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Global Guide to Hiring Contractors: **LATAM**

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Contents

Introduction – p. 3

Difference between contractors and employees – p. 4

Benefits of hiring global contractors in Latin America – p. 4

Latin America's most popular hiring hubs – p. 5

- Mexico – p. 5
- Brazil – p. 6
- Colombia – p. 6
- Chile – p. 8

Take on global expansion with confidence – p. 8

Introduction

The Latin American (LATAM) business world is currently undergoing a renaissance. Previously known for its food, dance, and biodiversity, LATAM has now rebranded into a strong and competitive hiring hub to source educated, multilingual, and tech-savvy talent.

In a 2021 [report](#), UN's Economic Commission for Latin America and the Caribbean (ECLAC) predicted the region would experience a healthy economic reactivation post-pandemic. ECLAC's report also noted that LATAM's gross domestic product (GDP) would grow by 5.9 percent; with this prediction proving accurate, businesses, startups, and investments in the region have been skyrocketing in 2022.

Various Latin American nations have earned international acknowledgement as booming and innovative [tech hubs](#) – with Colombia, Brazil, and Mexico among the most popular. With a [population](#) of approximately 667 million, and a median age of 31 years, LATAM has turned into an attractive location for companies wanting to source highly skilled international contractors.

In this eBook, we will list key factors that companies should consider when hiring contractors in Latin America and reveal some of the top cities and hiring hubs to help companies streamline their talent search.



Difference between **contractors and employees.**

If companies wish to expand their hiring capacity and recruit in a thriving region like Latin America, the first step is to understand the difference between contractors and employees. Here are a few of the [key differences](#):

CONTRACTOR	EMPLOYEE
Contractors are hired on a per-project basis.	Employees are hired to work for a company on a full-time or part-time basis.
Contractors are not entitled to benefits or perks such as healthcare, end-of-year bonuses, or employee pensions.	Employees receive benefits and perks such as healthcare, end-of-year bonuses, and pensions.
Contractors are not incorporated into the company's payroll system.	Employees are incorporated into the company's payroll system
All contractors are responsible for paying their own taxes.	Employers are responsible for withholding income tax from employees' salaries.
Contractors have autonomy and can manage their own schedule according to project deadlines.	Employees usually receive more direction from employers when it comes to schedule and day-to-day work management.
Contractors can work for various clients at the same time.	Employees typically only work for one employer at a time.



Benefits of **hiring global contractors** in Latin America.

Hiring internationally can be challenging; however, sourcing contractors abroad has many benefits. Since contractors are generally hired for seasonal or specialized projects, they do not have to undergo a lengthy training period like full-time employees – which is perfect for expanding companies that require workers to begin immediately.

Some of the benefits of hiring global independent contractors in LATAM include:

- Contractors tend to pose fewer compliance challenges, as companies have reduced tax documentation and liability.
- Most countries in Latin America share similar time zones as North America, so hiring contractors in this region ensures working hours will be aligned with companies based in the U.S. and Canada.
- Hiring contractors allows companies to increase or decrease their workforce as needed, instead of committing to one or more full-time hires.
- Hiring contractors can be a cost-effective way of testing new markets before making hefty investments. LATAM is typically more affordable than Europe, Canada, or the United States.

Latin America's most popular hiring hubs.

Searching for talent in a region as large as Latin America can be overwhelming. To serve as a guiding compass, we have put together a list of some of the region's most popular hiring hubs, along with the specialized industries each location is known for.

Mexico: It's all about customer service, manufacturing, and tech.

There is an abundance of talent in Mexico – [tech](#) talent especially. Monterrey, Guadalajara, and Mexico City are three of the most popular tech hubs due to the cities' large volume of engineers and front- and back-end developers. IBM and Microsoft are just two examples of multinational companies that have settled in the region.

Skilled manufacturing workers are

also plentiful here. Mexico is one of the leading manufacturing nations in the world; large manufacturing company [Tecma](#) currently has factories in Tijuana, Monterrey, and Juárez.

[Customer support](#) professionals have also dominated Mexico's talent pool for many years. Due to its proximity to North America, bilingual population, and lower hiring costs, Baja California

is a popular hub for these roles.

Over the last decade, the number of college graduates has increased due to the government's [shifting focus](#) and education reforms. STEM graduates from Mexico increased from 15.5 percent in 2005 to 21.3 percent in 2012. Mexico City alone is home to [39](#) tertiary institutions, and Guadalajara also boasts some of the best tech colleges in the country.



Hiring contractors in Mexico.

In Mexico, [national law dictates](#) that if a supervisory or subordinate relationship exists between a worker and a company, the worker is entitled to the same benefits as a full-time employee.

Apart from ensuring an accurate worker classification, companies must submit the necessary paperwork to the corresponding institutions to avoid future compliance infringements and penalties. The government body [SAT](#) is one of the main governmental institutions companies will deal with when doing business in the region.

Brazil: home to highly skilled tech professionals.

There is a worldwide demand for tech professionals, and Brazil has them in abundance – from IT specialists to UX designers and software developers. Additionally, the nation is known for being [multilingual](#); apart from Portuguese, many people speak English, Italian, German, and Spanish.

São Paulo and Rio de Janeiro are two major cities with highly skilled young tech professionals. São Paulo was recently dubbed the nation’s [“innovation powerhouse,”](#) as it is home to more fintech startups than any other city in the entire Latin American region. In addition to this global recognition, São Paulo is also home to one of the top [universities](#) in the country, the University of São Paulo (USP).

Brazil’s young and educated talent as well as business potential haven’t gone unnoticed; mega companies like Amazon, Uber, and Spotify have all decided to base their Latin American headquarters in the region.

Hiring contractors in Brazil.

Labor laws in [Brazil](#) are known for their complexity. Companies hiring contractors in this country must carry out the following tasks to ensure compliance:

- Add a specific clause in the contract to clarify that the contractor is not officially part of the company’s staff.
- Ensure the worker is registered at INSS (National Institute of Social Security) as an independent worker and taxpayer.
- Request a copy of the worker’s ISSQN (tax on services of any kind) information.



Colombia: A nation of transformation and innovation.

Once known for its economic instability, Colombia has re-emerged as an innovative and forward-thinking tech and business hub.

The nation’s two major cities, Bogotá and [Medellín](#), receive the most international attention. Medellín has been coined LATAM’s “new [Silicon Valley](#)” thanks to [Ruta N](#), an innovation and business center that has nurtured many of the nation’s startups. Over 700,000 students graduated from IT and software development programs between 2001 and 2018, with software engineers, developers, and certified

technicians the most in-demand professionals for tech companies.

Bogotá is also a serious contender in the international business world. Google, General Motors, and more than 80 Fortune 500 companies have invested in this bustling South American city.

The main appeal of Bogotá is the diversity of business opportunities companies can take advantage of and nurture; IT, software development, hotel management and tourism operations, creative sectors, and manufacturing are but a few of the most popular industries receiving international

attention and investment. This wide-ranging talent pool means global companies can build remote teams with skilled professionals at the helm.

The nation's [top four universities](#) are also based in Medellín and Bogotá, so it is no wonder that these cities boast some of the best tech, tourism, and business talent in the country.

Hiring contractors in Colombia.

Hiring a contractor in Colombia can initially be as easy as entering a verbal agreement – both parties discuss project needs and establish specific deadlines. However, if a company wishes to enforce a [fixed-term](#) on the work required, a written contract is then required. The nation's labor code establishes that fixed-term contracts cannot exceed three years.

If companies want to terminate a fixed-term contract, Colombian legislation states that employers must inform the contractor of their intentions at least 30 days prior to the contract's intended end date.



Chile: Mining, tech, and startups.

The leading industries in this South American nation are mining and tech. Chile produces 28 percent of the world's copper and has a long-standing partnership with some of the world's biggest mining companies, such as [Codelco and BHP](#).

When it comes to tech, the government launched an ambitious initiative in 2010 called "Start-up Chile," a seed accelerator aimed at the region's small businesses and startups.

Chile's capital, Santiago, is an upcoming tech giant, earning the nickname "[Chilecon Valley](#)" for its large concentration of tech entrepreneurs and talented young professionals. The city also boasts a high number of IT experts and software developers.

Chile is recognized as a top [hiring hub](#), on the cutting edge of tech in the competencies of web development, JavaScript, UX, cybersecurity, AI, among others.

Hiring contractors in Chile.

In Chile, there are three types of [contracts](#): collective labor contracts, individual labor contracts, and special contracts.

There are also several Chilean-approved short-term contracts for apprentices, temporary dock employees, and workers at sea. When hiring contractors in Chile, keep in mind that each of these contracts have their own characteristics and specifications. The type of job your company requires will determine the type of contract.



Take on global expansion with confidence.

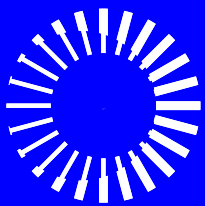
From world-renowned hiring hubs to multilingual and tech-savvy young professionals, Latin America has it all! If you want to grow your global workforce in this flourishing region, let G-P be your trusted guide.

As an extension of our SaaS-based Global Employment Platform™, [G-P Contractor](#) enables companies to hire anyone, anywhere, for both short- and long-term projects. Whether you're hiring employees or contractors, we streamline the process with just one login and one global partner.

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About Us

G-P helps growing companies unlock their full potential by making it possible to build highly skilled global teams in days instead of months. Through our SaaS-based platform, we help find, hire, onboard, pay, and manage team members, quickly and compliantly, to expand growth opportunities for everyone, everywhere – without the hassle of setting up local subsidiaries or branch offices. G-P: Global Made Possible



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