced Labour in Argentina's Garment Sector: Key Prevalence Survey Insights, ILO, 2024
[35] ILO, CEACR Observation, Brazil C 29, 2022, https://normlex.ilo.org/dyn/nrmlx_en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4323368,102571
[36] ILO, CEACR Direct Request, C 29, Brazil, 2022, https://normlex.ilo.org/dyn/nrmlx_en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4323365,102571
[37] Índice de Vulnerabilidade InPACTO, https://indicedevulnerabilidade.org.br/mapas/.
[38] IstoÉ 2024, https://istoe.com.br/fim-da-escala-6x1-entenda-a-tramitacao-os-pros-e-os-contras-da-proposta.

that persons who bear responsibility for forced labour (debt bondage and other practices) have not been prosecuted or penalized.[39] Similarly, in the framework of the Universal Periodic Review of Paraguay in 2021, NGOs shared concerns that indigenous girls and adolescents were particularly affected by person trafficking and sexual and labour exploitation.[40] Interviewed NGOs and representatives of indigenous populations have confirmed that there are cases of forced labour in agricultural and mining (limestone mines) sectors.

As regards **Uruguay**, the CEACR generally welcomed the efforts made by the government to reinforce the legal and institutional framework to combat person trafficking.[41] An interviewed stakeholder considered that in Uruguay only isolated cases of forced labour and child labour can be found.

3.3.3 Effective abolition of child labour

The four Mercosur countries have ratified the respective "Minimum Age Convention 1973" (C138) and the "Worst Forms of Child Labour Convention 1999" (C182). However, problems of child labour persist in the region. The recent CEACR observations, have focused on work performed in streets and public spaces, lack of labour inspection, and lack of implementation of policies to eliminate child labour and hazardous types of work. As in previous periods, a brief analysis of CEACR comments over the past four years reveals continued challenges regarding child or youth employment.

With respect to **Argentina**, the CEACR noted in 2022 with concern that 10 per cent of boys and girls aged between 5 and 15 years in the country (763,544 boys and girls) are engaged in at least one productive activity. This can be observed relatively more often in rural areas (19.8 per cent) and in the north-east and north-west of Argentina. The CEACR requested the government to take the necessary measures to strengthen the capacities of the labour inspection system in relation to child labour.[42] The CEACR also noted that there were 11 cases in which evidence was presented of trafficking of persons under 18 years of age for labour exploitation during the period 2018/19. At the same time, it welcomed the measures adopted by the government at the time to improve the detection of cases of trafficking of children for labour exploitation.[43] The CEACR also noted with concern that in 2016-17, a total of 538,871 boys, girls and young persons between the ages of five and 17 years engaged in work performed hazardous types of activities: 117,377 of them in rural areas and 421,494 in urban areas.[44] Child labour in Argentina has been identified, inter alia, in the following sectors: agriculture (in harvesting cotton, grapes, olives, strawberries, tomatoes, tobacco, yerba mate, harvesting and

[39] ILO, CEACR Observation, Paraguay C 29 2020, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4054497,102796:NO

[40] Working Group on the Universal Periodic Review Thirty-eighth session, 22 February 2021. Summary of stakeholders' information, Paraguay, https://documents.un.org/doc/undoc/gen/g21/046/09/pdf/g2104609.pdf

[41] ILO, CEACR Direct Request, Uruguay C 29 2020, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4046793,102876:NO

[42] ILO, CEACR Observation, Argentina 2022 C 138, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4295694,102536:NO

[43] ILO, CEACR Observation, Argentina 2022 C 182, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4295700,102536:NO

[44] ILO, CEACR Observation, Argentina 2022 C 182, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4295697,102536:NO

shelling garlic); industry (production of garments); services (domestic work); while forced children labour has been identified in agriculture, domestic work, and in the production of garments.[45] An interviewed NGO from Argentina noted that the existence of child labour depends on whether the activity is labour intensive or not, and for that reason, child labour can appear in activities such as lemon and yerba mate, but in general it does not appear in non-labour-intensive activities, such as soybeans production. Another NGO representative stressed different private initiatives to avoid child labour by supporting parents, such as the creation of childcare spaces for women working in blueberry harvesting cooperatives.

Regarding **Brazil**, child labour has slightly decreased between 2016 and 2022 according to the National Continuous Household Survey (PnadC) of the Brazilian Institute of Geography and Statistics. A total of 1,88 million children and adolescents (aged between 5 and 17 years old) were engaged in child labour in 2022, down from 2,1 million in 2016. Among them 66 per cent are Afro-Brazilian children. Child labour is prominent in agriculture (320'000 children employed in 2022, including 78'000 in the cattle industry), in industry (253'000 in 2022), in commerce and repair (394'000 in 2022) and in services (350'000 in 2022). There is significant variation across the country with the northeast region accounting for 30 per cent of child labour as a percentage of overall employment. More than one third of the jobs held by children are of a hazardous nature (755'000 in 2022),[46] with an upward trend of accidents noted by the CEACR.[47]

The CEACR stated regarding **Paraguay** that, according to the permanent household survey of 2022, 6 per cent of children aged 10 to 17 years are engaged in child labour, with a higher percentage of children in rural areas (8.3 per cent in rural areas and 4.5 per cent in urban areas). The CEACR welcomed the significant decrease in child labour, from 22 per cent in 2015 to 6 per cent in 2022.[48] The Committee, however, also highlighted five cases of violations of child labour laws in the private sector in the Chaco region.[49] The CEACR further shared concerns that children of indigenous communities are particularly vulnerable to trafficking and commercial sexual exploitation, and that there is a lack of measures to protect them and their families. The CEACR also referred to the 2022 Annual Report of UNICEF which stated that 73.7 per cent of indigenous peoples live in poverty and 40 per cent in extreme poverty. The CEACR also acknowledged the government's initiative presented during the Special Migration Meeting of MERCOSUR in 2022 to intensify cross-border cooperation through a "Regional Action Guide for Early Detection of Situations of Human Trafficking at Border Crossings of MERCOSUR and Associated States". [50] The CEACR also noted repeated concerns from the Central Confederation of Workers Authentic (CUT-A) that government controls to address the

[45] https://www.dol.gov/agencies/ilab/resources/reports/child-labor/argentina
[46] https://media.fnpeti.org.br/publicacoes/arquivo/TrabalhoInfantil_analise_microdados_PnadC_2022_FNPETI.pdf
[47] ILO, CEACR Observation, Brazil C 182, 2022, https://normlex.ilo.org/dyn/nrmlx_en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4288484,102571;
[48] ILO, CEACR Observation, Paraguay 2023 C 138, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4366217,102796:NO
[49] ILO, CEACR Direct Request, Paraguay 2023 C 138, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4366214,102796:NO
[50] ILO, CEACR Direct Request, Paraguay 2023 C 182, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4366334,102796:NO

trafficking in children are still very underdeveloped.[51] According to the US Bureau of International Labour Affairs, child labour in Paraguay has been mainly identified in agriculture, including in the production of peppers, manioc cassava, corn, beans, peanuts, sesame, sugarcane, tomatoes, lettuce, melons, sweet potatoes, onions, carrots, cabbages, and yerba mate; in raising poultry, hogs, cattle, sheep, and goats; in domestic work; while the worst forms of child labour have been identified in debt bondage in cattle raising and forced domestic work.[52]

Concerning **Uruguay**, the CEACR stressed the need to strengthen the capacities of the competent authorities to enable to detect cases of child labour, particularly in rural areas.[53] The CEACR noted that in 2019, the Committee on the Rights of the Child expressed concerns about the prevalence of violence against and the sexual exploitation of children.[54] The CEACR noted with satisfaction that the Uruguayan Institute for Children and Young Persons revised and substituted the list of hazardous types of work with a new detailed list (Resolution No. 3344/2017).[55]

3.3.4 Elimination of discrimination with respect to employment and occupation

All four Mercosur countries have ratified the Equal Remuneration Convention 1951 (C100) and the Discrimination (Employment and Occupation) Convention 1958 (C111). As in previous years, CEACR's comments in this area relate to occupational segregation and gender pay gaps, discrimination based on gender and sexual orientation, sexual harassment, measures to protect against discrimination and equality, indigenous peoples, domestic workers, workers with disabilities, measures related to equality of opportunity and treatment irrespective of race, colour and ethnicity. [56]

Concerning **Argentina,** the CEACR observed in 2023 that the wages of women are 15 per cent lower than those of men in the informal sector and that women devote 28 per cent of their working hours to unpaid care work, while the corresponding figure for men is only 9 per cent of their working hours. The CEACR commented that, due to the absence of a system for the objective evaluation of jobs, the national legislation in practice allows employers to pay higher salaries to male workers.[57] The CEACR also mentioned the gender gap in professional development and training.[58] According to the Gender Data Portal of the World Bank, in Argentina, the labour force participation rate among women is 50.8 per cent and among men

[51] ILO, CEACR Observation, Paraguay 2023 C 182, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4366337,102796:NO
[52] https://www.dol.gov/agencies/ilab/resources/reports/child-labor/paraguay
[53] ILO, CEACR Direct Request, Uruguay 2019 C 138, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4002803,102876:NO
[54] ILO, CEACR Direct Request, Uruguay 2019 C 182, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4002811,102876:NO
[55] ILO, CEACR Observation, Uruguay 2019 C 182, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4002807,102876:NO
[56] LSE Study, p. 53-54.
[57] ILO, CEACR Direct Request, Argentina 2023 C 100, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4369276,102536:NO
[58] ILO, CEACR Direct Request, Argentina 2023 C 111, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4376627,102536:NO

is 71.1 per cent for 2023.[59] Vulnerable employment among women has remained nearly the same since 1991, while vulnerable employment among women is 22.8 per cent and among men is 25.1 per cent in Argentina for 2022.[60] The rate of vulnerable employment is lower for men and women in Argentina compared to the average rate in Latin America & Caribbean. The CEACR noted the newly adopted legislation in August 2023 to amend the Employment Contract Act to prohibit discriminatory treatment in respect of income, inclusion and promotion of workers on grounds of sex, sexual characteristics, gender identity and expression, sexual orientation, parental responsibility or family responsibilities. The CEACR requested finally the government to provide information on measures adopted in favour the National Afro-descendancy and indigenous peoples.[61]

Interviewed NGOs pointed out the problems women face in Argentina, including occupational segregation, gender pay gap, sexual harassment, challenges for indigenous women, and lack of measures related to equality of opportunity. They expressed concerns about the lack of childcare policies and facilities in the public and private sectors, the lack of female quotas in the private sector, the problem of violence and harassment against women. They also pointed out the problems that women face in specific sectors, such as textiles, agriculture, extractive industries and online services industries. Finally, interviewees stressed that women in Argentina as in other Mercosur countries are disadvantaged when compared to women in EFTA countries, because EFTA countries have strong childcare policies.

Regarding **Brazil**, according to official government figures, the gender pay gap has decreased slightly between 2019 and 2023 from 22.3 per cent to 20.7 per cent. The remuneration of women remains systematically lower in all occupational categories, and the gender pay gap is particularly high in higher management positions, although declining between 2019 and 2023 (from 38 per cent to 31.2 per cent). Combining gender and race, the wage gap climbs to 50.2 per cent between white men and black women.[62] According to World Bank data, labour force participation rate of women remains low (53.1 per cent in 2023 in contrast to 73 per cent for men).[63] The proportion of women in senior and middle management positions has slightly improved (from 37.6 per cent in 2019 to 38.9 per cent in 2023).[64] Whereas unemployment rates have been declining between 2019 and 2023 (from 11.9 per cent to 8 per cent), the gap between men and women has remained steady, with women unemployment rate declining from 14.1 per cent in 2019 to 9.7 per cent in 2023 compared to a decline from 10.1 per cent to 6.6 per cent for men.[65]

Racial discrimination at work against peoples of African descent remains significant as noted in Brazil's Universal Periodic Review in 2022.[66] Sexual harassment at work has also been a source of concern, in particular given that the vast majority of victims do not report cases

[59] https://genderdata.worldbank.org/en/home
[60] "Vulnerable employment is contributing family workers and own-account workers as a percentage of total employment." https://databank.worldbank.org/metadataglossary/jobs/series/SL.EMP.VULN.ZS
[61] ILO, CEACR Observation, Argentina 2023 C 111, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4376630,102536:NO
[62] https://www.gov.br/trabalho-e-emprego/pt-br/noticias-e-conteudo/2024/Setembro/mulheres-ganham-20-7-menos-que-homens-em-empresas-com-mais-de-100-funcionarios-aponta-2deg-relatorio-de-transparencia-salarial
[63] https://genderdata.worldbank.org/en/economies/brazil
[64] https://genderdata.worldbank.org/en/indicator/sl-emp-smgt-fe-zs?view=trend&geos=WLD_BRA
[65] https://genderdata.worldbank.org/en/indicator/sl-uem-zs?view=trend&geos=WLD_BRA
[66] https://documents.un.org/doc/undoc/gen/g22/469/58/pdf/g2246958.pdf

despite easier reporting procedures.[67] In 2022, the labour market participation rate for individuals with disabilities in Brazil was significantly lower than for those without disabilities. Only 29.2% of people with disabilities were employed, compared to 66.1% without disabilities, highlighting persistent barriers to inclusion and equal opportunities in employment for this group.[68]

The CEACR observed in the case of **Paraguay** that although the legislation demands equal remuneration for men and women, in practice there is a clear difference between the incomes of men and women, in favour of men.[69] According to the Gender Data Portal of the World Bank, in Paraguay the labour force participation rate among women is 59.5 per cent and among men is 82.4 per cent for 2023.[70] In Paraguay, women spend 3.4 times as much on unpaid domestic and care work compared to men. The CEACR also requested the government to report on the measures envisaged to ensure that the future legislation includes a provision that prohibits discrimination on grounds of national origin in the private sector.[71] Interviewed NGOs working in Paraguay have pointed out the low participation of women at all levels in the government sector. Women face more difficulties than men to enter the labour market: they earn lower salaries; they suffer from working conditions in extractive and agriculture sectors and they are exposed to dangers of human trafficking and prostitution (along the bioceanic corridor).[72]

Regarding **Uruguay**, the CEACR demanded the government to clarify its current methods to collect and provide labour-related data.[73] In Uruguay, based on government data, women earn on average 76.3 per cent (compared to an average salary of men measured at 100 per cent). The stated reason refers to women's lower participation in paid work (fewer paid hours) as a result of the high burden of unpaid work. This also constitutes a barrier to a better integration of women in the labour market. According to the Gender Data Portal of the World Bank, in Uruguay, the labour force participation rate among women is 55.8 per cent and among men is 72.5 per cent for 2023.[74]. Vulnerable employment conditions for women have worsened in Uruguay since 1991. Workers in vulnerable employment are the least likely to have formal work arrangements, social protection, and safety nets to guard against economic shocks. Women are particularly likely to face poverty as a result. In 2022, vulnerable employment among women represents 23.1 per cent of total women employment, and among men accounts for 26.2 per cent. The CEACR requested the government to take, without delay, appropriate

[67] ILO, CEACR, Observation, Brazil 2022, C 111, https://normlex.ilo.org/dyn/nrmlx_en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4315196,102571

[68] IBGE, https://agenciadenoticias.ibge.gov.br/agencia-noticias/2012-agencia-de-noticias/noticias/37317-pessoas-com-deficiencia-tem-menor-acesso-a-educacao-ao-trabalho-e-a-renda#:~:text=Em%202022%2C%205%2C1%20milh%C3%B5es,significativamente%20para%2029%2C2%25.

[69] ILO, CEACR Direct Request, Paraguay 2022 C 100, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4314667,102796:NO

[70] https://genderdata.worldbank.org/en/home

[71] ILO, CEACR Direct Request, Paraguay 2022 C 111, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4314661,102796:NO

[72] https://www.abc.com.py/nacionales/chaco/2023/06/28/impulsan-prevencion-de-trata-y-explotacion-sexual-de-personas-en-la-zona-del-corredor-bioceanico/ The bioceanic corridor is an infrastructure project promoted since 2015 by Argentina, Brazil, Paraguay and Chile to link the ports located in the Pacific Ocean with the port of the Brazilian city of Santos, by means of a highway; https://www.bbc.com/mundo/noticias-america-latina-65274560

[73] ILO, CEACR Direct Request, Uruguay 2021 C 100, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4121507,102876:NO

[74] https://genderdata.worldbank.org/en/home

measures to give full legislative effect to the principle of equal pay for men and women for work of equal value.[75] The CEACR also called on the government to take measures to reduce the unequal treatment of men and women in employment. The CEACR further requested the government to provide information on developments related to policies promoting the employment of persons of African descent.[76]

3.3.5 Safe Labour Environment

As noted previously, not all Mercosur states have ratified all key safe labour conventions: Paraguay has not ratified the Convention on "Occupational Safety and Health 1981" (No. 155); and Brazil, Paraguay and Uruguay have not ratified the "Promotional Framework for Occupational Safety and Health Convention 2006 (No. 187)." Thus, the number of CEACR comments on these aspects is more limited. The comments relate to the duty to perform periodic reviews of the labour conditions in the country, to address the need for protection for workers in situations that present an imminent and important danger, to formulate a national policy and adopt legislations on occupational safety and health. Finally, the need for an adequate and appropriate inspection system is regularly stressed. Availability of data is more limited in this domain.

As regards **Argentina**, the CEACR highlighted the need for an adequate and appropriate inspection system and noted that the provincial authorities do not have sufficient human and financial resources to implement such policies.[77] Interviewed NGOs working in Argentina agreed with these concerns, indicating that the groups suffering from lack of inspection were often women, children and indigenous populations.

Work accidents remain high in **Brazil** according to the Occupational Health and Safety Observatory, developed and managed by the Brazilian Labour Prosecution Service in cooperation with ILO. Between 2019 and 2022, 2,268 million work accidents were reported in the formal sector, with 9'037 resulting in death.[78] With a size of the informal sector between 35 per cent and 40 per cent, those figures significantly underestimate the situation on safety at work in the country.[79]

As for **Paraguay**, information is also limited but NGOs active in Paraguay expressed similar concerns. Interviewed representatives of indigenous populations and NGOs referred to the lack of a safe labour environment, in connection with the use of agrochemicals in the agroindustry sector and chemicals in the mining sector. In line with above, the UN Special Rapporteur on Toxic Substances and Human Rights considered in 2022 that Paraguay failed to implement existing pesticide control laws.[80]

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[75] ILO, CEACR Observation, Uruguay 2021 C 100, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4121509,102876:NO

[76] ILO, CEACR Direct Request, Uruguay 2021 C 111, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4121511,102876:NO

[77] ILO, CEACR Direct Request, Argentina, 2018 C 155 and 187, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P11110_COUNTRY_ID,P11110_COUNTRY_NAME,P11110_COMMENT_YEAR:3954179,102536,Argentina,2018

[78] https://smartlabbr.org/sst/localidade/0?dimensao=frequenciaAcidentes

[79] https://agenciadenoticias.ibge.gov.br/en/agencia-press-room/2185-news-agency/releases-en/42330-continuous-pnad-unemployment-rate-is-6-1-and-underutilization-rate-hits-15-2-in-the-quarter-ended-november

[80] https://news.un.org/es/story/2022/10/1516142

Concerning **Uruguay**, the CEACR noted difficulties in setting up tripartite forums at the sectoral level. It further requested information on how the government ensured that the situation regarding workers' safety and health and the working environment is reviewed at appropriate intervals.[81] The CEACR requested information in view of formulating a national policy on safety and health at work in consultation with the most representative organisations of employers and workers concerned.[82]

3.3.6 Labour Governance

The four ILO Governance Conventions are also relevant to the present study because they deal among others with labour inspection, an alleged weakness present in all Mercosur countries. They include the "Labour Inspection Convention 1947" (No. 81); the "Employment Policy Convention 1964" (No. 122); the "Labour Inspection (Agriculture) Convention 1969" (No. 129); and the "Tripartite Consultation (International Labour Standards) Convention 1976" (No. 144). As discussed above, these conventions were ratified only by some Mercosur countries. The CEACR's comments related to these conventions, speak to the need for developing coherent and functioning employment policies and addressing problems in labour inspection, such as a lack of staff or the constraints on staff to perform their duties.

Regarding **Argentina**, the CEACR notes that there are too few inspection officials in the provinces in proportion to the duties to carry out and the geographical area to cover.[83] There is also a lack of data assessing in details inspections carried out by the Integrated Labour and Social Security Inspection System.[84]

In **Brazil**, there is a particular and recurrent concern with the selection of worker representatives given the government's restricted list of recognised trade unions.[85] ITUC noted, however, that the Lula government has reinstated the National Commission for Sustainable Development Objectives (CNODS), which aims to ensure transparency in SDG-related actions. Although the commission's structure and work program are still under development, there has been consultation with civil society groups, including trade unions, as well as relevant ministries.[86]

In the case of **Paraguay**, there are specific concerns with labour inspection services in the Chaco region. These include insufficient information on the number of inspection visits, the number and nature of violations detected, and the types of penalties imposed.[87] The CEACR

[81] ILO, CEACR Direct Request, Uruguay 2020 C 155, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4057965,102876:NO
[82] ILO, CEACR Observation, Uruguay 2020 C 155, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4057225,102876:NO
[83] ILO, CEACR Direct Request, Argentina 2023 C 81 and 129, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4349405,102536:NO
[84] ILO, CEACR Observation, Argentina 2023 C 81 and 129, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4349409,102536
[85] ILO, CEACR Direct Request, Brazil 2020 C 144, https://normlex.ilo.org/dyn/nrmlx_en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4058574,102571
[86] ITUC 2024, https://ituc-csi.org/a-trade-union-take-on-the-sdgs-2024.
[87] ILO, CEACR Direct Request, Paraguay 2023 C 81, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4368020,102796:NO

considered that the government needs to take additional measures It noted that there are also restrictions posed on labour inspectors to access workplaces. The CEACR also demanded the government to bring its national legislation in full conformity with Convention 81and noted that the Ministry of Labour, Employment and Social Security (MTESS), with the introduction of Resolution No. 29 of 2023, had further restricted inspections. This is a result of the need to obtain a special inspection order each time issued by the highest MTESS authority. Similar to other Mercosur countries, there is a persistent concern regarding the insufficient number of labour inspectors and resources provided to the labour inspectorate.[88] In a country where more than 60 per cent of the working population is employed in the informal economy, inspection services can only cover a limited part of the economy.[89] There remain specific concerns about the precarious working conditions faced by many indigenous people, particularly on farms in the Chaco region.[90]

In the case of **Uruguay**, a decrease in the number of inspectors has been noted by CEACR. The government, however, has stated that this has not impaired the effective functioning of the inspection services. Further, some concerns have been raised due to insufficient information on the specific training provided to agriculture labour inspectors to perform their duties.[91]

3.4 Recent labour measures adopted by the Mercosur member states

In this final section, we focus on recent country-specific initiatives that affect labour standards. The government in office in **Argentina** since December 2023 initiated, together with liberalisation measures in the economy, a process of modifying many of the labour laws. What stands out is the Law 27742 ("Bases and Starting Points for the Freedom of Argentines", July 2024), comprising a set of measures, such as the regularisation of unregistered employment coupled with the pardoning of employers' debts in the social security system, new systems of employment termination that could replace the existing system, and more flexibilities when hiring workers.[92] Interviewed trade unions in Argentina expressed concerns about the labour reforms promoted by the new administration, in particular with respect to their effects on the right to strike and to the "flexibilization" or elimination of traditional labour rights and benefits.[93]

In **Brazil**, the large labour reform of 2017 has not yielded the expected results of both expanding the number and the quality of formal jobs. On the contrary, what has been observed is a weakening of the influence and interest of trade unions to push for formal hiring. As a result, the reform has made it easier, and still comparatively cheaper, to hire informally than before. More recent initiatives have tried to counter this trend.[94] In 2022, the government presented the "Employ + Women Programme" (Emprega+Mulheres Programa), aiming at

[88] ILO, CEACR Observation, Paraguay 2023 C 81, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4368017,102796:NO
[89] Committee on the Application of Standards CAN/PV.2 05.06.24, 112th Session, Geneva, 2024.
[90] ILO, CEACR Observation, Paraguay 2023 C 122, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4363686,102796:NO
[91] ILO, CEACR Direct Request, Uruguay 2023 C 81 and 129, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4365677,102876:NO
[92] https://servicios.infoleg.gob.ar/infolegInternet/anexos/400000-404999/404509/norma.htm
[93] https://www.industriall-union.org/es/sindicatos-argentinos-rechazan-la-reglamentacion-de-la-reforma-laboral-de-milei
[94] See Oreiro et al 2023; as well as https://blogs.worldbank.org/en/impactevaluations/can-weakened-unions-fuel-formal-work--lessons-from-brazil-s-labo

strengthening the protection of women in the workplace while promoting flexible working conditions.[95] In 2023, the incoming new administration adopted the "Equal Pay Law" that establishes equal pay and remuneration criteria between women and men.[96] The associated legislation adopted in November 2023 requires firms with 100 or more employees to publish biannual salary transparency reports.[97] The incoming administration also raised the threshold for income tax exemption in two steps to R$2,640 and later to R$2,824 (equivalent to two monthly minimum wages), aiming to alleviate the tax burden on low-income earners.[98]

Concerning **Paraguay**, the government introduced in 2024 a Resolution (No. 346), to establish a new Labour Inspection and Supervision Manual, to better align with Convention 81 of ILO. Yet, there are some concerns with the government spearheading a labour reform that could eliminate some degree of employment security for workers (protection against arbitrary dismissal).[99] Interviewed NGOs active in Paraguay have expressed concerns about the extent of that reform.

In the case of **Uruguay,** there have been two relevant labour reforms in the past four years. First, the Law No. 20.130, approved in 2023, modifies the minimum retirement age, progressively increasing it from 60 years to 65 years. Second, the Law No. 19.9734, approved in 2021, lists a series of instruments aimed at promoting the hiring of young people between 15 and 29.

[95] https://www.in.gov.br/en/web/dou/-/lei-n-14.457-de-21-de-setembro-de-2022-431257298
[96] https://www.planalto.gov.br/ccivil_03/_ato2023-2026/2023/lei/L14611.htm
[97] https://www.in.gov.br/en/web/dou/-/decreto-n-11.795-de-23-de-novembro-de-2023-525219143
[98] https://www.gov.br/fazenda/pt-br/assuntos/noticias/2024/fevereiro/governo-amplia-isencao-do-imposto-de-renda-para-quem-recebe-ate-dois-salarios-minimos.
[99] https://www.lapoliticaonline.com/paraguay/economia-py/ante-empresarios-pena-se-abre-a-reforma-que-elimina-estabilidad-de-los-trabajadores/

4 Human Rights Framework

This section focuses on the human rights situation regarding countries' international legal obligations and their enforcement efforts for the period 2020 to 2024. It follows, in general, the methodology and baseline of the LSE study and seeks to update and complement the data concerning the four Mercosur countries after 2020.[100] In terms of substantive focus, we discuss in this section the right to an adequate standard of living (in which we include the right to food), the right to health and the rights of indigenous peoples.[101] We do not consider separately dimensions of gender equality that are not directly linked to labour market dynamics (discussed in the previous section) or standard of living. We also abstain from elaborating on the business and human rights perspectives in more detail. In line with our description and discussion of the labour rights framework, we focus our assessment primarily on the Mercosur countries.

4.1 Right to an Adequate Standard of Living

4.1.1 International commitments by Mercosur countries and Switzerland

The following table maps key international Human Rights related instruments that provide for the Right to an Adequate Standard of Living. It shows that all parties to the trade agreement ratified these legal instruments. In addition, all Mercosur countries have ratified the most relevant regional Human Rights instruments: the American Declaration of the Rights and Duties of Man, the American Convention on Human Rights, and the Protocol of San Salvador (additional Protocol to the American Convention on Human Rights in the Area of Economic, Social and Cultural Rights). In terms of relevant regional Human Rights instruments, Switzerland ratified the European Charter of Human Rights and signed the European Social Charter[102].

Table 5: International Commitments to the Right to an Adequate Standard of Living

Source of Obligations	ARG	BRA	PRY	URY	CHE
Universal Declaration of Human Rights	X	X	X	X	X
International Covenant on Economic Social and Cultural Rights (ICESCR)	X	X	X	X	X
Declaration on the Right to Development (Article 8)	X	X	X	X	X
Universal Declaration on the Eradication of Hunger and Malnutrition	X	X	X	X	X
Rome Declaration of the World Food Summit	X	X	X	X	X
Agenda 2030	X	X	X	X	X
Habitat Agenda	X	X	X	X	X

4.1.2 Overview of Adequate Standard of Living in Mercosur Members in the Last Years

World Bank data shows in regard to **Argentina**, that the economy contracted by 1.6 per cent in 2023 due to persistent macroeconomic imbalances and a severe drought that led to a 26 per cent decline in agricultural production from the previous year. [103] With the new administration in office since December 2023, Argentina began a process of addressing macroeconomic imbalances. Real GDP is estimated to contract by 3.5 per cent in 2024 due to the stabilisation plan that includes the realignment of relative prices and the elimination of fiscal and external

[100] LSE Consulting (2020), pp 106 ff.
[101] A comprehensive look at the HR framework would require to cover the 14 UN core human rights treaties and protocols. Whereas a treaty like EMFTA could potentially have an impact of all human rights, we focus in this study on those rights that are the most likely to be impacted given their substantive linkage with the provisions of EMFTA.
[102] The European Social charter includes several provisions linked to the right to health.
[103] https://www.worldbank.org/en/country/argentina/overview

imbalances. The economy is expected to grow by 5 per cent in 2025, driven by improved weather conditions, investments in the energy sector, and the normalization of agricultural production. To cushion the impacts on the poor segments of society, the government implemented some social protection measures that included increases in social benefits for the most vulnerable, like universal child allowance and food benefits, which are above inflation rates. According to the OECD, poverty in **Argentina** increased from 21.5 per cent in 2016 to 30.1 per cent in 2023, above the Latin America and the Caribbean (LAC) average of 22.5 per cent. Extreme poverty also increased, from 2.9 per cent in 2016 to 4 per cent in 2023 yet remained below the LAC average (7.4 per cent). The Gini index decreased from 42.0 to 40.7 between 2016 and 2022, also below the LAC average (44.4).[104]

Some of the measures related to an adequate standard of living adopted by Argentina in the period 2018-2022 included:

- The introduction of an emergency family allowance for the most vulnerable groups in socioeconomic terms.
- The payment of unemployment benefits
- The "Alimentar" food programme, which benefits around 4 million children and adolescents, was introduced to ensure that families have a <"right to food".
- The new Pension Uprating Act,108 which provides for a quarterly review of pension benefits and contributory and non-contributory family allowances.
- An extraordinary health emergency subsidy was also granted to recipients of the universal child allowance and universal pregnancy allowance.
- The National Social Security Administration continues to provide a universal child allowance to ensure equality of opportunity for all children and adolescents in Argentina.
- The distribution of food cards/stamps, as part of a comprehensive food supplement policy
- The "Potenciar Trabajo" (Boosting Employment) National Programme for Social and Productive Inclusion and Local Development.
- The Youth Inclusion Programme, aimed at young people between 18 and 29 years of age in vulnerable situations. It provides funding for productive, labour and community projects that have a social angle.
- Urban social integration policies to fund and implement projects for the provision of basic services and infrastructure in poor neighbourhoods. [105]

In the framework of the Universal Periodic Review of **Argentina,** in 2023, many voices expressed concerns about poverty and extreme poverty rates and the large percentage of the population that finds it difficult to meet basic needs.[106] In addition, it was emphasized that living conditions had declined, especially affecting the most vulnerable people. It was also noted that the highly concentrated nature of land ownership, land use for extraction, the predominance of monoculture and the use of toxic agricultural substances in Argentina have extremely harmful environmental impacts, exacerbate conflicts and threats faced by small-scale family farmers, heighten inequalities and undermine food security and sovereignty. The Inter-American Commission of Human Rights (IACHR) also noted that Argentina faces important challenges connected to a severe macroeconomic crisis that has impacted Argentine society, particularly people living in poverty and extreme poverty.[107]

[104] https://www.oecd.org/en/publications/latin-american-economic-outlook-2024_c437947f-en.html
[105] https://documents.un.org/doc/undoc/gen/g22/587/17/pdf/g2258717.pdf
[106] https://documents.un.org/doc/undoc/gen/g22/533/93/pdf/g2253393.pdf
[107] IACHR Annual Report 2023.

Since the new administration took office in December 2023, the government has started ending some of the social policies and is determined to make structural changes to the economy.[108] High inflation, recession, and temporary capital controls are the country's most significant challenges for stabilising the economy and improving its investment climate. The unemployment rate dropped 5.7 per cent at the end of 2023, according to official statistics. The government estimated unemployment for workers below 29 years of age as more than double the overall rate. Analysts estimate labour informality to be around 50 per cent.[109] By October 2024, national budget expenditures had been reduced by 30 per cent as part of the government policy to substantially lower the deficit.[110] The cuts affect the entire administration, with particular emphasis on education, infrastructure and social development, while priority is given to the Ministries of Defence and Security. The new administration rejected the UN's 2030 sustainable development agenda.[111] The government also decided against signing the UN Pact for the Future.[112] In recent years, however, there have been different private initiatives to incorporate human rights into the country's economic activities. For example, the winery sector has developed a set of sustainability measures to work towards sustainable wineries and vineyards, including human rights.[113] An interviewed NGO active in Argentina also mentioned private initiatives to avoid child labour, such as the creation of childcare spaces for women working in blueberry harvesting cooperatives. Notwithstanding the stark reforms advocated by the incoming administration, it is too early to assess the impact of various programs related to standard of living due to lack of data.

In **Brazil**, the real GDP grew by 2.9 per cent in 2023, with a continuous growth expected at 2.8 per cent in 2024, thanks to steady consumption sustained by fiscal transfers and a robust labour market according to the World Bank.[114] The Bank anticipates 2.2 per cent growth for 2025 with a moderate inflation rate at 3.8 per cent. According to OECD data, poverty in Brazil decreased from 20.9 per cent in 2016 to 16.1 per cent in 2023, below the Latin America and the Caribbean (LAC) average of 22.5 per cent. Extreme poverty also decreased, from 5.3 per cent in 2016 to 3.6 per cent in 2023, below the LAC average (7.4 per cent). The Gini index decreased from 53.4 to 52 between 2016 and 2022, remaining above the LAC average (44.4).[115]

Data on hunger and food insecurity published by UN specialised agencies also show a recent improvement of the standard of living in Brazil.[116] The latest 3-year average (2021-2023) of the rate of undernourishment is 3.9 per cent, down from 4.2 per cent for the preceding period, yet still higher than the pre-COVID situation. Food insecurity, measured as the prevalence of moderate or severe food insecurity in the total population, decreased from 22.1 per cent in 2020-2022 to 18.4 per cent in 2021-2023, with severe insecurity down to 6.6 per cent.[117] While the situation remains fragile in Brazil, vulnerable categories of the population have benefited from a set of governmental measures. Those include the gradual adjustments of the minimum

[108] US 2024 Investment Climate Statements: Argentina. https://www.state.gov/reports/2024-investment-climate-statements/argentina/
[109] https://www.cippec.org/textual/vivir-en-negro-los-multiples-costos-de-la-informalidad-en-el-mundo-laboral/
[110] https://elpais.com/argentina/2024-10-13/milei-una-motosierra-que-desguaza-el-estado.html
[111] https://www.ft.com/content/fb7221d4-dcd5-4528-b106-2f034cf59d35
[112] https://amnistia.org.ar/el-gobierno-de-milei-rechaza-el-multilateralismo-y-argentina-se-va-del-pacto-para-el-futuro/. The Pact for the Future is a non-binding agreement adopted by the General Assembly of the United Nations that covers a broad range of issues such as peace and security, sustainable development, youth and future generations and the transformation of global governance (https://www.un.org/sites/un2.un.org/files/sotf-pact_for_the_future_adopted.pdf)
[113] https://pevi2030.com.ar/wp-content/uploads/2023/10/Guia-Sostenibilidad-de-la-Vitivinicultura-Argentina-1.2.pdf
[114] https://www.worldbank.org/en/country/brazil/overview
[115] https://www.oecd.org/en/publications/latin-american-economic-outlook-2024_c437947f-en.html
[116] https://www.fao.org/interactive/state-of-food-security-nutrition/2-1-1/en/; https://openknowledge.fao.org/items/ebe19244-9611-443c-a2a6-25cec697b361;
[117] https://www.gov.br/secom/en/latest-news/2024/07/un-hunger-map-2023-severe-food-insecurity-drops-85-in-brazil

wage, the latest ones in 2024 and 2025 reflecting a 7 per cent increase, to keep up with inflation and the growth rate.[118] It also includes measures in the unified social assistance system (SUAS), such as the cash transfer program Bolsa Familia, re-launched and revamped in 2023, targeting low-income families. Further it includes specific cash benefit programmes to people with disabilities or to the elderly, as well as and the Food Acquisition Programme that buys food from family farmers and redistributes it to schools, hospitals, food banks or vulnerable communities.[119]

Concerning **Paraguay**, the World Bank highlights that that country has experienced continuous economic growth over the past two decades, with sound macroeconomic policies, including institutional reforms such as an inflation-targeting regime and fiscal responsibility legislation.[120] From 2003 to 2023, the economy grew 3.6 per cent annually on average, faster than many other countries in the region. In 2003, almost half of the population lived below the poverty line. However, by 2023, this figure is estimated to have decreased to 17.6 per cent of the population. According to OECD data, poverty in Paraguay decreased from 24.0 per cent in 2016 to 19.6 per cent in 2023, below the Latin America and the Caribbean (LAC) average of 22.5 per cent. Extreme poverty decreased slightly from 7.9 per cent to 7.3 per cent between 2016 and 2023, just below the LAC average (7.4 per cent). Meanwhile, the Gini index decreased from 47.9 in 2016 to 45.1 in 2022, but it is now above the LAC average (44.4). [121]

A UN human rights advisor in Paraguay noted recently that while Paraguay has experienced strong economic growth in the last two decades, such prosperity has yet to be matched by adequate public spending on economic, social and cultural rights for the well-being of all. The UN advisor stressed in particular that indigenous peoples in Paraguay face many obstacles from a human rights perspective, including living in poverty confronting discrimination, and dealing with deforestation, disputes over land ownership, and a lack of social security protection.[122] More specifically, a UN Special Rapporteur noted that peasant communities and indigenous peoples faced a high level of exposure to toxic substances due to the uncontrolled use of agrochemicals and identified significant barriers to access to environmental justice.[123]
Some of the measures related to an adequate standard of living adopted by Paraguay in the period 2017-2021 included:

- The National Poverty Reduction Plan Jajapo Paraguay.
- Tekoporã programme provides debit/savings cards in the areas of health and education and offers a life microinsurance policy for participating families. Social Microinsurance is a financial mechanism to protect low-income families and covers cases of death due to illness or permanent disability.
- Tenonderã programme promotes income generation by providing start-up capital for productive enterprises, in addition to training.
- Tekoha programme provides lots in urban areas, facilitates connections to water and sanitation services and the electricity grid and promotes the building of roads and adequate housing.

[118] https://www.gov.br/trabalho-e-emprego/pt-br/noticias-e-conteudo/2024/Dezembro/presidente-lula-assina-decreto-aumentando-o-salario-minimo-para-r-1-518-00
https://agenciabrasil.ebc.com.br/en/economia/noticia/2024-01/brazil-implements-new-national-minimum-wage
[119] See https://www.unicef.org/brazil/relatorios/social-protection-series-policy-brief-2 for an overview of the Brazilian social protection system.
[120] https://www.worldbank.org/en/country/paraguay/overview
[121] https://www.oecd.org/en/publications/latin-american-economic-outlook-2024_c437947f-en.html
[122] https://www.ohchr.org/en/stories/2023/09/paraguay-social-security-creates-safety-net-and-builds-rights-all
[123] https://www.amnesty.org/en/location/americas/south-america/paraguay/report-paraguay/#:~:text=A%20UN%20Special%20Rapporteur%20noted,the%20access%20to%20environmental%20justice.

- The social protection system "Let's Go!" aims to expand access to health and education, better prepare people for employment and give a boost to productivity, participation in the economy and social inclusion.
- The Embrace (Abrazo) Programme, which is part of the social protection system "Let's Go!" and, with initiatives in the areas listed below, affords immediate protection to children and adolescents.
- The Abrazo Kyre'y Project contributes to education and financial inclusion for vulnerable families by providing training for formal employment, entrepreneurship, investment, savings and loans.
- Act No. 6381/20 amended Act No. 3728/09, expanding the coverage of the food allowance for older adults in poverty.
- The economic recovery plan "Ñapu'ã Paraguay" was launched. It involved measures in three strategic areas: social protection, public investment for jobs and loans for development. [124]

Informal employment remains high in Paraguay.[125] According to the National Statistics Institute, informal employment represented 62.1 per cent of the total working population in 2023. SMEs make up 98 per cent of all companies in Paraguay, and the Ministry of Industry and Commerce (MIC) estimates 70 per cent of these SMEs work in the informal economy. NGOs in Paraguay have expressed concerns on the impact of informal employment on the economic situation and critically assess measures adopted by the governments.[126]

As regards **Uruguay**, the World Bank notes that while only an estimated 6 per cent of the population is considered poor under the international poverty line of $6.85 per person per day, the rate is twice as high among children, adolescents, and the Afro-descendant population.[127] Afro-descendants represent 8.1% of the population in Uruguay.[128] Income inequality has not narrowed in recent years, with the Gini Index remaining at about 40 points. Poverty increased from 3.6 per cent in 2016 to 4.5 per cent in 2023 but remains significantly below the Latin America and the Caribbean (LAC) average of 22.5 per cent. Extreme poverty numbers are low and stable at 0.2 per cent between and is well below the LAC average (7.4 per cent). The Gini index increased from 39.7 in 2016 to 40.6 in 2022, remaining below the LAC average (44.4).[129] In terms of informal labour, we observe a declining trend to about 22 per cent of the labour market in late 2021.[130] As of April 2024, the unemployment rate was 8.3 per cent, on par with pre-pandemic levels.

Some of the measures related to an adequate standard of living adopted by Uruguay in the period 2020-2024 included:

- Programmes adopted by the Ministry of Social Development to reduce poverty, like the *Uruguay Trabaja* (Uruguay Works), *Bono crianza* (Childcare allowance), social tariffs for public services, the *Tarjeta Uruguay Social* (Uruguay Social Card)
- Social programmes of the Social Integration and Assistance Network to eliminate extreme poverty and reduce inequalities in income distribution.

[124] https://documents.un.org/doc/undoc/gen/g21/044/31/pdf/g2104431.pdf
[125] US 2024 Investment Climate Statements: Paraguay. https://www.state.gov/reports/2024-investment-climate-statements/paraguay/
[126] https://ddhh2024.codehupy.org.py
[127] https://www.worldbank.org/en/country/uruguay/overview
[128] https://www.gub.uy/ministerio-desarrollo-social/comunicacion/noticias/somos-afro
[129] https://www.oecd.org/en/publications/latin-american-economic-outlook-2024_c437947f-en.html
[130] US 2024 Investment Climate Statements: Uruguay. https://www.state.gov/reports/2024-investment-climate-statements/uruguay/

- The "Drinking Water for All" plan to improve the quality of life of families living in vulnerable areas. [131]
- In May 2023, with Law No. 20,130, Uruguay reformed its social security regime. The reform raised the retirement age from 60 to 65 (except for domestic, agriculture and construction workers) and increased retirement contributions to 15 per cent of workers' basic salary.

In the framework of the Universal Review Process concerning Uruguay in 2024, stakeholders considered that there was a setback in state policies for social protection and an increase in inequality and poverty despite economic growth. There were a feminisation of poverty and an increasing number of children living in poverty, as well as growing challenges for Afro-descendant women.[132]

4.2 Right to Health

4.2.1 International commitments by Mercosur countries and Switzerland

We follow the LSE study approach on the scope of the right to health, in the sense that we include determinants of health such as safe drinking water and sanitation; food and nutrition; access to an adequate system of health protection, prevention, and treatment and control of disease. We also follow the approach as regards process and outcome indicators.[133] In contrast to the LSE study, we do not focus on the domestic commitments to the right to health. Instead, we discuss international commitments on health at the international and regional level. The following table maps different international Human Rights related instruments that provide for the Right to Health and shows the ratification status. As we can see all parties to the trade agreement are subject to these legal instruments, apart from the International Convention on the Protection of the Rights of all Migrant Workers and Members of their Families, which both Brazil and Switzerland have not ratified.[134]

Table 6: International Commitments to the Right to Health

Source of Obligations	ARG	BRA	PRY	URY	CHE
Universal Declaration of Human Rights	X	X	X	X	X
International Covenant on Economic Social and Cultural Rights (ICESCR)	X	X	X	X	X
International Convention on the Elimination of all Forms of Racial Discrimination	X	X	X	X	X
Convention on the Rights of the Child	X	X	X	X	X
Convention on the Elimination of all Forms of Discrimination against Women	X	X	X	X	X
International Convention on the Protection of the Rights of all Migrant Workers and Members of their Families	X		X	X	
Convention on the Rights of Persons with Disabilities	X	X	X	X	X

[131] https://documents.un.org/doc/undoc/gen/g24/019/03/pdf/g2401903.pdf
[132] Universal Review, Summary of stakeholders' submissions on Uruguay 2024, https://documents.un.org/doc/undoc/gen/g24/023/32/pdf/g2402332.pdf
[133] LSE Consulting 2020, pp. 119-120.
[134] In addition, all Mercosur countries have ratified relevant regional Human Rights instruments: the American Declaration of the Rights and Duties of Man, the American Convention on Human Rights, the Protocol of San Salvador (additional Protocol to the American Convention on Human Rights in the Area of Economic, Social and Cultural Rights), and the Inter-American Convention on the Elimination of All Forms of Discrimination against Persons with Disabilities. Brazil and Paraguay have further ratified the Inter-American Convention Against Racism, Racial Discrimination, and Related Forms of Intolerance, while Uruguay ratified the Inter-American Convention Against All Forms of Discrimination and Intolerance. In terms of relevant regional Human Rights instruments, Switzerland ratified the European Charter of Human Rights and signed the European Social Charter (it includes several provisions linked to the right to health.

4.2.2 Overview of Right to Health in Mercosur members in the last years

The information provided below updates and complements the mapping of the LSE Study.[135] For each country, we first present some of the latest figures on the human development index in which health is one of the three core composite indices, on public expenditures on health, on infant mortality, on hunger and food security and availability, then turn to the presentation of some recently adopted measures and policies regarding the right to health, and end with concerns noted in reports or stressed in our discussions with stakeholders.

According to data from the Pan American Health Organisation (PAHO), during the period 2000-2022, **Argentina** improved its score on the Human Development Index, with an increase of 8.8 per cent (from a score of 0.78 to a score of 0.849 on a range from 0 (lowest) to 1(highest)).[136] In 2021, public expenditure on health accounted for 6.14 per cent of GDP and 16.22 per cent of total public expenditure, while out-of-pocket spending on health accounted for 22.37 per cent of total health expenditure.[137] Between 2000 and 2021, infant mortality in Argentina decreased from 16.6 to 8 deaths per 1000 live births, a decrease of 51.8 per cent. In Argentina in 2020-2023, the indicators of hunger and food insecurity have decreased while food availability has increased.[138]

Some of the measures related to the right to health adopted by Argentina in the period 2018-2022 included:

- Universal access to free and inclusive public health care.
- During the pandemic, various measures were taken to mitigate the impact of COVID- 19.
- The National Administration implemented an integrated health strategy to strengthen healthcare services at all levels for the entire population.
- From 2019 to 2021 the Ministry of Health invested US$ 495,093,158 in building the capacity of local health systems.
- Under the SUMAR programme,123 healthcare services are provided throughout Argentina to persons who lack social security or prepaid health insurance, with a particular emphasis on specific, strategic areas of healthcare.
- The Ministry of Health approved guidelines on the organization and operations of mental health services. [139]

The new administration's reduction of health expenditures in 2024, estimated at more than 40 per cent between January and October 2024, has raised important concerns. The programmes that were severely reduced included the HIV and Sexually Transmitted Diseases Response Program which saw a reduction of 47.57 per cent, the Sexual Health Development and Responsible Procreation Program where cuts of 29.26 per cent were implemented. Other programs included the prevention and control of chronic non-communicable diseases (- 18.76 per cent), the prevention and control of endemic diseases (-48.76 per cent), and the prevention and treatment of specific pathologies (-51.63 per cent).[140]

[135] LSE Consultation 2020, p. 124-134.
[136] During the same period, the index rose 14.6 per cent internationally and 11.2 per cent in Latin America.
[137] https://hia.paho.org/en/countries-22/argentina-country-profile
[138] PAHO, https://www.fao.org/faostat/en/#home
[139] https://documents.un.org/doc/undoc/gen/g22/587/17/pdf/g2258717.pdf
[140] https://www.cronista.com/economia-politica/el-presupuesto-de-salud-en-la-era-de-javier-milei-que-organismos-vitales-estan-desfinanciados/

A recent study reveals that the cost of medicines in Argentina is 260 per cent higher than in the United Kingdom and Spain.[141] In October 2024, to lower costs, the Argentine government decided that the provinces can import medicines without national authorisation, following an initiative of the governor of Mendoza to buy medicines in India.[142] Such high costs of medicines may be a human rights challenge if they reduce access to essential medicines.

According to data from PAHO, during the period 2000-2022, the Human Development Index of **Brazil** increased by 13.8 per cent (from a score of 0.668 to 0.76), slightly above the rate of increase in Latin America in the same period (11.2 per cent). In 2021, public expenditure on health accounted for 4.5 per cent of GDP and 10.94 per cent of total public expenditure, while out-of-pocket spending on health accounted for 22.65 per cent of total health expenditure. Infant mortality decreased from 26.1 deaths per 1000 live births to 12.5 between 2000 and 2021, a decrease of 52.1 per cent. Regarding the immunization strategy related to infectious diseases, measles vaccination coverage was 81 per cent in 2022, a decrease of 19 per cent from 2000.[143] The Brazilian Family Health Strategy (ESF), that pursues a free access to preventive and primary health care at the community-level, has been instrumental in improving the right to health situation in Brazil. It is facing a series of important challenges. In 2021, the ESF covered only 65 per cent of the population, with wide regional disparities. It is facing a rise in number of elderly patients and an increase in non-communicable diseases (including diabetes, cancer and hypertension) partly linked to the rise of obesity, and workforce shortages (at all levels).[144] As stated in a recent report by PHSSR, an international public-private partnership, improving the Brazilian Health System requires a multi-pronged strategy including actions on education, fiscal policy, technological equipment and medicines, and service delivery and environmental sustainability.[145] Since 2023, two important developments can be observed in Brazil. The first is the reinforcement of the *Farmácia Popular* programme which provides direct, and often free, access to medicine through a wide network of accredited pharmacies and drugstores.[146] The second is the agreement accepted by the Federal Supreme court for supplying high-cost medicines. The agreement sets the conditions for state reimbursement (at the federal, state or municipal levels) of high-priced medicinal costs (in a two-tier system: pharmaceuticals with an annual cost of consumption of 210 times the minimum wage or more; pharmaceuticals with an annual cost of consumption between 7 and 210 times the minimum wage).[147]

Turning to **Paraguay**, during the period 2000-2022, the country improved its score on the Human Development Index, with an increase of 11.4 per cent (from a score of 0.656 to a score of 0.731). In 2021, public expenditure on health accounted for 4.47 per cent of GDP and 18.01 per cent of total public expenditure, while out-of-pocket spending on health accounted for 35.94 per cent of total health expenditure. Between 2000 and 2020, infant mortality in Paraguay decreased from 20.2 to 12.2 deaths per 1000 live births, a decrease of 39.6 per cent. Whereas

[141] https://www.business-humanrights.org/es/latest-news/argentina-estudio-revela-que-costos-de-medicamentos-en-el-país-son-260-por-ciento-más-caros-que-en-el-reino-unido-y-españa/
[142] https://www.infobae.com/economia/2024/10/03/el-gobierno-informo-que-las-provincias-pueden-importar-medicamentos-sin-autorizacion-de-nacion
[143] https://hia.paho.org/en/country-profiles/brazil
[144] https://www.oecd.org/content/dam/oecd/en/publications/reports/2021/12/primary-health-care-in-brazil_8ba611b2/120e170e-en.pdf ; https://data-explorer.oecd.org/
[145] Partnership for Health System Sustainability and Resilience (PHSSR); https://www3.weforum.org/docs/WEF_PHSSR_Brazil_2023.pdf
[146] https://www.gov.br/saude/pt-br/campanhas-da-saude/2023/farmacia-popular
[147] https://agenciabrasil.ebc.com.br/en/justica/noticia/2024-10/supreme-court-reaches-agreement-funding-high-cost-medicines

hunger and food insecurity have decreased in the period 2020-2023, food availability has decreased as well.[148]
Some of the measures related to the right to health adopted by Paraguay in the period 2017-2021 included:

- Extensions of the coverage of the integrated, comprehensive networks of primary healthcare services.
- Progress towards the implementation of the National Health Policy 2015–2030.
- The Family Planning Programme, which is designed to reduce maternal, fetal and neonatal mortality.
- The Comprehensive Food and Nutrition Programme.
- The National Plan for Children's Comprehensive Health 2016–2021.
- As part of the National Health Policy 2015–2030, consultations were held with the representatives of 19 indigenous peoples from the National Council for the Health of Indigenous Peoples. [149]

In a report released in May 2024 Amnesty International concluded that there are unequal gaps in access to the public health system in Paraguay, caused by a lack of sufficient investment and inefficient use of resources, which put people's lives and health at risk and severely affect their income.[150] An interviewed NGO from **Paraguay** observed that the State is, to a great extent, absent in the health sector and does little to address pesticide pollution produced by the agrobusiness and referred to the criticism issued by the UN Human Rights Committee for allowing the use of toxic agrochemicals.[151] Amnesty International also reports the exposure of indigenous and peasant communities to toxic and substances and in addition draws attention to the phenomenon of forced evictions.[152] Local NGOs have also expressed concerns about setbacks in health care and the health care system.[153]

During the period 2000-2022, **Uruguay** improved its score of the Human Development Index, with an increase of 10.1 per cent (from a score of 0.754 to a score of 0.83). In 2021, public expenditure on health accounted for 6.93 per cent of GDP and 22.42 per cent of total public expenditure, while out-of-pocket spending on health accounted for 15.44 per cent of total health expenditure. Between 2000 and 2021, infant mortality in Uruguay decreased from 14.1 to 6.2 deaths per 1000 live births, a decrease of 56 per cent. In the first half of 2023, a water emergency affected part of the Metropolitan Region of Uruguay (departments of Montevideo and Canelones), causing drinking water shortages. In July, the UN Special Rapporteur on the human rights to safe drinking water and sanitation and the UN Working Group on Business and Human Rights urged the government to prioritize water for human consumption.[154] Some of the measures related to the right to health adopted by Uruguay in the period 2020-2024 included:

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[148] PAHO, https://www.fao.org/faostat/en/#home
[149] https://documents.un.org/doc/undoc/gen/g21/044/31/pdf/g2104431.pdf
[150] https://www.amnesty.org/es/documents/amr45/7965/2024/es/
[151] *Cáceres et al. v Paraguay*, 2751/2016, Decision on merits, 25 July 2019 and *Pereira and the other members of the Campo Agua'ẽ indigenous community v Paraguay*, 2552/2015, Decision on merits, 14 July 2021; available at https://juris.ohchr.org.
[152] https://www.amnesty.org/es/location/americas/south-america/paraguay/report-paraguay/
[153] https://ddhh2024.codehupy.org.py/retrocesos-en-la-atencion-de-la-salud-urgen-debate-y-refundacion-del-sistema-de-salud/
[154] https://www.amnesty.org/en/location/americas/south-america/uruguay/report-uruguay/#:~:text=For%20the%20first%20half%20of,)%2C%20causing%20drinking%20water%20shortages.&text=Difficulties%20accessing%20clear%20and%20accurate,of%20drinking%20water%20were%20reported.

- The implementation of the Mental Health Act (No. 19.529) of 2017 establishes the guiding principles of universal coverage, accessibility and sustainability.
- The State Health Services Administration took steps to define good practices for promoting sexual and reproductive rights.
- Where rural women are concerned, sexual and reproductive health services are included in the ambulatory health services. [155]

4.3 Rights of Indigenous Peoples

4.3.1 International commitments by Mercosur countries and Switzerland

The analysis focuses on the rights of indigenous peoples in the period 2020-2024 and follows the approach of the LSE Study.[156] The legal analysis focuses on the international obligations concerning indigenous peoples rather than in the local legislation of each country (or regional instruments). Whereas Switzerland has no group categorized as indigenous peoples, we insert its international commitments to the rights of such people in the table below without further discussion.

The following table maps the different international Human Rights related instruments that provide for Rights of Indigenous Peoples and shows the ratification status. As we can see all parties to the trade agreement are subject to these legal instruments, apart from the ILO Indigenous and Tribal Peoples Convention (No. 169), which both Uruguay and Switzerland have not ratified. In addition, all Mercosur countries have ratified relevant regional Human Rights instruments: the American Declaration of the Rights and Duties of Man, the American Convention on Human Rights, the OAS Declaration on the Rights of Indigenous Peoples, and the Inter-American Convention on Forced Disappearance of Persons. Brazil and Paraguay have further ratified the Inter-American Convention Against Racism, Racial Discrimination, and Related Forms of Intolerance, while Uruguay ratified the Inter-American Convention Against All Forms of Discrimination and Intolerance. In terms of relevant regional Human Rights instruments, European instruments do not explicitly address the rights of indigenous peoples.

Table 7: International Commitments to Rights of Indigenous Peoples

Source of Obligations	ARG	BRA	PRY	URY	CHE
Universal Commitments					
United Nations Declaration on the Rights of Indigenous Peoples	X	X	X	X	X
International Convention for the Protection of all Persons from Enforced Disappearance	X	X	X	X	X
International Covenant on the Elimination of all Forms of Racial Discrimination	X	X	X	X	X
International Covenant on Economic, Social, and Cultural Rights	X	X	X	X	X
International Covenant on Civil and Political Rights	X	X	X	X	X
ILO Indigenous and Tribal Peoples Convention (No. 169)	X	X	X		

4.3.2 Overview of Rights of Indigenous Peoples in Mercosur members in the last years

Our discussion in this section focuses on land and resource rights of indigenous peoples and related tensions and disputes, which constitute the key issue of contention with governments and the business sector. We rely on publicly available reports as well as on interviews with stakeholders.

[155] https://documents.un.org/doc/undoc/gen/g24/019/03/pdf/g2401903.pdf
[156] LSE Consulting (2020), pp. 134-148.

Conflicts involving Indigenous Peoples in **Argentina** primarily relate to interests in land that is used or intended to be used for mining or agricultural activities, such as to produce grains like soybeans, corn, and wheat, or for livestock activities. In the framework of the CEACR, there was reference to lack of information on the activities of the labour inspection services in sectors in which indigenous workers are occupied.[157] The question of the regularisation of indigenous lands remains an ongoing issue of concern, which has given rise to violence and the eviction of indigenous communities in Patagonia, as well as in the northeast and northwest of the country. There are concerns about the slow pace of the process of territorial mapping and the titling of lands traditionally occupied by indigenous peoples. There were reports about lack of consultation involving indigenous peoples in the province of Jujuy regarding the constitutional reform at the provincial level, approved in June 2023. There are questions whether this reform contains provisions contrary to ILO Convention 169, regarding the obligation to protect indigenous peoples land and resource rights, when the reform recognizes the full dominion and exclusive ownership of the province over the natural resources.[158]

Similarly, in its concluding observations in a report in 2023, the United Nations Committee on the Elimination of Racial Discrimination on Community expressed concerns about the lack of adequate regulations safeguarding the communal ownership of lands traditionally occupied by indigenous peoples, notwithstanding the guarantee of indigenous peoples' rights in the Argentinian Constitution (article 75 (17)) and the measures ordered by the Inter-American Court of Human Rights in its judgment of 6 February 2020 in the case of Indigenous Communities of the Lhaka Honhat (Our Land) Association v. Argentina.[159] While the Committee noted the steps taken to complete the territorial survey or demarcation process provided for in Act No. 26160, it remained concerned about the limited progress made in carrying out the survey and the absence of a mechanism for the titling of lands ancestrally occupied by indigenous peoples. Moreover, while the Committee welcomed the fact that the Inter-American Court of Human Rights had approved the partial agreement reached between the communities of the Lhaka Honhat Association, it was concerned that important measures ordered by the Court, including the adoption of legislative and/or other measures to provide legal certainty for indigenous communal property rights, have not yet been implemented. It was also concerned by information regarding the approval of a bill by the Chamber of Deputies of Mendoza Province on 29 March 2023 in which it is stated that the Mapuche should not be considered Argentine native peoples under the terms of article 75(17) of the national Constitution and international treaties.

There are recurring reports that indigenous populations are often not sufficiently consulted in initiatives related to the management of lands or natural resources in part because responsibility for indigenous rights was delegated to provinces.[160] Projects carried out by the agricultural and extractive industries can regularly lead to a displacement of indigenous individuals, may limit their access to traditional means of livelihood, reduce the area of lands on which they depend,

[157] ILO, CAECR Direct Request, Argentina 2023 C 169, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4378440,102536:NO
[158] ILO, CEACR Observation, Argentina 2023 C 169, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4378437,102536:NO
[159] United Nations Committee on the Elimination of Racial Discrimination, Concluding observations on the combined twenty-fourth to twenty-sixth periodic reports of Argentina CERD/C/ARG/CO/24-26, May 24, 2023.
[160] 2023 Country Reports on Human Rights Practices: Argentina. https://www.state.gov/reports/2023-country-reports-on-human-rights-practices/argentina

and cause pollution that in some cases endanger their health and welfare.[161] There are also reports of occasional conflicts when authorities evict indigenous persons from ancestral lands.[162] In the framework of the Universal Periodic Review in 2023, a number of developments were criticized, including continued illegal deforestation and the reduction of the national budget allocation for the Native Forests Act, the deforestation in specific areas such as El Chaco, where the activities of companies and non- indigenous expropriators had caused desertification, and the overall negative impact of extractive activities on the indigenous peoples' rights. [163] The IACHR also noted with concern the approval of Resolution No. 1390 of the Chamber of Deputies of the Province of Mendoza, which denied the Mapuche people the right to be recognized as a native people, thus denying all their constitutional rights.[164] The IACHR was also informed of the constitutional reform process in the province of Jujuy that affected the right to free, prior and informed consultation and consent in relation to extractive industries in the lands of indigenous communities.[165]

The new government took a set of decisions constraining indigenous rights. It enacted Law 27742 ("Bases and Starting Points for the Freedom of Argentines") in July 2024 which establishes in Articles 164-228 a new "Incentive Regime for Large Investments" (known as RIGI).[166] This regime, applicable throughout the national territory, aims to provide incentives to national and foreign large investors. Interviewed members from civil society in Argentina pointed out that RIGI grants investors privileges with respect to the supply, transportation and processing of inputs for their projects, including water, energy, infrastructure, and public services, among others. Similarly, in September 2024 the Government adopted a resolution creating the Unified Command of Productive Security, a security measure that aims to limit social protest, including indigenous populations protests, and protect companies, in the grain, oil and mining sectors.[167] Further, on 14 November 2024 Argentina stood out as the only country to vote against a UN GA resolution on the rights of indigenous peoples.[168]And, on 26 November 2024 the Minister of Interior announced that Law 26,160, which suspends evictions of unrecognized indigenous communities, would be repealed.[169]

Interviewed stakeholders expressed concerns about these measures. An interviewed NGO listed numerous policies and events, including conflictual situations involving provincial governments, which normally are the entities that adopt regulations related to mining and agriculture, the creation of the security unit within the Ministry of Security to supress protests, judicial authorities that revoke rights over indigenous territories; the government's attempt to associate indigenous organizations with terrorism in order to delegitimize and persecute them, the lack of consultations with indigenous peoples, and the problem of armed gangs hired by officials to act against the populations. Another interviewed NGO representative in Argentina echoed some of these concerns and referred to the stigmatisation and persecution of indigenous communities and their advocates; investments that are decided against indigenous people's rights; the modification of the system of recognition for giving legal status to indigenous people; and a general agro-industrial model that expels indigenous people and small producers,

[161] Ibid.
[162] Ibid.
[163] https://documents.un.org/doc/undoc/gen/g22/533/93/pdf/g2253393.pdf
[164] IACHR Annual Report 2023.
[165] IACHR Annual Report 2023.
[166] https://servicios.infoleg.gob.ar/infolegInternet/anexos/400000-404999/401266/norma.htm
[167] https://www.minutouno.com/politica/el-gobierno-creo-el-comando-unificado-seguridad-productiva-que-sirve-n6057065
[168] https://www.lanacion.com.ar/politica/la-argentina-fue-el-unico-pais-de-la-onu-en-votar-contra-una-resolucion-sobre-los-derechos-de-los-nid11112024/
[169] https://www.laangosturadigital.com.ar/2024/11/26/bullrich-anuncio-que-sera-derogada-la-ley-26160-que-suspende-los-desalojos-de-las-comunidades-indigenas-no-reconocidas/

and also limits access to water. An interviewed trade union representative referred also specifically to the bi-oceanic corridor project. This stakeholder mentioned that companies often dictate a cooperation model with indigenous populations with the logic that companies simply providing financial support in exchange for allowing them to operate, which is far from providing development to these communities.

Conflict around lands and violence against indigenous peoples as well against *quilombola* communities (descendants of escaped enslaved Africans) have been an important source of concern also in **Brazil**, under the Presidency Bolsonaro.[170] Under the new administration, the situation has improved but remains difficult. According to data collected by the Indigenist Missionary Council (CIMI), the number of cases of violence against indigenous peoples in 2023 slightly decreased but remained high, with 1276 cases in contrast to 1294 cases in 2021 and 1334 in 2022. This includes cases of omissions or delays in recognition of indigenous lands (850 in 2023, 867 in 2022 and 871 in 2021), cases of possessory invasions, illegal exploitation of indigenous resources (276 in 2023, 309 in 2022 and 305 in 2021) and cases of territorial rights related conflict (150 in 2023, 158 in 2022 and 118 in 2021).[171] The demarcation of indigenous lands remains a contentious issue despite the homologation of 530 indigenous areas covering 1.07 million km2 of land (13.8 per cent of the country's total area), out of 780 identified areas (1.18 million km2). There have also been strong concerns about high child mortality, linked to difficult access to health facilities or degradation to those facilities.[172] A representative of the indigenous community in Brazil interviewed also considered that the situation has somehow improved but also highlighted that one of the challenges of the existing government was to find a governance system with more efficient communication channels with the various indigenous organizations across Brazil. To address this situation, the IACHR produced a series of recommendations with specific relevance for indigenous peoples in its 2021 report about human rights in Brazil. One recommendation focused on the development and implementation of state systems for gathering accurate and disaggregated data on health, access to work, justice or social protection for indigenous peoples and other vulnerable population groups.[173] Related to this, the government informed the Commission that the population census of 2022 was the first census to collect data on indigenous populations and *quilombola* communities, and that data collection on those groups has become regular part of national statistical systems. The 2022 census recorded 1,327,802 *quilombola* persons (0.65% of the total population) and 1,693,535 indigenous persons (0.83% of the total population). Furthermore in 2023, the new government submitted an updated list of groups and families registered in the Single Registry for Social Programmes (*Cadastro Único*) that collects information on low income and vulnerable people. Indigenous families account for 5% of 4,5 million registered families.[174] The IACHR 2021 Report also highlighted the need to increase the resources of state agencies in charge of social and territorial policies relating to indigenous and *quilombola* peoples, in particular the National Colonization and Agrarian Reform Institute (INCRA) and the National Foundation for the Indigenous (FUNAI).[175] From an institutional

[170] https://www.hrw.org/news/2021/04/06/brazil-open-letter-human-rights-watch-national-indian-foundation-funai; https://www.hrw.org/news/2022/08/09/brazil-indigenous-rights-under-serious-threat;
[171] https://cimi.org.br/wp-content/uploads/2022/08/executive-summary-violence-indigenous-peoples-brazil-2021-cimi.pdf;https://cimi.org.br/2023/07/cimi-violence-against-indigenous-peoples-report-2022/; https://cimi.org.br/2024/07/violence-against-indigenous-peoples-report-2023/
[172] https://pib.socioambiental.org/en/Current_legal_status_of_Indigenous_Lands_in_Brazil
[173] IACHR. Situation of human rights in Brazil (2021); https://www.oas.org/en/iachr/reports/pdfs/Brasil2021-en.pdf
[174] IACHR Annual Report 2024; it includes a chapter on Brazil's response to the 2021 Report; https://www.oas.org/en/iachr/reports/ia.asp?Year=2023#annualReportDownload, pp. 829-830
[175] IACHR. Situation of human rights in Brazil (2021); https://www.oas.org/en/iachr/reports/pdfs/Brasil2021-en.pdf

perspective, recent progress has been made through the creation of the Ministry of Indigenous Peoples under the direction of Sonia Guajajara, an internationally-renowned Indigenous activist. The new administration also appointed Joênia Wapichana, the first indigenous woman to become a lawyer in the country, as President of FUNAI, another signal of the government's willingness to step up its commitments for the rights and well-being of indigenous peoples. Finally, the government also reinstated two agencies discontinued by the previous government, the Management Committee for the National Policy for Territorial and Environmental Management of Indigenous Lands and the National Council for Indigenous Policy.[176]

Despite those encouraging signals, progress has remained slow notably due to political tensions between the National Congress, the Presidency and the Supreme Court around the demarcation of indigenous lands. Congress adopted the Law 14 701/2023 that includes a reference to the so-called cut-off date (*marco temporal*), which establishes that only territories under the possession of indigenous peoples at the time of the promulgation of the Federal Constitution (Oct. 5, 1988) could be demarcated land. Yet, the Supreme Court ruled that the indigenous rights cannot be altered or restricted.[177] Then, President Lula vetoed the Law but Congress overruled his decision.[178] The new Law has since then been challenged before the Supreme Court that has so far managed the issue through a conciliation process involving the indigenous peoples, agribusiness and other economic stakeholders, pending a final judgment nullifying or upholding the Law. Generally, a cut-off date seems to breach international legal obligations and standards, including the UN Declaration on the Rights of Indigenous Peoples and the ILO Convention 169.[179] Further, the continuing legal conflict over the official recognition of indigenous lands has been contributing to violent confrontations between indigenous communities and armed militias of landowners and rural unions, with physical casualties and deaths.[180]

Agriculture and livestock constitute **Paraguay**'s main economic activities. In agricultural production, soybeans, wheat, sugar cane, cotton, corn, tobacco, and mate grass stand out, as well as a wide variety of vegetables and tropical fruits. Some of the lands used for that production involve the rights of indigenous populations. Indigenous communities continue to struggle for land rights, and several territorial restitutions are pending. Propertyless farmers and indigenous groups have used land invasions to claim unused land or land these groups believed to be rightfully theirs.[181] On the side of agrobusinesses private security guards are employed to intimidate indigenous communities, while law enforcement authorities fail to protect victims in such cases. The CEACR noted substantial inequalities separating the indigenous population and the rest of the population since 75 per cent of the indigenous population live in poverty and 60 per cent suffer from extreme poverty. The Government recognised that there are many disputes regarding lands because of disagreements between private ownership by national or foreign investors and indigenous collective ownership. However, the federal government reported progress made in the legal procedures of

[176] Indigenous Work Group for Indigenous Affairs; Indigenous World 2024; https://www.iwgia.org/en/resources/publications/5508-the-indigenous-world-2024.html; pp. 320-324
[177] https://www.hrw.org/news/2023/09/25/indigenous-peoples-secure-decisive-victory-brazil;
[178] https://cimi.org.br/2024/07/violence-against-indigenous-peoples-report-2023/
[179] UN Special Rapporteur on the rights of indigenous people: Marco Temporal doctrine; https://www.ohchr.org/en/press-releases/2024/07/brazil-must-protect-indigenous-peoples-lands-territories-and-resources-says;
[180] Indigenous Work Group for Indigenous Affairs; Indigenous World 2024 https://www.iwgia.org/en/resources/publications/5508-the-indigenous-world-2024.html; pp. 320-324; see also Amnesty International 2023; https://www.amnesty.org/en/location/americas/south-america/brazil/report-brazil/; Human Rights Watch 2023, https://www.hrw.org/world-report/2023/country-chapters/brazil
[181] 2023 Country Reports on Human Rights Practices: Paraguay. https://www.state.gov/reports/2023-country-reports-on-human-rights-practices/paraguay/

expropriation and transfer of lands to the following indigenous communities: Sawhoyamaxa (14,404 hectares), Xákmok Kásek (7,701 hectares) and Yakye Axa (11,312 hectares), in compliance with the judgments handed down by the Inter-American Court of Human Rights.[182] In the framework of the Universal Periodic Review, it was also emphasized that the appropriation of indigenous peoples' lands by settlers, combined with the presence of armed groups, caused conflict, insecurity and violence and there was no effective mechanism for the restitution of land and the protection of natural resources.[183] Regarding the rights of indigenous peoples also human rights organisations expressed in the context of the IACHR their concerns about the absence of mechanisms aimed at protecting and assisting the evicted communities.[184] Amnesty International reports that during 2023, there was no progress in the constitution of a commission - despite the fact that it had been established by law - to analyse the legal means available for the restitution of more than 8 million hectares of land intended for agrarian reform and illegally awarded during the military regime to its supporters. Forced evictions of indigenous and peasant communities continued to occur. The National Plan for Indigenous Peoples continue to lack sufficient funds, which make its implementation difficult. The Tekoha Sauce indigenous community of the Avá Guaraní Paranaense People is still waiting for its ancestral territory to be restored. In July 2023, several non-state armed groups invaded the Tekoha Guasu Yvy Pyte territory – considered sacred by the Paĩ Tavyterã indigenous people – and settled there by force.[185]

An interviewed NGO reported that the land rights of indigenous peoples are not sufficiently protected. In the last 10 years, various indigenous peoples have been expelled from the territory, and they roam around the city. In addition, the Paraguayan Indigenous Institute (INDI) has been stripped of its budget. A representative of an indigenous population expressed that while the bi-oceanic highway is of great benefit for producers, it causes great harm to indigenous peoples, including human trafficking. Supposedly, there was a prior consultation regarding the construction of the highway, but it was taking place in form of a public hearing, which is not the same. The interviewee stressed the problem of access to water of indigenous populations, which is aggravated by deforestation and expansive agroindustry. Another interviewed NGO stressed the issue of the so-called ill-gotten lands during the time (1954-1989) of the authoritarian reign of President Alfredo Stroessner that still need to be transferred back to indigenous communities.

Turing to the case of **Uruguay,** the UN Committee on the Elimination of Racial Discrimination reiterated in 2023 its concerns about the persistent invisibility of indigenous peoples and the racial discrimination against them, which is manifested in stereotypes and prejudices. [186] The IACHR noted recently the country faced challenges related to the recognition of the rights of indigenous peoples and Afro-Uruguayans.[187] The IACHR also noted the persistent situation of invisibility to which indigenous peoples are subjected to in the country. Racial discrimination against these indigenous peoples continues to foster an environment of denial and harmful racial stereotyping to the detriment of this group.

[182] ILO, CEACR Observation, Paraguay 2023 C 169, https://normlex.ilo.org/dyn/normlex/en/f?p=1000:13100:0::NO:13100:P13100_COMMENT_ID,P13100_COUNTRY_ID:4304072,102796:NO
[183] Human Rights Council, Working Group on the Universal Periodic Review Thirty-eighth session 3–14 May 2021, 22 February 2021, A/HRC/WG.6/38/PRY/3.
[184] IACHR Annual Report 2023.
[185] https://www.amnesty.org/es/location/americas/south-america/paraguay/report-paraguay/
[186] United Nations, Committee on the Elimination of Racial Discrimination, Observaciones finales sobre los informes periódicos 24o a 26o combinados del Uruguay, September 13, 2023, CERD/C/URY/CO/24-26.
[187] IACHR Annual Report 2023.

The Afro-Uruguayan minority continues to face societal discrimination, high levels of poverty, and lower levels of education. According to a 2020 World Bank report on social exclusion, Afro-Uruguayans earned 20 per cent less than the population as a whole for the same work.[188] In the framework of the Universal Review Process in 2024, stakeholders considered that that Afro-Uruguayans continued to face discrimination.[189] Similarly, an interviewed stakeholder expressed that there is a general perception in Uruguay that there exist no indigenous populations since, for centuries, they have been assimilated to the rest of the population, although there are groups that claim to represent indigenous populations.

5 Identification of provisions with labour standards and human-rights dimensions in the agreement

In this section, we focus on treaty provisions that may affect labour and human rights dimensions. These elements need to be read in conjunction with market access commitments in goods and services and potential investment effects. They may have a flanking or correcting effect. We discuss briefly these draft provisions and compare these to provisions in other EFTA agreements. We also present an initial discussion on the degree of obligation and enforceability of these provisions. An important aspect here is to understand whether the commitments are reflecting a particular status quo (FTA partners already ratified international obligations and therefore provisions are re-enforcing) or they may lead to actual changes and therefore represent new obligations (e.g. signing onto an additional international legal treaty).[190] Provisions that may affect social and human-rights are mostly found in the chapter on trade and sustainable development (TSD) (chapter 13). However, relevant provisions are also found in the chapters on investment (chapter 9 and schedules in Appendix XV), on intellectual property rights (IPR) (chapter 10 and Annex XVII), and on government procurement (chapter 11 and Annex on government procurement). We cover investment given that it has often been associated with negative social, health and environmental effects in host countries.[191] The provisions in chapters on IPR and government procurement may also influence the realisation of the right to health and the right to food. We consider these different provisions in turn.

The provisions on TSD in EMFTA are very similar in their legal approach to the ones in other recent EFTA's FTA with slight deviations. *Table 8* below presents in its top half a summary of the main topical obligations and commitments and in its bottom half a summary of transversal commitments and mechanisms linked to implementation. The EFTA-Moldova agreement and the EFTA-Indonesia agreement serve as a comparative benchmark.[192]

[188] 2023 Country Reports on Human Rights Practices: Uruguay. https://www.state.gov/reports/2023-country-reports-on-human-rights-practices/uruguay
[189] Universal Review, Summary of stakeholders' submissions on Uruguay 2024, https://documents.un.org/doc/undoc/gen/g24/023/32/pdf/g2402332.pdf
[190] Von Stein (2005).
[191] See for instance, Arnim Scheidel et al. (2023) or Umaima Arif et al. (2022). Wagner and Raess (2022) show, however, that European FDI in the manufacturing sector in Brazil have enhanced decent work conditions.
[192] For texts of those agreements, see https://www.efta.int/trade-relations/free-trade-network/indonesia and https://www.efta.int/trade-relations/free-trade-network/moldova

Table 8: Overview of provisions on labour and human rights in the EMFTA

Obligations and commitments with respect to	EMFTA	EFTA-Moldova or EFTA-Indonesia
ILO Declaration on Fundamental Principles	Recalls obligations deriving from membership (13.5.5)	(=) Recalls obligations deriving from membership (9.4.2, Moldova; 8.6.3, Indonesia)
Fundamental ILO Conventions	Recalls commitment to continued efforts to ratify these as well as "up-to-date" ILO conventions (13.5.4)	(=) Recalls commitment to continued efforts to ratify these as well as "up-to-date" ILO conventions (9.4.3, Moldova; 8.6.3, Indonesia)
Implementation of ILO Conventions	Recalls obligation to effectively implement ratified ILO conventions (13.5.4)	(=) Recalls obligation to effectively implement ratified ILO conventions (9.4.3, Moldova; 8.6.3, Indonesia)
UN Declarations	Reaffirms commitment to ECOSOC Declaration on Full Employment and Decent Work	(=) Reaffirms commitment to ECOSOC Declaration on Full Employment and Decent Work (8.6.2, Indonesia); – missing in Moldova
ILO Declaration on Social Justice for a Fair Globalisation	Reaffirms that the violation of fundamental principles and rights at work are not allowed for a comparative trade advantage and that labour standards cannot be used for trade protection (shall not be used for protectionist trade purposes (13.5.9)	(=) Reaffirms that the violation of fundamental principles and rights at work are not allowed for a comparative trade advantage and that labour standards cannot be used for trade protection (shall not be used for protectionist trade purposes (8.6.4, Indonesia; 9.4.7, Moldova)
International human rights instruments	UN Charter and UDHR recalled in preamble	(=) UN Charter and UDHR recalled in preamble (Indonesia; Moldova)
Vulnerable groups	Promotes the inclusion of indigenous peoples in sustainable supply chains for forest related products (13.10.2)	(+) Underlines need to protect vulnerable groups (8.5.2, Indonesia); commits to respecting rights of local and indigenous communities and workers (8.10.2a, Indonesia); – missing in Moldova
Corporate Social Responsibility	Recalls CSR in preamble Commitment to promote Responsible business conduct in the investment chapter (9.8).	(+) commits to promote responsible business conduct in TSD chapter (9.13, Moldova); – missing in Indonesia
Inclusive Economic Development	Acknowledgment of contribution of all segments of society, including women, to economic growth; intention to implement the agreement in a manner that promotes equal opportunities and treatment for women and men (VII in Record of Understanding)	(+) objective to promote inclusive and sustainable economic growth (8.1.7, Indonesia); + acknowledges importance of gender perspective, reaffirms commitment to gender equality (9.5, Moldova)
Transversal commitments or mechanisms		
Rights of parties to regulate	Recognised for labour protection (13.3)	(=) Recognised for labour protection (8.2, Indonesia; 9.2, Moldova)
Weakening laws and standards	Not allowed to encourage investment or trade among Parties (13.4)	(=) Not allowed to encourage investment or trade among Parties (9.3.3, Moldova; 8.3.2b, Indonesia)
Cooperation	Recognition of commitment of working together to achieve objectives of the chapter (13.13)	(–) agree to strengthen cooperation on issues of mutual interest (8.11, Indonesia; 9.14, Moldova)
Dispute settlement on TSD provisions	Not subject to arbitration (13.14); Panel of independent experts (13.16);	(=) Panel of experts (9.16, Moldova); (-) consultations, not subject to arbitration (8.12, Indonesia)

Note: in the last column = means that EFTA-Moldova or EFTA-Indonesia has a similar coverage as EMFTA; (-/+) means that it has a less/more comprehensive coverage

Overall, the approach on human dimensions in the sustainable development chapter follows past practice. As far as references to ILO Conventions, UN and ILO declarations and specific human rights instruments are concerned, they follow a practice of affirmation. They do not add specific new obligations to parties. This is for instance reflected in Art. 13.5.4 which reads: "The State Parties recall the obligations deriving from membership of the ILO to effectively implement the ILO Conventions which they have ratified and their commitment to make

continued efforts towards ratifying the fundamental ILO Conventions as well as the other conventions that are classified as "up-to-date" by the ILO." As to the few conventions not ratified (see Table 3, C087 by Brazil; PO29 by Brazil, Paraguay and Uruguay, C187 by Brazil; C187 by Brazil, Paraguay and Uruguay), the expectations here are phrased as a "best endeavour clause" by referring to "making continued efforts". More substantive commitments could be derived from "recalling" the effective implementation of ILO commitments. There is a clear expectation formulated through such legal wording that implementation needs more attention. In terms of the degree of "legalization",[193] what stands out is the language in Art. 13.5.9 stating that "labour standards cannot be used for trade protection (shall not be used for protectionist trade purposes (Art. 13.5.9)". This is mainly targeted at the EFTA states not to use domestic labour standards as a barrier to entry for Mercosur products and services. Finally, one article refers to inclusion of indigenous people in sustainability supply chains for forest-related products (Art. 13.10.2). This is a specific expectation in a clearly defined agricultural sector to pay attention to improve social impacts. Finally, it needs mentioning that chapter 13 is excluded from the general dispute settlement chapter. In other words, these commitments, whether more status quo and re-affirmative or having some additional obligations, will not be backed up through state-state dispute settlement by means of arbitration. This lowers the enforceability of the legally binding obligations covered in Chapter 3. Yet, EMFTA includes a provision for the establishment of a panel of experts to prepare a publicly available report on a matter covered by the chapter on TSD for which the parties fail to reach a mutually satisfactory resolution, similar to the procedure included in article 9.16 of the EFTA-Moldova agreement.[194] This may incentivise parties to put more efforts in the achievements of the objectives of chapter 13.

Regarding the investment chapter, EMFTA grants non-discriminatory (national treatment) rights of establishment ("commercial presence") beyond sectors covered by trade in services (Art. 9.3). Limitations to national treatment, listed on a country specific basis, in Appendix XV, include for Argentina, Brazil and Paraguay land acquisition (in rural areas), with a specific mention to indigenous areas in Brazil. The investment chapter also includes the right of parties to regulate to achieve legitimate public policy objectives (Art. 9.7.1). A similar "right to regulate" provision is also found in the substantial trade and sustainable development chapter (Art. 13.3). Parties also commit to promote responsible business conducts as codified in different international instruments (and acknowledge OECD Guidelines for Multinational Enterprises, the UN Global Compact and the UN Guiding Principles on Business and Human Rights) (Art. 9.8). These are best endeavor formulations. Disputes on investment provisions are subject to the state-to-state arbitration procedure provided by the treaty (Chapter 15). It is important to recall, however, that foreign investors benefit from the protection provided by the bilateral investment treaties (BIT) in force between Switzerland on the one hand, and Argentina, Paraguay and Uruguay respectively on the other hand.[195] Each of those treaties provides for investor-state arbitration procedures.[196]

Regarding the IPR chapter, EMFTA calls for parties to ensure adequate and non-discriminatory protection of IPRs (Art. 10.1 Chapter). It leaves each party free to "determine the appropriate method" of implementation of those rights (Art. 10.2 Chapter). In the area of patents, the agreement gives equivalent treatment to imported or locally produced products (Annex XVII,

[193] See Abbott et al (2020).
[194] https://www.efta.int/sites/default/files/documents/legal-texts/free-trade-relations/moldova/EFTA-Moldova_Main_Agreement.pdf
[195] While Switzerland and Brazil signed a BIT in 1994, it has not been ratified.
[196] Argentina https://edit.wti.org/document/show/de5585f0-4cac-406d-9165-c8a89863aece
Paraguay https://edit.wti.org/document/show/84d18e3c-7aee-4a02-add2-a76de098760b
Uruguay https://edit.wti.org/document/show/a2ffa608-fef7-4f3d-a001-a8884dce9c2a

Art. 7.1). A provision preserves the flexibilities linked to access to health embodied in the Doha Declaration on TRIPS Agreement and Public Health, as well as the amendment to the TRIPS agreement adopted in 2005 (Appendix XVII, art. 4). These formulations follow a re-affirmation approach of existing rights and obligations. EMFTA does not include provisions on patent term compensation or data exclusivity. Lastly on provisions that could affect access to medicines, lists of restrictions on the scope of coverage of the government procurement provisions of both entities and products include medical institutions, medicines and medical equipment and technology in the schedules of commitment of Brazil and Argentina (Appendix 1 and 2 of Annex on government procurement). Linked to the right to food are issues of plant genetic resources and traditional knowledge. EMFTA provisions amount to a reaffirmation of existing international commitments, in particular compliance with the International Convention for the Protection of New Varieties of Plants (UPOV), either the 1978 Act or the 1991 Act.[197]

6 Impact of the agreement with respect to labour standards and human-rights: Stakeholders' views

The proposed EMFTA includes a series of provisions with potential impact on social and human rights. Yet, given both the "soft" nature of those provisions and the fact that parties to the agreement have already committed to the vast majority of those provisions through the adherence of multilateral or bilateral instruments (discussed in sections 3 and 4 above), one should not expect to find any substantial aggregate change on the situation of labour rights or human rights from the implementation of EMFTA. Change may come over the medium term if the treaty sets in motion a cooperative dynamic towards an upgrading of practices and compliance. This matches with stakeholders' expectations in the four Mercosur countries and in Switzerland that we present below. Yet, based on the estimated quantitative effects on jobs and wages presented in Section 2 above, we may expect some limited sectoral or country impact. In terms of sector, pharmaceuticals stand out in the CGE modelling with the largest positive impact for Switzerland and the largest negative impact Mercosur countries in terms of jobs and wages. The sector is also tightly linked with the right to health. Accordingly, we discuss in a separate subsection the possible impacts of EMFTA on access to medicines, combining views from stakeholders with insights from recent research. A second separate subsection briefly considers the possible impact of EMFTA on the level of informal work most often associated with insufficient social and human rights records.

6.1 Perceptions from stakeholders

We conducted a multi-pronged consultation strategy to hear the perceptions and views of stakeholders on the expected impact of EMFTA in the four Mercosur countries as well as in Switzerland, with a deeper focus on the former. We present the approach and the list of stakeholders consulted in Annex VI.. We collected views from 80 stakeholders from civil society, including representatives from NGOs and indigenous communities (in Mercosur countries), as well as from trade unions, business and business associations, academia and international organisations. It is important to keep in mind that the level of information about

[197] UPOV regulates the rights of newly bred seed varieties. Switzerland and Iceland are part of the 1991 Act while Norway as well as the Mercosur countries are part of the 1978 Act. Liechtenstein is not yet a Member of UPOV. The 1991 Act may be more restrictive than the 1978 Act with regard to farmer's rights and traditional practices of saving and reusing protected seed varieties. All parties are also members of the International Treaty on Plant Genetic Resources for Food and Agriculture that emphasizes farmers' rights.

EMFTA and their interests with EMFTA varied significantly among the stakeholders we consulted. On their information level first, whereas more than 80% of Swiss stakeholders declared being well-aware about EMFTA and able to discuss its potential effects, more than 60% of stakeholders in Mercosur countries declared to have either never heard about the EMFTA or a limited amount of information on it. This stood in stark contrast with their awareness and information on the EU-Mercosur agreement, thus leading them to extrapolate on the basis of that agreement. The same remark applies to knowledge about standards and regulations in the EU versus Switzerland and EFTA countries more generally. Furthermore, stakeholders consulted in all countries were keen to express their views beyond the expected social impact, either on the agreement as a whole or on some specific dimensions.

6.1.1 Expected effects on social dimensions

Generally, the surveys show that stakeholders expect limited to moderate effects on social dimensions from the treaty. However, there are different views about the direction of these effects. On the Swiss side, the vast majority (more than 85%) of stakeholders considers that EMFTA will have very little or no social impact at all in Switzerland, which includes wages, working conditions, standard of living, health or gender equality. This opinion mostly rests on the fact that trade flows with Mercosur countries are at a relatively moderate level and are expected to remain so in contrast to other trading partners, particularly the EU, the USA and China. Stakeholders' views in Mercosur were less homogenous yet did not reflect expectations about major changes. As mentioned above, the direction of potential impact varied. For several stakeholders in Mercosur countries, including business representatives but also some NGO representatives, positive change on labour rights, or human rights could result from a trickle-down effect based on export-led growth. For instance, sectors such as agrobusiness, or mining in Argentina, were singled out. The underlying assumption rested on the idea that better macroeconomic conditions will ultimately lead to a positive impact on standards of living. For stakeholders from the business sector, the most direct impact is expected on employment. This perspective rests on the assumption that the fewer the additional commitments to social and human rights standards the more positive the expected potential impact. In this view, social standards are interpreted as substitutes of other barriers to trade and ultimately are seen as hurting employment. Yet, for one business stakeholder in the food processing sector in Brazil, EMFTA could help align local standards with international standards, which would enhance Brazil's position in global value chains, leading to job creation and better work conditions. This view was shared by a civil society stakeholder in Brazil who estimated that small improvements on higher standards in workplaces could catalyse structural improvements across key sectors. Yet, there was also some concern that the positive impact might be unevenly distributed, with vulnerable sectors such as manufacturing and services potentially facing job losses and heightened economic challenges. This was a broadly shared view among civil society stakeholders across Mercosur countries who expected a positive social and human rights impact only under the condition of adequate mechanisms for redistribution of gains and local capacity building.

Representatives of indigenous groups, as well as representatives from NGOs with a key interest in environmental issues, expect a more negative social impact of EMFTA, and free trade agreements in general. Their concerns are strongly tied to their views on the environmental impacts. This stems from a general sceptical view on the impact of similar agreements on mining, industrial agriculture, or the oil industry. While they acknowledge that the agreement has the potential to improve better social and environmental practices, they make strong statement relating to the risk of "greenwashing" where superficial environmental commitments

might mask deeper ecological degradation. In their views, without specific safeguard mechanisms, EMFTA could exacerbate the existing challenges discussed in section 4 above, including violations of indigenous rights and unsustainable land use practices. A specific concern was raised that the value of traditional indigenous knowledge by indigenous groups representatives in Argentina could be negatively affected by the treaty and its implementation. Other stakeholders from civil society and labour unions in Argentina expressed general scepticism about positive effects of free trade shaped by their experience during past periods of liberalization in Argentina in the 1970s and 1990s. In their assessment these periods generated poverty and the closure of key industries.

6.1.2 Dialogue, monitoring and enforcement are key conditions for a positive impact

In assessing the possible effects of the agreement on labour and human rights, many stakeholders from civil society and trade unions across the four Mercosur countries emphasised the centrality of monitoring and enforcement measures that would need to be included in the treaty. This view was particularly strongly expressed in Brazil and with respect to environmental issues. Any meaningful progress would depend on the inclusion of enforceable environmental standards. In this respect, one stakeholder advocated a dispute resolution system that allows for the participation of companies and civil societies, and active engagement with local communities, especially indigenous populations. Similar views were expressed in Argentina. One stakeholder underlined that progress in social indicators would only materialize if the agreement could push the government to support higher social standards. Another representative, however, referred to the lack of strong obligations when it comes to human rights or gender commitments and recalled that suspension of trade preferences is unlikely in case of breach of obligations. Representatives from indigenous groups in Argentina also remained sceptical about the integration of some form of control or enforcement mechanisms as part of the treaty that would ensure the protection of their rights.

6.1.3 Recommendations suggested by stakeholders

When asked about possible improvements for treaty negotiations and the contours of the final agreement, many stakeholders representing civil society and trade unions in Mercosur countries were keen to provide recommendations. These ranged from how to improve the negotiation process to the integration of very specific institutional mechanisms for dialogues, monitoring and enforcement that would be essential from labour and human rights dimensions. We briefly present these below.[198]

A broadly shared critical view among stakeholders from civil society in Mercosur countries centred on the secrecy in which EMFTA was negotiated. A representative of an NGO focused on human rights in the region lamented that there was no civil society participation in the negotiations leading up to the EFTA Mercosur agreement and that both aspects, participation and access to information, are essential. One representative from a trade union stressed that the Economic Social Consultative Forum (FCES) of Mercosur (the body where trade unions and employers' organizations are represented in Mercosur) have recommended that Mercosur implements an institutionalized mechanism for formal consultation with the FCES, in order to allow for better and more inclusive input into the negotiation of trade agreements by

[198] At the time of the study, the draft treaty texts were not available to stakeholders. Yet, acknowledging the differences between the final text of EMFTA and those recommendations can help to better assess its potential impact, as well as its reception by stakeholders.

Mercosur.[199] However, consultations following such an institutionalized approach did not occur in the case of EMFTA. Generally, concerns about the lack of appropriate information exchange were strongly emphasised in discussions with indigenous groups in Argentina and in Brazil. The focus group discussions in Argentina highlighted the following priorities: the need for prior informed consultations with direct participation of indigenous peoples; the importance of indigenous peoples having sufficient time and information to participate in effective consultations; the need to guarantee the right of participation and consent from indigenous peoples; the importance of providing information to the communities in the territories and activating community issues; the encouragement of regional proposal and better access possibilities for indigenous peoples. The idea of an institutionalized platform for exchange was also mentioned. In this respect, it was also suggested that the Swiss government could help establish a more effective consultation mechanism. In Brazil, the indigenous representative in the focus group discussions called for direct stakeholder involvement and addressing broader consultation needs given the multiple indigenous groups and institutions.

Regarding other suggestions, apart from a few demands for giving more attention to some specific rights, regarding women in particular, most recommendations focused on institutional mechanisms for evaluation, monitoring and enforcement. A stakeholder from an international organization considered that it would be useful if EMFTA could include provisions mandating evaluation of the impact of trade and investment on human rights as it is established in recent FTAs concluded by Colombia.[200] A representative from an NGO focusing on human rights, while recalling the historical experience of several decades of what it means to implement liberalising policies with harmful effects, considered that it would be useful to explore mechanisms to report on compliance with human rights. Similarly, a stakeholder from a trade union made a set of suggestions: a chapter could be added to monitor the effects on human rights; labour rights obligation should be binding, and representative organizations should be allowed to provide advisory opinions in case of non-compliance; a review mechanism of tariff impacts should be established to monitor effects on certain sectors. This stakeholder also made very specific suggestions such as the creation of a tripartite framework including business, trade unions and state representatives to address issues such as decarbonization and the elimination of pollutants in agriculture. Similar proposals build on above and advocate the creation of a functioning mechanism for stakeholder consultations, precise time frames for implementing commitments, the establishment of a strong enforcement mechanism for labour rights (e.g., the rapid response mechanism in the agreement between the US, Mexico and Canada (USMCA) was mentioned), the strengthening of labour standards by requiring the adoption of certain legislation or ratification of certain conventions as a prerequisite for the agreement to enter into force.

Members of the civil society participating in the focus group discussion in Brazil advocated a special clause to promote countermeasures (withdrawal of tariff preferences) in case of non-compliance with the agreement's social provisions. Overall, based on existing agreements, already publicly available, academics, unionists and indigenous representatives suggested multiple areas for expanding the scope of the agreement, including specific obligations related to indigenous rights and adding gender provisions. They agreed that in the absence of clear countermeasures, at the very least, the timeframes and deadlines for panel reports and

[199] https://fcesmercosur.com.ar/pdf/FCES_2023_ACTA02_ANE04_ES_Rec02-23ConsPreceptivaAcCom_Firm_Arg_Uy.pdf

[200] In particular, the Canada-Colombia Free Trade Agreement requires both Canada and Colombia to produce annual reports on the effects of the agreement on human rights in each country. The Government of Canada invites stakeholders to provide input for these reports.

consultations around social issues should be clear, well-defined and not prone to indefinite postponing. Stakeholders from the business sector in Brazil opposed the idea of using some form of sanctions to enforce social provisions in the agreement. They underscored that trade agreements should not constitute an instrument for disguised protectionism and create insurmountable barriers to trade. With that said, they supported the demand for clear and well-defined timelines for consultations under a potential trade and sustainability chapter, thus partially aligning with civil society representatives on consultation issues.

6.1.4 Synthesis

Overall, stakeholders expect, based on their information, low to moderate social impact by the agreement. Yet, opinions are mixed regarding the direction of that impact. This is in line with a recent review of the literature on trade and labour standards that shows mixed findings and advocated the need to take into consideration more fine-grained spatial and sectoral specificities (beyond aggregate effects).[201] Stakeholders also formulated a set of recommendations for the negotiations, particular treaty elements and emphasized the key role of implementation and compliance.

6.2 A specific thematic perspective: access to medicines and the right to health

Given the expected increase of Swiss pharmaceutical exports to Mercosur countries, the perceived impact of EMFTA on public health, was a topic of particular interest to stakeholders. The results of the CGE modelling in section 2 (see Table 1 and Table 2) show that the pharmaceutical sector will experience small but negative changes in jobs and wages in the Mercosur countries collectively, and in Argentina in particular. In Switzerland, in contrast, the pharmaceutical sector should experience positive changes in terms of jobs and wages.

For some stakeholders, a central issue stemming from the increase of Swiss pharmaceutical products to Mercosur is how they will affect the prices of patented medicines, currently available at high to very high prices in Argentina and Brazil as mentioned in Section 4 of this report. Stakeholders in Argentina were concerned about a possible negative impact due a more effective implementation of IP rules induced by EMFTA. They associated the implementation of the treaty with an expected increase of the oligopolistic power of foreign producers. This in turn would in their view both restrict the use of generic drugs and undermine domestic production, raising concern about health security and access to medicines. At the core of those negative expectations is a belief that EMFTA would overprotect patents, notably with exclusive data protection. Our discussion in Section 5 on the agreed provisions on patents and other issues of public health in the EMFTA draft indicates, however, that this belief does not directly relate to EMFTA and reflects a general suspicion against free trade agreements.

For several other stakeholders mostly based outside Argentina, EMFTA could have a positive impact on the health situation in Mercosur countries. A stakeholder from an NGO in Uruguay indicated that the agreement could help remedy delays in availability and prices of advanced medicines. In Brazil, stakeholders from the business sector expressed optimism about the potential for innovation and knowledge transfer in the pharmaceutical and technology sectors. One stakeholder pointed to opportunities for collaboration with EFTA countries in research

[201] Aleman-Castilla and Rodriguez-Pueblita (2023). See also ILO (2021) for a synthesis of the ambiguity of the effects of trade agreements on indicators of labour and human rights, such as freedoms of association, collective bargaining, working conditions or standard of living.

and development, particularly in areas like biotechnology and healthcare. An NGO representative from Argentina considered that the agreement should encourage technology transfer, facilitate the rapid resolution of trade "conflicts", include exceptions in terms of flexibility for less developed countries and have renegotiation clauses allowing the incorporation of periodic renegotiations to re-evaluate public policy instruments. Stakeholders from the business sector repeatedly underscored the importance of clear regulatory frameworks and government support to ensure a level playing field, as high entry costs and complex standards might otherwise limit their ability to capitalize on these opportunities. Stakeholders from the business sector in Switzerland underlined the potential for cooperation and opportunities for exchange of know-how on how to nurture an innovative setting for research and development. But above all, what came out from those discussions with Swiss stakeholders was the utmost necessity for the treaty to restate and reinforce the principle established in the TRIPS agreement of the non-discriminatory protection of patents, that is, treating imported products equally as locally produced products**.**

In sum, views from stakeholders reveal different expectations about the need for specific provisions in the treaty and about overall effects on the health market. What stands out is, on the Swiss side, the necessity of reinforcing the principle of the non-discriminatory protection of patents – treating imported products equally as locally produced products – and on the Mercosur side the need to deal with "health" emergencies, as established in the Doha Declaration on TRIPS and public health, and ways to address potential misuse of monopolistic power. These differences of views are also corroborated in recent research as the effects of trade and investment agreements on the health sector tend to vary significantly across contexts and socioeconomic groups.[202] Both positive and negative effects on local innovation, drug prices, and access to medicines have resulted from a more effective IP protection stemming from the implementation of FTAs. The complex interplay between changes in trade flows, investment flows and technology transfer, mediated by regulatory differences and trade agreements, is particularly hard to anticipate, both in size and timing, and may often be non-linear.[203] It is also worth mentioning that the health sector is heavily regulated and therefore government interventions will condition the risks and opportunities from increased competition.

6.3 Specific transversal focus: impact through changes in informal work

Precarious working conditions and poverty are often associated with informal work. Given the high level of informality in Mercosur countries, we briefly address the issue whether EMFTA could affect dynamics in the informal sector by discussing recent scientific contributions.

A recent review of research concludes that trade liberalization through international agreements has little impact on levels of informality, much lower than changes in domestic labour regulations. But it sometimes tends to lead to an increase of formal work for men, yet without conclusive evidence on the gender wage gap.[204] Another study reports that trade liberalisation tends to reduce informality in tradable sectors and possibly increase it in non-tradable sectors.[205] According to the estimations of our CGE modelling, Mercosur members will see small employment increases in textiles and leather products, and small negative effects in jobs and wages in the pharmaceutical sector . There are also positive changes in the category

[202] See Barlow et al (2022) for a comprehensive review. See also Islam et al (2019) and Tenni et al (2022).
[203] See Auriol et al (2023) on non-linearity between IPR and impact on local innovation.
[204] International Labour Office (2021).
[205] Aleman-Castilla and Rodriguez-Pueblita (2023).

of other services, particularly in Brazil and Uruguay, and in agriculture in Uruguay. Given that services are, according to recent data by the OECD, [206] major employers of informal work across all Mercosur countries, as well as is the textile industry, especially in Argentina as underlined by one civil society stakeholder, one could thus expect that EMFTA may slightly increase informal work. This would not be a positive development from a labor and human rights perspective. Yet, it is challenging ex ante to predict the effects given that various mechanisms or domestic flanking policies could be at play during implementation and may buffer or intensify any treaty-induced effects. At the same time, the estimations from the quantitative analysis can help draw special attention to specific sectors when it comes to implementation and potentially allows for the planification of more targeted and sector-specific ex post analyses.

6.4 Methodological caveats

Our discussions with stakeholders were conducted based on the overall quantitative estimated impact of the treaty and on the partial and limited knowledge on the content of the treaty that they had independently gained. Given that a solid text was available for several years, several stakeholders regretted a lack of access to it, which created some suspicion of an exercise in search of social legitimacy. Furthermore, the restricted focus on the social dimension of the agreement deterred many contacted stakeholders to participate in the consultation process, either by lack of interest or by an inability to contribute meaningfully. With those who participated, furthermore, it was hard to limit input and discussion to the social dimension, given the interconnections with the economic and environmental dimensions.

7 Conclusion

This report presents an analysis of the social dimensions of the envisaged EMFTA. Conducted during the second half of 2024, it is a qualitative assessment anchored on a computable general equilibrium (CGE) analysis based on information from draft agreement texts provided during the negotiations and estimates the overall and sectoral impacts of the agreement. It discusses the potential impact of the EMFTA on social dimensions, combining desk research with insights from targeted stakeholder consultations conducted in the four Mercosur countries as well as a more limited consultation in Switzerland.

Our analysis is in line with the Federal Council's expectations of limited impact on trade flows of additional free trade agreements concluded by Switzerland.[207] Our CGE modelling estimates minor trade flow changes, especially for MERCOSUR, with a 0.12-0.13% increase in both exports and imports, and a 0.31-0.33% increase in Switzerland's exports and imports. In terms of social impact, overall, real wages are not expected to change significantly but results show positive effects. Switzerland realizes increases in real wages across all groups and particularly for agriculture and unskilled workers of 0.17%. For Argentina, Brazil, Paraguay and Uruguay increases are smaller but among those Uruguay experiences the larger gains. We observe sectoral variation in the number of jobs as well as in real gross wage payments. Across industrial sectors, Switzerland has the largest sectoral variation. Textiles, chemicals and chemical products and motor vehicles experience the largest increases. Mercosur members see

[206] OECD & OISS (2024).
[207] See the response to Postulate 19.3011 (Bundesrat 2022).

small employment increases in textiles and leather products, and small negative effects in jobs and wages in the pharmaceutical sectors.

Regarding further disaggregation of employment levels by gender in Switzerland, the manufacturing industry is the one that experiences most of the increases. This is a male dominated sector occupying 25% of men who will receive an increase of 0.22% on average, while less than 10% of women receive those gains. The services sector which occupies more than 60% of women experience decreases in employment of 0.12% which would affect them negatively. Contrary to Switzerland, across Mercosur countries agriculture, other services and transport grow while manufacturing declines. There is a reallocation of manufacturing activities to Switzerland and agricultural and services activities to Latin America. Men experience notable declines in manufacturing which is also a male-dominated sector while women receive the benefits from increases in the services sector. These patterns are observed across all the countries, but it will be particularly relevant for Brazil, Paraguay or Uruguay with increases of 0.03% in the services sector. Men will benefit more from the increases in agriculture, this impact is small for Argentina which occupies less than 1% of the population in this sector, but it will be large for Brazil as around 12% of the men population will see an increase of 0.02%. Similarly, 12% of the Uruguayan men will experience an increase of 0.03%.

Focusing on employment levels across geographical locations, we find that rural areas benefit from increases in agriculture while urban ones benefit more from other services. As a result, men in rural areas expand more their employment levels while in urban areas women are the ones receiving these increases. Particularly, changes in other services are larger for Brazil and Uruguay while in agriculture Uruguay is the one that experiences larger expansions. The decreases in manufacturing affect more men than women and especially those in urban areas. Argentina is the country that is exposed to the largest decreases in manufacturing around 0.12% affecting around 10% of women and 14% of men.

Our qualitative assessment is based on taking stock of the existing data available for various social dimensions, a discussion of frameworks of domestic regulation (labour and human rights policies), a brief mapping of the draft agreement's provisions with a potential impact on these policies as well as insights from stakeholder surveys and focus group discussions. Findings from existing research is added where feasible. We also discuss in more details two areas where attention during the implementation may be warranted, e.g. the effects on the health sector (through price changes, competition and innovation) and how the informal sector may be affected through increased trade (both the tradable and non-tradable sectors). To assess more carefully the impact of the agreement, ex post sectoral studies will have to be conducted during the phases of implementation.

The qualitative assessment shows that many regulatory initiatives are under way in the Mercosur countries. At the same time, the discussion highlights the impact of government changes to priorities and types of social policies pursued domestically. A recurring theme is the lack of implementation of various international legal instruments and capacity constraints domestically (be it budgetary or otherwise). An examination of the different chapters in EMFTA with relevance for labour and human rights shows that the treaty looks like prior EFTA agreements when focusing on specific obligations in the sustainable development chapter. We also see many re-affirmations of existing international legal instruments related to the social dimensions. While re-affirmations do not add rights and obligations as such, they may signal the importance of these existing regimes and provide an additional leverage for implementation. For many of the other relevant chapters, no WTO+ obligations are included,

therefore changes are most likely expected from improved market access (see quantitative study). Finally, many of the relevant treaty obligations are not falling under the general dispute settlement rules (arbitration) which lowers the degree of enforceability.

Interesting insights can be derived from stakeholder perceptions. While efforts have been made to reach out to many stakeholders through a survey and focused discussions, we observe that, in Mercosur countries, EMFTA does not draw much attention when compared to the EU-Mercosur trade agreement, for which stakes are much higher and tend to spill-over to perceptions of other parallel processes, such as EMFTA. We also observe, not surprisingly, that expectations may diverge based on the interests represented by the stakeholders (business sector, civil society organizations, labour unions). Also, we find most concerns articulated in discussions with participants from Argentina, whereas in this case domestic politics strongly affect the expectations and the trajectories social policies will take in years to come. From the stakeholder discussions, we also notice concerns about effects on vulnerable groups, including indigenous people and calls not only to improve stakeholder consultations during FTA negotiations, but also to explore "social clauses" through which these groups could be supported. Lastly, there was also a clear demand for careful monitoring of the implementation of the agreement and calls for knowledge and information transfer.

Our brief analysis on issue of "right to health" shows that it is difficult to ex ante estimate effects in the health sector, yet positive and negative expectations on the side of Mercosur are strongly voiced. This is the case when it comes to competition, innovation and price effects (e.g. access to medicine). Similarly, a discussion on potential effects on the informal sector shows the difficulty to estimate effects given also the role of government policies to flank potential treaty-induced effects. These issues need careful attention as part of parties' regulatory cooperation efforts during the implementation phase.

Lastly, it is important to underline, as a final methodological caveat, that the assessment of the social impact of free trade agreements such as EMFTA hinges upon the complexity of the effects of such treaties on some of the major existing impediments to better social and human conditions, for instance informal work, all forms of discrimination or right to health. Neither stakeholder consultation, nor desk research on those issues could bring more than very tentative assessments on those dimensions.

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9 Annex I: Data sources and mapping of sectors (for CGE modelling)

Table 9: Data sources for CGE modelling

Type of data	Countries	Indicators	Data and literature sources
Employment	Switzerland	Employment in per cent and in thousands	EUROSTAT: Employment by sex, age, occupation and economic activity (from 2008 onwards, NACE Rev. 2) (1 000). We retrieved data for individuals between 20 to 64 years so only employed individuals.
	Mercosur	Employment in per cent	ECLAC
Wages	Switzerland	Gross wages	Labour Force Survey
		Consumer price index	Labour Force Survey
Geography	Mercosur	Employment by geographic area and sex	United Nations ECLAC. Cepalstat statistical databases and publications

Source: Own elaboration. To consult the database for United Nations ECLAC database please see the following link. https://statistics.cepal.org/portal/cepalstat/dashboard.html?indicator_id=2758&area_id=627&lang=en

Table 10: Mapping Swiss sectors to GTAP sectors

Sector	Description	Sector_swiss	Sector_swiss_long
wht	Wheat	Agriculture	Agriculture, forestry and fishing
v_f	Vegetables, fruit & nuts	Agriculture	Agriculture, forestry and fishing
osd	Oil seeds	Agriculture	Agriculture, forestry and fishing
ctl	Cattle	Agriculture	Agriculture, forestry and fishing
frs	Forestry	Agriculture	Agriculture, forestry and fishing
pry	Other primary activities	Mining	Mining and quarrying
oxt	Other mining extraction	Mining	Mining and quarrying
eny	Energy	Energy Supply	Electricity, gas, steam and air conditioning supply
cmt	Cattle meat products	Manufacturing	Manufacturing
omt	Other meat product	Manufacturing	Manufacturing
mil	Milk & dairy products	Manufacturing	Manufacturing
vol	Vegetable oils & fats	Manufacturing	Manufacturing
prs	Processed rice and sugar	Manufacturing	Manufacturing
ofd	Other processed food	Manufacturing	Manufacturing
b_t	Beverages & tobacco products	Manufacturing	Manufacturing
tex	Textiles	Manufacturing	Manufacturing
wap	Wearing apparel	Manufacturing	Manufacturing
lea	Leather products	Manufacturing	Manufacturing

lum	Wood products	Manufacturing	Manufacturing
ppp	Paper & Paper Products	Manufacturing	Manufacturing
chm	Chemicals & chemical prods	Manufacturing	Manufacturing
bph	Pharmac. & medicinal prods	Manufacturing	Manufacturing
rpp	Rubber & plastics prods	Manufacturing	Manufacturing
nmm	Other non-metallic minerals	Manufacturing	Manufacturing
i_s	Ferrous metals	Manufacturing	Manufacturing
nfm	Non-ferrous metals	Manufacturing	Manufacturing
fmp	Metal products	Manufacturing	Manufacturing
ele	Computer & electronic prods	Manufacturing	Manufacturing
eeq	Electrical equipment	Manufacturing	Manufacturing
ome	Other machinery & equipment	Manufacturing	Manufacturing
mvh	Motor vehicles & parts	Manufacturing	Manufacturing
otn	Other transport equipment	Manufacturing	Manufacturing
omf	Other manufactures	Manufacturing	Manufacturing
uty	Utilities	Utilities	Water supply; sewerage, waste management and remediation activities
trw	Trade and warehousing	Retail and Trade	Wholesale and retail trade; repair of motor vehicles and motorcycles
otp	Land transport	Transport	Transportation and storage
wtp	Water transport	Transport	Transportation and storage
atp	Air transport	Transport	Transportation and storage
cmn	Communication	IT and Communication	Information and communication
fir	Finance, insurance & real estate	Finance	Financial and insurance activities
obs	Other business services	Other Services	Other service activities
raf	Recreation, accommodation & food	Arts and Recreation	Arts, entertainment and recreation
osv	Government and other services	Public Sector	Public administration and defence; compulsory social security

Source: Own mapping.

Table 11: Mapping of UN ECLAC database sectors to GTAP sectors

Number	**GTAP**	**Description**	**ECLAC**	**Sectors short**
1	wht	Wheat	Agriculture	Agriculture
2	v_f	Vegetables, fruit, nuts	Agriculture	Agriculture
3	osd	Oil seeds	Agriculture	Agriculture
4	ctl	Bovine cattle, sheep and goats	Agriculture	Agriculture
5	frs	Forestry	Agriculture	Agriculture
6	pry	Other primary	Agriculture	Agriculture

7	oxt	Other mining extraction	Mining	Mining
8	eny	Energy (extraction based)	Electricity, gas and water	Electricity Supply
9	cmt	Bovine meat products	Manufacturing	Manufacturing
10	omt	Meat products nec	Manufacturing	Manufacturing
11	mil	Dairy products	Manufacturing	Manufacturing
12	vol	Vegetable oils and fats	Manufacturing	Manufacturing
13	prs	Processed rice and sugar	Manufacturing	Manufacturing
14	ofd	Food products nec	Manufacturing	Manufacturing
15	b_t	Beverages and tobacco products	Manufacturing	Manufacturing
16	tex	Textiles	Manufacturing	Manufacturing
17	wap	Wearing apparel	Manufacturing	Manufacturing
18	lea	Leather products	Manufacturing	Manufacturing
19	lum	Wood products	Manufacturing	Manufacturing
20	ppp	Paper products, publishing	Manufacturing	Manufacturing
21	chm	Chemical products	Manufacturing	Manufacturing
22	bph	Basic pharmaceutical products	Manufacturing	Manufacturing
23	rpp	Rubber and plastic products	Manufacturing	Manufacturing
24	nmm	Other non-metallic minerals	Manufacturing	Manufacturing
25	i_s	Ferrous metals	Manufacturing	Manufacturing
26	nfm	Non-ferrous metals	Manufacturing	Manufacturing
27	fmp	Fabricated metal products	Manufacturing	Manufacturing
28	ele	Computer, electronic and optic	Manufacturing	Manufacturing
29	eeq	Electrical equipment	Manufacturing	Manufacturing
30	ome	Machinery and equipment nec	Manufacturing	Manufacturing
31	mvh	Motor vehicles and parts	Manufacturing	Manufacturing
32	otn	Transport equipment nec	Manufacturing	Manufacturing
33	omf	Other manufactures	Manufacturing	Manufacturing
34	uty	Utilities	Other services	Other services
35	trw	Trade and warehousing	Trade	Trade
36	otp	Land transport	Transport	Transport
37	wtp	Water transport	Transport	Transport
38	atp	Air transport	Transport	Transport
39	cmn	Communication	Other services	Other services
40	fir	Finance, insurance & real estate	Financial services	Financial services
41	obs	Other business services	Other services	Other services
42	raf	Recreation, accommodation, food	Other services	Other services
43	osv	Public Administration and defense	Other services	Other services

Source: Own mapping.

10 Annex II: Estimation of the TRQ impacts on trade volumes

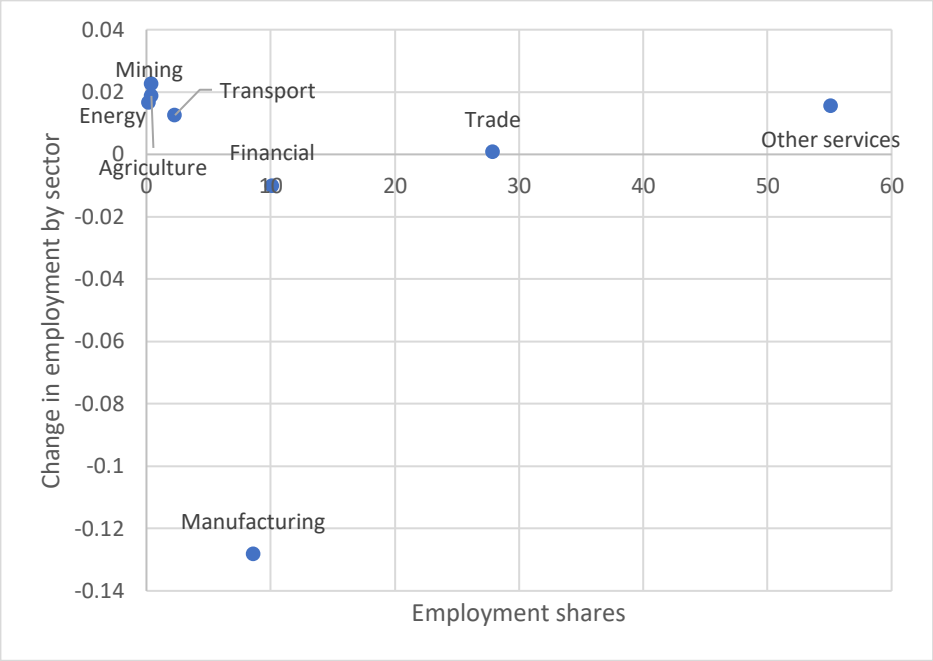
To analyse tariff rate quotas, we separately identify and analyse the product-lines for which the new TQR could potentially affect current trade volumes. To this effect we employed the within-quota and out-of-quota trade data from FCA, as well as more detailed information on the negotiated TRQs provided by SECO.

In total, there are 72 product-lines with TRQ information, which can be grouped into 25 broad product categories. Most of these TRQs correspond to Swiss imports from MERCOSUR. For each product category we take the current within- and out-of-quota trade, the newly negotiated quotas and based on this information, we perform a case-by-case analysis on if/how the new TRQs can affect current trade volumes. In the cases where the new quotas will actually increase trade volumes, we estimate the percentage increase of trade for that product and then estimate what that percentage increase represents for the aggregated sector in our CGE model. The volume changes are then translated into value changes using the current average import prices from MERCOSUR or for all regions when MERCOSUR is not currently exporting those particular products to Switzerland. Finally, some of the quota increases come at the expense of reducing imports from other (non-MERCOSUR) countries, so that total Swiss imports in those products are constant. In these cases, besides estimating the trade change for MERCOSUR countries at the aggregate sector level, we also estimate how much trade from other (non-EU and non-EFTA) regions will have to decrease to keep overall Swiss imports unchanged.

11 Annex III: Results of CGE modelling for the urban/rural areas by gender

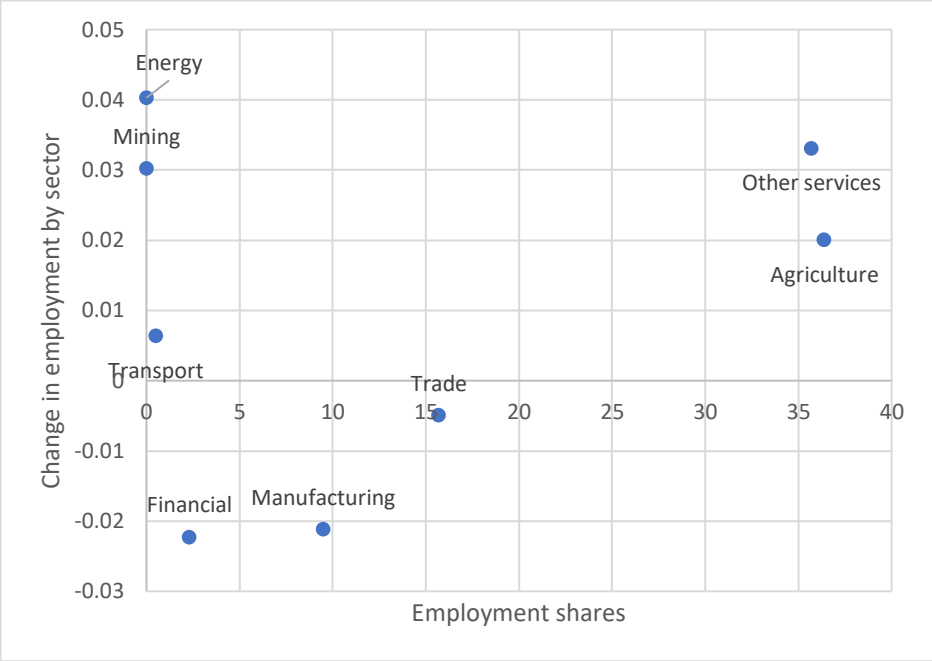
11.1 Analysis for women in urban and rural areas in Latin America

Figure 13: Changes in people employed and employment shares for urban women in Argentina (in %)



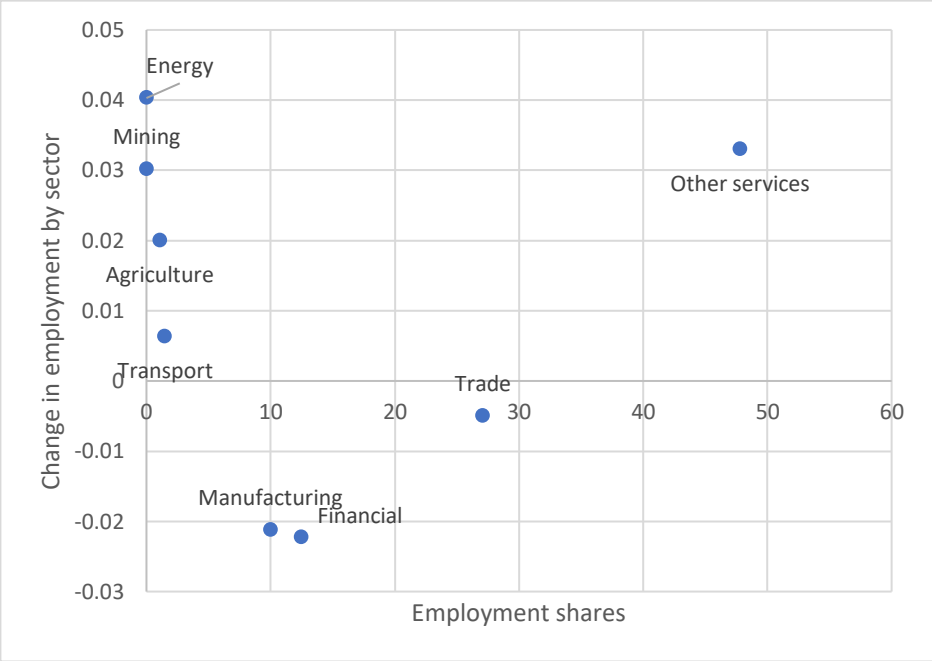
Source: Own calculations using data from GTAP and ECLAC. See Table 9 in Annex I: Data sources and mapping of sectors (for CGE modelling) for more information on the data sources. See Table 11 for the mapping from GTAP to ECLAC sectors. For Argentina, there is no rural population in the database.

Figure 14: Changes in people employed and employment shares for rural women in Brazil (in %)



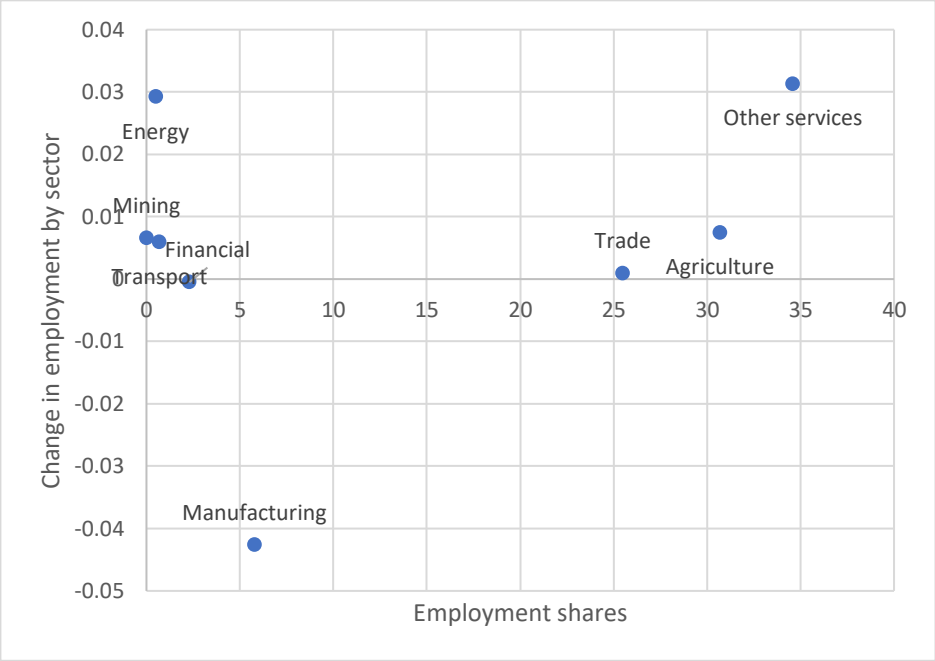
Source: Own calculations using data from GTAP and ECLAC. See Table 9 in Annex I: Data sources and mapping of sectors (for CGE modelling) for more information on the data sources. See Table 11 for the mapping from GTAP to ECLAC sectors.

Figure 15: Changes in people employed and employment shares for urban women in Brazil (in %)



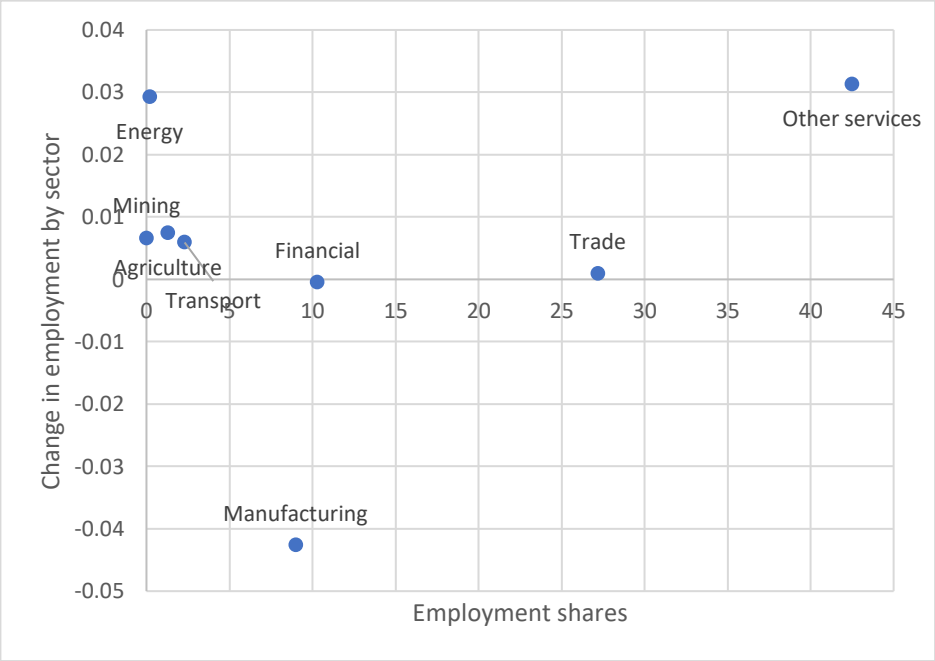
Source: Own calculations using data from GTAP and ECLAC. See Table 9 in Annex I: Data sources and mapping of sectors (for CGE modelling) for more information on the data sources. See Table 11 for the mapping from GTAP to ECLAC sectors.

Figure 16: Changes in people employed and employment shares for rural women in Paraguay (in %)



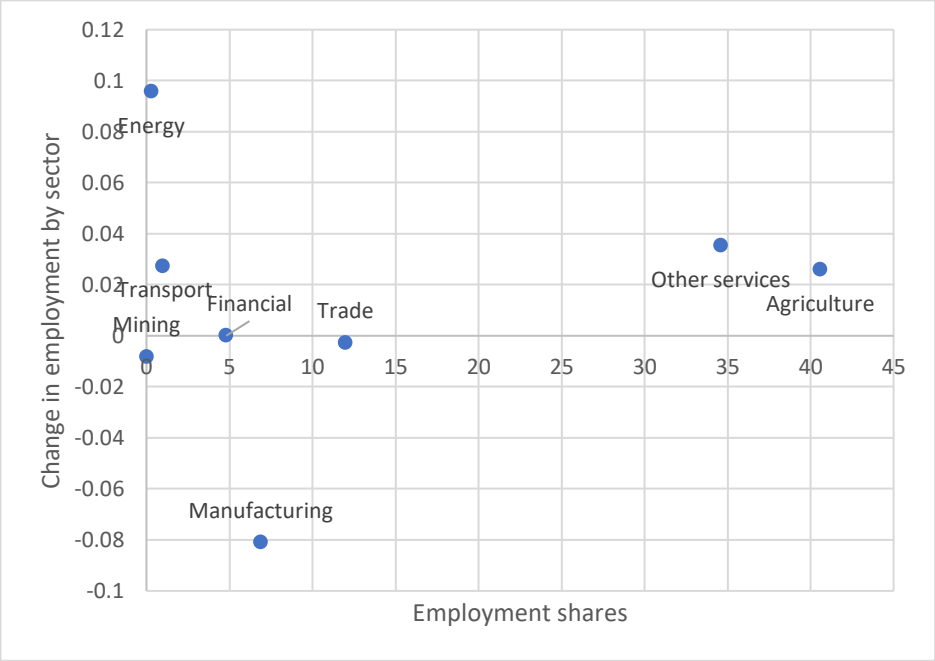
Source: Own calculations using data from GTAP and ECLAC. See Table 9 in Annex I: Data sources and mapping of sectors (for CGE modelling) for more information on the data sources. See Table 11 for the mapping from GTAP to ECLAC sectors.

Figure 17: Changes in people employed and employment shares for urban women in Paraguay (in %)



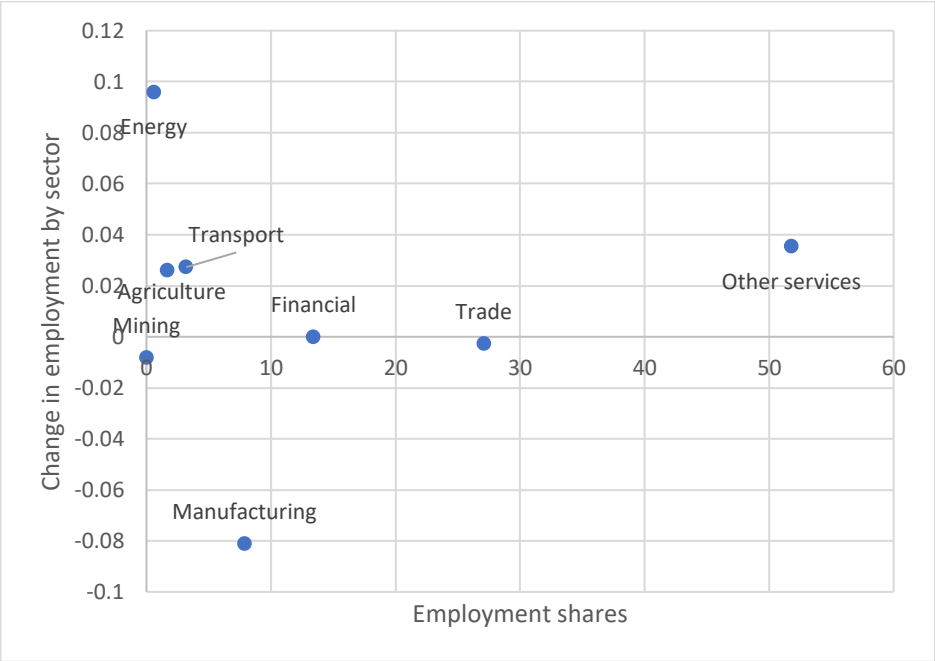
Source: Own calculations using data from GTAP and ECLAC. See Table 9 in Annex I: Data sources and mapping of sectors (for CGE modelling) for more information on the data sources. See Table 11 for the mapping from GTAP to ECLAC sectors.

Figure 18: Changes in people employed and employment shares for rural women in Uruguay (in %)



Source: Own calculations using data from GTAP and ECLAC. See Table 9 in Annex I: Data sources and mapping of sectors (for CGE modelling) for more information on the data sources. See Table 11 for the mapping from GTAP to ECLAC sectors.

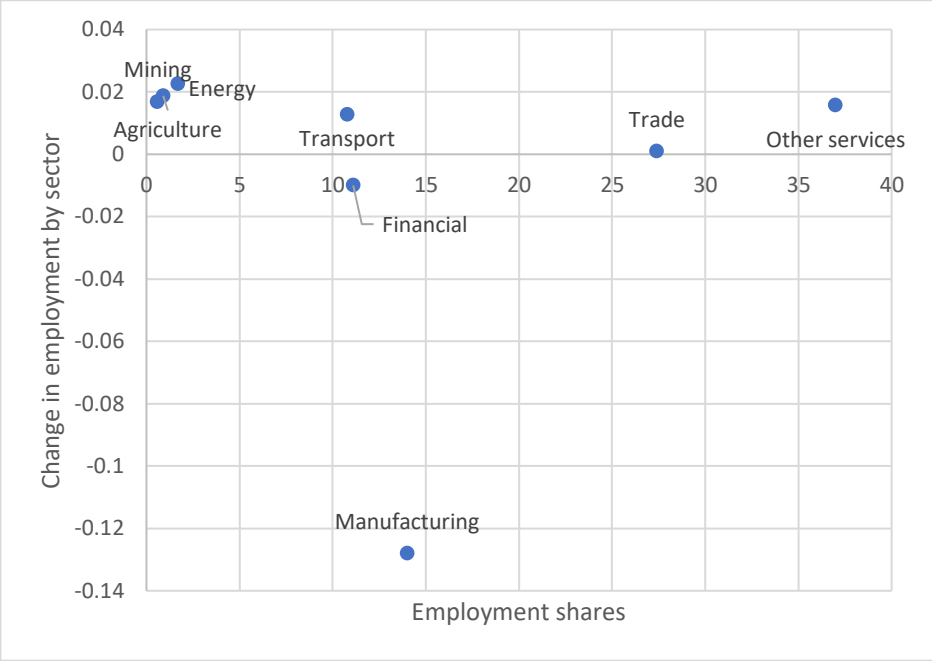
Figure 19: Changes in people employed and employment shares for urban women in Uruguay (in %)



Source: Own calculations using data from GTAP and ECLAC. See Table 9 in Annex I: Data sources and mapping of sectors (for CGE modelling) for more information on the data sources. See Table 11 for the mapping from GTAP to ECLAC sectors.

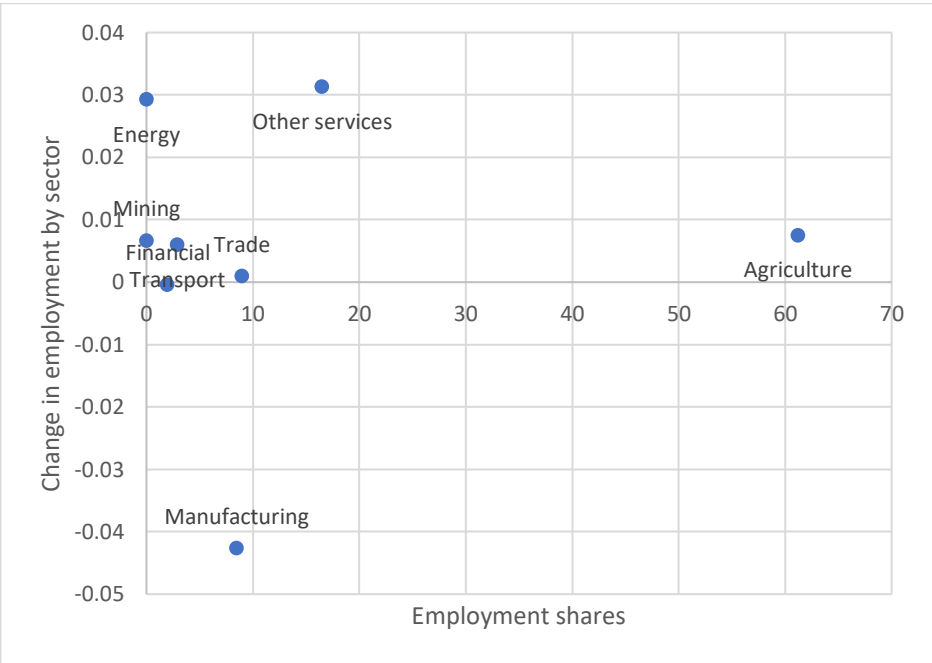
11.2 Analysis for men in urban and rural areas for Latin America

Figure 20: Changes in people employed and employment shares for urban men in Argentina (in %)



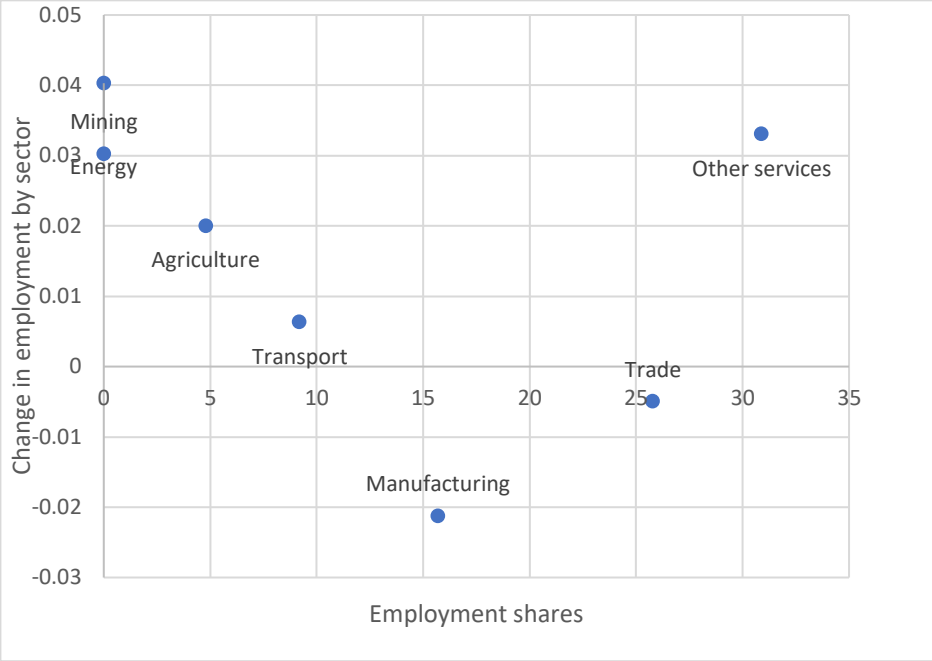
Source: Own calculations using data from GTAP and ECLAC. See Table 9 in Annex I: Data sources and mapping of sectors (for CGE modelling) for more information on the data sources. See Table 11 for the mapping from GTAP to ECLAC sectors. For Argentina, there is no rural population in the database

Figure 21: Changes in people employed and employment shares for rural men in Brazil (in %)



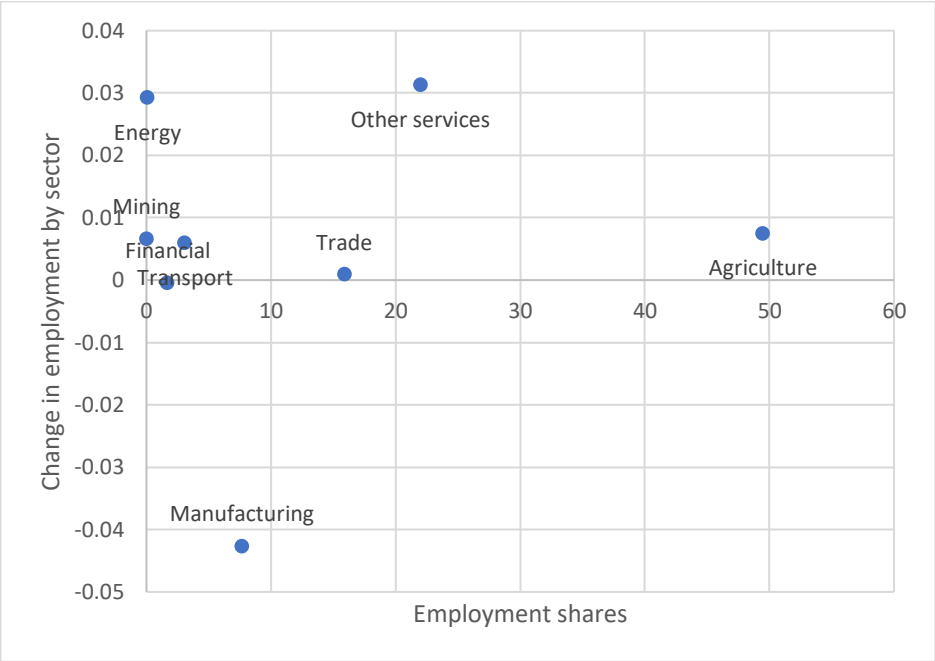
Source: Own calculations using data from GTAP and ECLAC. See Table 9 in Annex I: Data sources and mapping of sectors (for CGE modelling) for more information on the data sources. See Table 11 for the mapping from GTAP to ECLAC sectors.

Figure 22: Changes in people employed and employment shares for urban men in Brazil (in %)



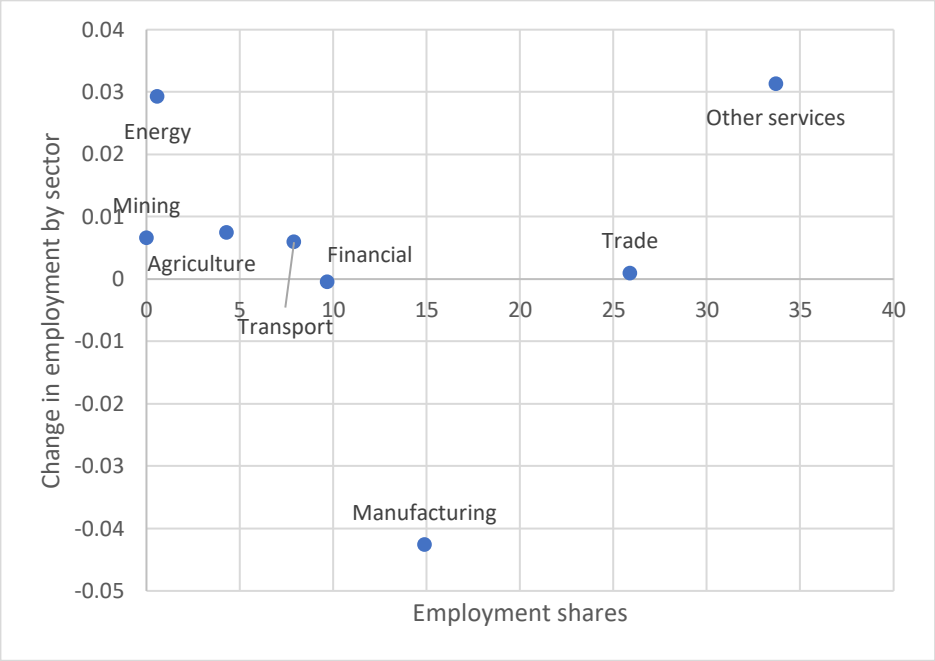
Source: Own calculations using data from GTAP and ECLAC. See Table 9 in Annex I: Data sources and mapping of sectors (for CGE modelling) for more information on the data sources. See Table 11 for the mapping from GTAP to ECLAC sectors.

Figure 23: Changes in people employed and employment shares for rural men in Paraguay (in %)



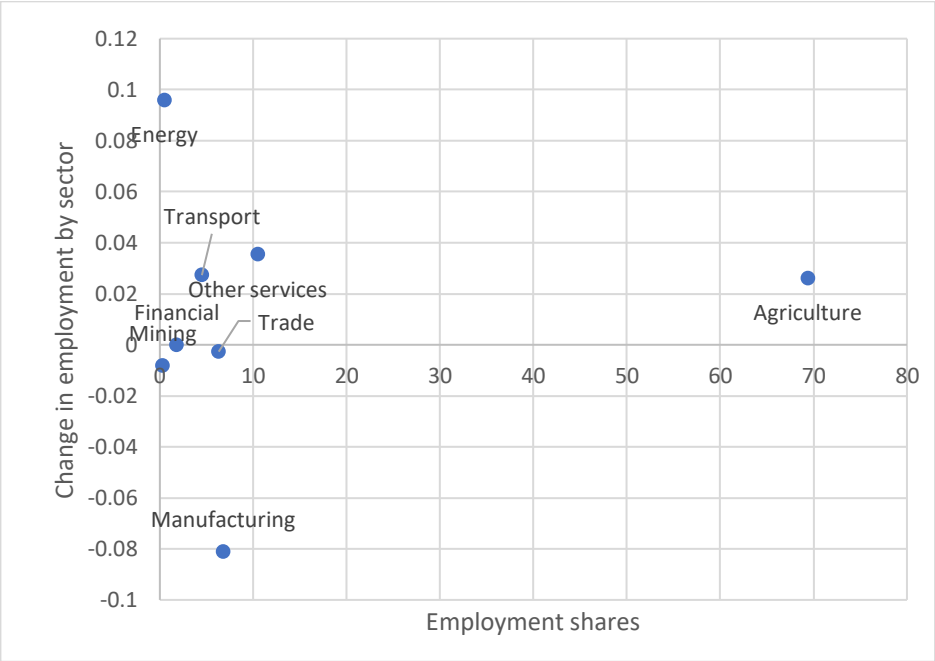
Source: Own calculations using data from GTAP and ECLAC. See Table 9 in Annex I: Data sources and mapping of sectors (for CGE modelling) for more information on the data sources. See Table 11 for the mapping from GTAP to ECLAC sectors.

Figure 24: Changes in people employed and employment shares for urban men in Paraguay (in %)



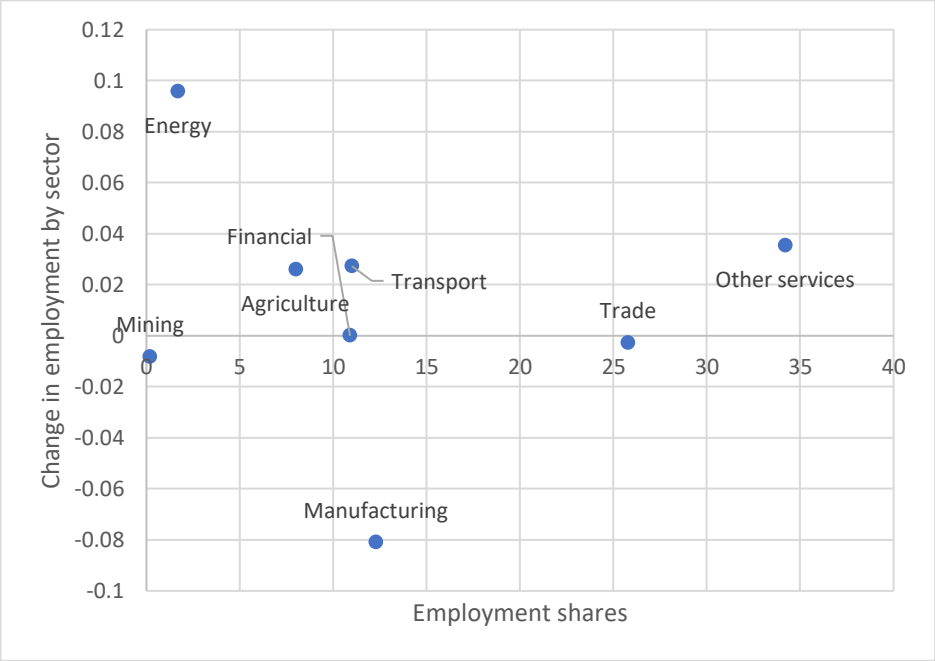
Source: Own calculations using data from GTAP and ECLAC. See Table 9 in Annex I: Data sources and mapping of sectors (for CGE modelling) for more information on the data sources. See Table 11 for the mapping from GTAP to ECLAC sectors.

Figure 25: Changes in people employed and employment shares for rural men in Uruguay (in %)



Source: Own calculations using data from GTAP and ECLAC. See Table 9 in Annex I: Data sources and mapping of sectors (for CGE modelling) for more information on the data sources. See Table 11 for the mapping from GTAP to ECLAC sectors.

Figure 26: Changes in people employed and employment shares for urban men in Uruguay (in %)



Source: Own calculations using data from GTAP and ECLAC. See Table 9 in Annex I: Data sources and mapping of sectors (for CGE modelling) for more information on the data sources. See Table 11 for the mapping from GTAP to ECLAC sectors.

12 Annex IV: Results of CGE modelling for environmental effects related to human health

To analyze environmental effects related to human health, we focused the attention on those sectors that use land and natural resources abundantly. Given that the conditions of market access for Mercosur countries to Switzerland remain largely unchanged for industrial sectors under the EMFTA, this leads to small, estimated changes in trade and production levels in Mercosur. Rather than being driven by direct market access changes for MERCOSUR industrial exports to Switzerland, these effects are basically driven by a mix of NTM reductions, changes in Swiss market access to the MERCOSUR economies, and general equilibrium effects. The small estimated production effects in turn imply muted environmental impacts across a broad range of environmental indicators. For all these sectors the expected economic changes are very small, with all changes in exports and output being below one per cent (while for dairy and vegetables, fruits, nuts, exports are estimated to increase slightly, this is accompanied by generally even smaller changes in output in these sectors). The relatively limited economic effects of the EMFTA reported are the main reason for differences in the magnitude of environmental impacts compared with other recent studies. Alig *et al.* (2019), for instance, applied a much more ambitious trade liberalization scenario. We have benefitted from hindsight and have been able to work with the set of actual negotiated market access commitments. Earlier studies did not have this information.

This study further examines risks posed by two main activities highlighted by previous SIAs, with respect to biodiversity and water resources – forestry and cattle. The EMFTA creates very limited incentives for expansion in agricultural and food trade between Switzerland and MERCOSUR, and this explains why the consequent deforestation risks are muted. There is a small, expected increase in bovine cattle, sheep, and goat production, with the highest increase estimated to take place in Uruguay, equivalent to a 0.05% increase in overall production. This change may result in a negative impact on biodiversity in the long run, most importantly in Uruguay, albeit a small one.

Air pollution is a significant contributor to heart disease. The model-based analysis quantifies the impact on the air pollutants listed in the table below. All of these pose potential human health risks, especially for children and the elderly.

Table 12: Model Based Non-GHG Air Pollution Indicators

category		units	Estimated changes, per cent						
			CHE	MER	ARG	BRA	PRY	URY	World
BC	Black carbon	Gg	0.03	0.02	0.01	0.02	0.01	0.00	0.00
CO	Carbon monoxide	Gg	-0.11	0.01	0.01	0.01	0.01	0.00	0.00
NH_3	Ammonia	Gg	0.13	0.01	-0.01	0.02	0.01	0.00	0.00
NMVB	Non-methane volatile organic compounds (short cycle carbon)	Gg	-0.01	0.02	0.01	0.02	0.02	0.00	0.00
NMVF	Non-methane volatile organic compounds (long cycle carbon)	Gg	0.20	-0.01	-0.02	0.00	0.00	0.04	0.00
NOx	Nitrogen oxides	Gg	0.06	0.01	0.00	0.02	0.00	0.00	0.00
OC	Organic carbon	Gg	-0.01	0.02	0.01	0.02	0.01	0.00	0.00
PM_{10}	Particulate matter 10	Gg	0.17	0.02	0.01	0.02	0.01	0.00	0.00
$PM_{2.5}$	Particulate matter 2.5	Gg	0.05	0.02	0.01	0.02	0.00	0.00	0.00
SO_2	Sulphur dioxide	Gg	0.30	-0.03	-0.04	-0.03	0.00	-0.01	0.00

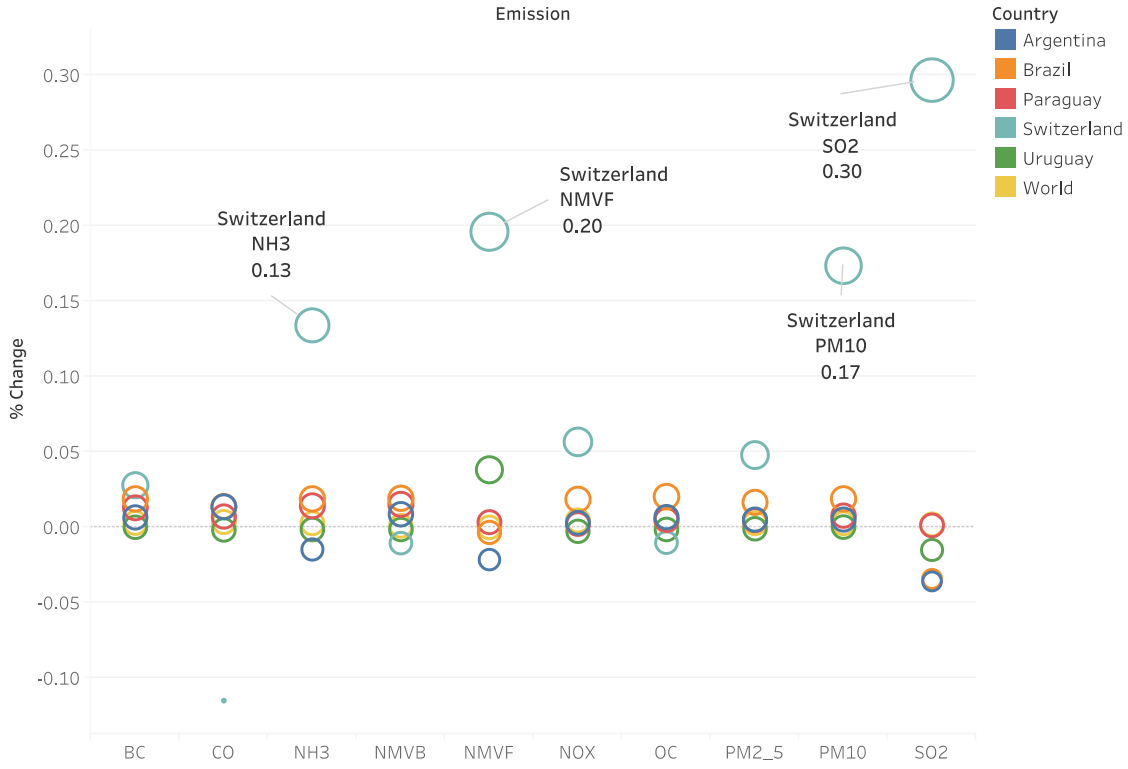
Source: WTI (2020), Ahmed et al. (2014), Burcu Irfanoglu and van der Mensbrugghe (2015), Baldos (2017), Chepeliev (2018), Fernández-Amador et al. (2017, 2019); Schwietzke et al. (2016); GTAPv10; various IEA releases. Projections and updates based on SSP2 and the technology coefficients of the CGE model (O'Neill et al. 2017, Riahi et al. 2017, Samir and Lutz 2017, Bekkers et al. 2018). Note: MT stands for million tons.

Particulate matter (PM 10 and 2,5) are tiny particles suspended in the air. They can penetrate deep into the lungs, enter the bloodstream, and cause inflammation, leading to heart attacks, strokes, irregular heartbeats, and heart failure. In children, exposure to particulate matter can impair lung development, leading to reduced lung function and increased risk of asthma and respiratory infections. It can also affect cognitive development and academic performance. Exposure to particulate matter in the elderly can exacerbate existing heart and lung conditions, increasing the risk of heart attacks, strokes, and respiratory problems. Black carbon is formed from incomplete combustion and is a component of PM2,5. It can cause inflammation, leading to heart disease. In both children and the elderly, it contributes to inflammation and oxidative stress, making both children and elderly more susceptible to heart and lung diseases. Nitrogen oxides are primarily formed by burning fossil fuels. They contribute to the formation of ozone and particulate matter; both linked to heart problems. Additionally, nitrogen oxides can irritate the lungs, leading to inflammation that affects the heart. Sulfur dioxide (SO2) is released primarily from burning fossil fuels, especially coal. It can irritate the lungs, leading to inflammation and increased risk of heart attacks. In children and the elderly, it can also worsen asthma and other respiratory diseases. Carbon monoxide is also produced by incomplete combustion. It reduces the oxygen-carrying capacity of the blood, leading to heart strain and increased risk of heart attacks. In children it can reduce oxygen levels in the blood, leading to developmental delays and cognitive impairments. In the elderly, it can exacerbate heart conditions and increase the risk of heart attacks. Organic carbon derived from biological sources like plants. It can contribute to the overall particulate matter burden, increasing heart risks. Ammonia is commonly released through both agriculture and industrial processes. It is linked primarily to respiratory problems and can contribute to the formation of particulate matter and ozone, indirectly increasing heart risks. In both children and the elderly, ammonia can irritate the eyes, nose, and throat, and can worsen respiratory conditions. Short-cycle and long-cycle NMVBs (Non-Methane Volatile Organic Compounds) are a broad category of chemicals, including benzene, toluene, and formaldehyde. Some NMVBs are known to be toxic to the heart. but more research is needed to fully understand their heart health impacts. It is important to note that the effects of these pollutants often interact and compound, increasing

the overall risk of heart disease. Exposure to multiple pollutants simultaneously can exacerbate health problems.

Changes in air pollution following implementation of the EMFTA are summarized in the table above and in the figure below (Figure 27). Model estimates indicate air pollution will not change significantly in the MERCOSUR countries, while for other countries the changes are estimated to be negligible. Percentage changes in our air pollution indicators for Switzerland are between 0.1% and 0.3%, with NH3 (ammonia) increasing by 0.13%, NMVF (Non-methane volatile organic compounds (long cycle carbon) by 0.2%, SO2 by 0.3%, and PM10 by 0.17%. These changes are driven by the small, estimated increase in overall Swiss manufacturing activities, as discussed in the earlier WTI (2020) report. For the world, and for the rest of the world, the changes are negligible for air pollutants (consistently ±0.0%).

Figure 27: Change in other air pollution (in %)



Source: Own calculations using GTAP.

Regarding deforestation risks linked to mining that were concerns raised by Sonter *et al.* (2017), due to the fact that the market Access terms of the EMFTA lead to very small changes in mining which were already exempted from tariff although negative effects are expected as mining would increase by 0.02% the effects will be limited.[208]

Our results indicate a minor change in agricultural activity due to the trade agreement with the EMFTA. An increased demand for agricultural land can increase land prices in all MERCOSUR countries. Nevertheless, the estimated changes are all below or around 0.1% (and

[208] See WTI (2020) report for more details.

so at most minor). The greatest estimated increase is in Brazil's land prices (0.1%), indicating an increased demand for land, potentially resulting in increased incentives for further deforestation. Furthermore, land prices for Switzerland are also estimated to see a (minor) increase of 0.07%.

Regarding biodiversity, while the estimated changes in forestry activities are judged to be minor, there is an expected increase in bovine cattle, sheep, and goat production, with the highest increase is estimated to take place in Uruguay, equivalent to a 0.05% increase in overall production. This is driven by an increase in non-bovine cattle supporting the estimated increase in exports in these products. Keeping in mind the relative magnitudes involved, this change may result in a negative impact on biodiversity in the long run, most importantly in Uruguay.

13 Annex V: Changes in Swiss industrial tariffs

The original WTI (2020) report included GSP tariffs, MFN tariffs, and PTA tariffs. It also included estimated reductions in NTM related trade costs under the EMFTA. However, Swiss industrial tariffs are now less important to the overall assessment. As of 2024, Switzerland has implemented zero tariffs for industrial goods. On the other hand, Swiss exports of goods to the MERCOSUR countries will still benefit substantively from improved market access. What this means, for example, is that while Swiss tariffs applied to MERCOSUR industrial goods do not change (they are zero), there are substantial changes in MERCOSUR tariffs, especially as applied against Swiss industrial goods. Overall, effects for MERCOSUR producers are basically driven by a mix of NTM-related trade cost reductions, changes in Swiss market access to the MERCOSUR economies, and general equilibrium effects. The small estimated production effects in turn imply muted environmental impacts across a broad range of environmental indicators.

In the table below we report estimates of changes in output for textile and clothing with the original set of policy variables from the WTI (2020) study, and with the updated Swiss industrial tariffs. We focus on these sectors because they represent peak Swiss industrial tariffs in the WTI (2020) assessment. The NTM-related trade costs are identical in both sets of estimates. The estimates are generated with the GSIM Model (a multi-region sector specific model), with the 2040 baseline data (production and trade) from the original WTI assessment.

As can be seen in the table, the primary driver of changes in output for these sectors is the mix of NTM-related trade costs and MERCOSUR tariffs rather than Swiss tariffs. The estimated changes in output (and so associated changes in employment) are essentially identical (with a small difference for Swiss apparel production) across countries and products.

Table 13: Changes in industrial output, WTI (2020) baseline and 2024 Swiss tariffs

	Apparel		Textiles	
	old tariffs	new tariffs	old tariffs	new tariffs
	% change in OUTPUT	% change in OUTPUT	% change in OUTPUT	% change in OUTPUT
Switzerland	0.17	0.19	0.18	0.18
Argentina	0.01	0.01	-0.01	-0.01
Brazil	-0.01	-0.01	-0.01	-0.01
Paraguay	-0.03	-0.03	-0.02	-0.02
Uruguay	0.02	0.02	0.00	0.00
Rest of EFTA	0.72	0.72	0.10	0.10

14 Annex VI: Stakeholder consultation processes

Consultations were undertaken to gather information and collect points of view from different stakeholders on the potential sustainability consequences of the proposed EFTA-Mercosur agreement or of FTAs in general. For the Mercosur countries, we conducted the stakeholder consultations using three complementary methods: interviews, an online questionnaire and focus groups. For Switzerland, we opted for an online questionnaire with an option for those contacted to set-up an online interview.

The consultations were primarily designed to cater to stakeholders from the following categories:

- Non-governmental Organisations (NGOs)
- Representatives of indigenous communities (in Mercosur countries)
- Trade unions
- Businesses (for Switzerland the focus was on business associations)
- Academia
- International organizations

We did not engage in consultations with governmental agencies or ministries given the stage of advancement of negotiations over the treaty. The final list of stakeholders who participated in the stakeholder consultation process through the various channels are listed in Table 14 below.

14.1 Stakeholder interviews

Interviews with stakeholders had the objectives of receiving information and data, collecting the different points of view of the different stakeholders, understanding the potential impacts of the EFTA-Mercosur agreement and the situation in sectors involved between the stakeholders, listening to the concerns about the agreement or FTAs in general, and collecting recommendations. The team conducted 40 interviews in Mercosur countries and 2 interviews in Switzerland.

14.2 Surveys

In the Mercosur countries, we reached out to many stakeholders via broad LinkedIn campaigns, direct contact, or through Swiss Chambers of Commerce. In total, 37 surveys were completed by stakeholders in the four countries. The survey was available in Spanish and Portuguese on the website consultaeftamercosul.org. It focused specifically focused on the potential social impacts of the agreement on multiple social dimensions, including wages, decent jobs and traditional communities. In Switzerland, we contacted directly a list of 23 stakeholders, including business associations, NGOs, and trade unions. Thirteen filled an online questionnaire (focusing on the social implications of the agreement) and two of them opted for an online interview.

14.3 Focus groups

In the framework of the consultations, we organised two focus group discussions, one with eight representatives of different indigenous populations in Argentina on 29 November 2024,

and one with seven representatives of a mixed of business, NGOs, and academia in Brazil on 22 November 2024.

14.4 List of stakeholders consulted

Table 14: List of stakeholders consulted

Type	Institution	Country
NGO	Centro de Estudios Legales y Sociales (CELS)	Argentina
NGO	Centro de Implementación de Políticas Públicas para la Equidad y el Crecimiento (CIPPEC)	Argentina
NGO	Centro por la Justicia y el Derecho Internacional (CEJIL)	A,B, P & U
NGO	Equipo Latinoamericano de Justicia y Género (ELA)	Argentina
NGO	Fundación para Estudio e Investigación de la Mujer (FEIM)	Argentina
NGO	Fundación Ambiente y Recursos Naturales (FARN)	Argentina
NGO	Fundar	Argentina
NGO	Grupo de Países Productores del Sur (GPS)	Argentina
NGO	UN Global Compact – Brazil Network (Pacto Global)	Brazil
NGO	WWF-Brasil	Brazil
NGO	José Luiz Egydio Setúbal Foundation (FJLES)	Brazil
NGO	BASE-IS	Paraguay
NGO	Heñói - Centro de Estudios	Paraguay
NGO	Instituto de Ciencias Sociales (ICSO)	Paraguay
NGO	Centro de Estudios de la Realidad Económica y Social (CERES)	Uruguay
NGO	Solidar Suisse	Switzerland
NGO	Stop Piracy	Switzerland
Indigenous community	Mapuche Community Choyque Newen	Argentina
Indigenous community	Mapuche community Kintul Folil	Argentina
Indigenous community	Coya community URKOPA Kallpan	Argentina
Indigenous community	Mapuche comunity Anekon Grande	Argentina
Indigenous community	Indigenous Participation Council of the Coya	Argentina
Indigenous community	Mapuche community Monguel Mamuell	Argentina
Indigenous community	Mapuche community Raghiñ Plang Currha Meu	Argentina
Indigenous community	Coordination of Indigenous Organizations of the Brazilian Amazon (COIAB)	Brasil
Indigenous community	Guarani community Organización del Pueblo Guarani (OPG)	Paraguay
Trade Union	Central de Trabajadores de la Argentina (CTA Autónoma)	Argentina
Trade Union	Confederación General del Trabajo (CGT)	Argentina
Trade Union	Commerce Workers' Union (SEC)	Brazil
Trade Union	Central Workers' Union (CUT)	Brazil
Trade Union	Travail.Suisse	Switzerland
Academia	Universidad de Buenos Aires	Argentina
Academia	Universidad de San Andrés	Argentina
Academia	SENAI Institute of Technology and Automation	Brazil
Academia	University of São Paulo (USP)	Brazil
Academia	Getulio Vargas Foundation (FGV)	Brazil
Business	Industrial organization in Argentina	Argentina
Business	Sociedad Rural Argentina (SRA)	Argentina
Business	Swiss Argentine Chamber of Commerce	Argentina
Business	La maria Luisa SRL	Argentina
Business	Chronex S.A.	Argentina
Business	CCX Inversiones del Sur SA	Argentina
Business	Petrobras	Brazil
Business	HRP Healthy Foods Ltda	Brazil
Business	Canaan Farm	Brazil
Business	Controller	Brazil
Business	Brazilian Textile and Apparel Industry Association (Abit)	Brazil

Business	Geonoma	Brazil
Business	ACR Business Consulting	Brazil
Business	Agroicone	Brazil
Business	Novartis Brasil	Brazil
Business	Moma Advertising	Brazil
Business	BRF S.A.	Brazil
Business	Santos Neto Lawyers	Brazil
Business	Brazilian Association of Biscuit, Pasta, and Industrialized Bread & Cake Industries (ABIMAPI)	Brazil
Business	Roche Chemical and Pharmaceutical Products Brasil	Brazil
Business	São Paulo State Industry Federation (FIESP)	Brazil
Business	Sugarcane Industry Union (UNICA)	Brazil
Business	Industrial Union of Paraguay	Paraguay
Business	Swiss Paraguayan Chamber of Commerce	Paraguay
Business	Swiss Uruguayan Chamber of Commerce	Uruguay
Business	Association Suisse des AOP-IGP	Switzerland
Business	Fédération de l'industrie horlogère suisse	Switzerland
Business	Scienceindustries	Switzerland
Business	Interpharma	Switzerland
Business	Swiss Biotech Association	Switzerland
Business	Chocosuisse	Switzerland
Business	Union Suisse des Paysans	Switzerland
Business	USAM	Switzerland
Business	Novartis	Switzerland
Business	Pfizer AG	Switzerland
Business	Swiss Textiles	Switzerland
Business	Swissness enforcement	Switzerland
International Org.	International Labour Organization	
International Org.	UN Women	
International Org.	OHCHR	
International Org.	UNICEF	
International Org.	The South Centre	