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FEASIBILITY STUDY FOR AN
INTER-AMERICAN COOPERATION MECHANISM FOR
PROFESSIONAL LABOR ADMINISTRATION

XIII INTER-AMERICAN CONFERENCE OF MINISTERS OF LABOR (IACML)

Feasibility Study for an Inter-American Cooperation Mechanism for Professional Labor Administration

A. BACKGROUND

In the Quebec Declaration of the Third Summit of the Americas, the Heads of State and Government established the following mandate:

“In order to advance our commitment to create greater employment opportunities, improve the skills of workers and improve working conditions throughout the Hemisphere, we recognize the need to address, in the relevant hemispheric and international fora, issues of globalization related to employment and labor. We instruct the Inter-American Conference of Ministers of Labor to continue their consideration of issues related to globalization which affect employment and labor.”

In the Plan of Action of the Third Summit of the Americas, the Heads of State and Government also established that, as regards labor and employment,

“direct Ministers to build upon the *Viña del Mar Declaration* which focused on the social dimensions of globalization and the modernization of Labor Ministries”, “create a process for improved collaboration and coordination on the labor dimensions of the Summit of the Americas process” and “develop new mechanisms to increase the effectiveness of projects and other technical assistance designed to build the capacity of smaller economies and their institutions”.

In turn, the Hemisphere’s Ministers of Labor reiterated these mandates in the Ottawa Declaration of the XII Inter-American Conference of Ministers of Labor.

B. NEED FOR AN INTER-AMERICAN COOPERATION MECHANISM FOR PROFESSIONAL LABOR ADMINISTRATION

Following up on the mandates set down by Heads of States at the Third Summit of the Americas, in the Ottawa Action Plan of the XII IACML, Ministers undertook to: (1) strengthen the capacity of ministries of labor to develop and implement labor and labor market policies; (2) develop new mechanisms to increase the effectiveness of projects and other technical assistance to build the capacity of labor ministries of smaller economies; and (3) create a process for improved collaboration and coordination with key international institutions within the Americas that have a critical role to play in the improvement of labor conditions;

Labor administration plays a vital role in the more integrated and technologically advanced economy, to which the Americas are looking forward;

Ministries of Labor have a vital and multi-faceted role in providing the necessary foundations to achieve the broad goals of the Summit of the Americas:

- Promoting and protecting the basic principles and rights of workers, as embodied in the ILO Declaration on Fundamental Principles and Rights at Work;
- Preparing workers to succeed in a dynamic integrated economy by providing them with the requisite skills;

- Improving the functioning of labor markets and promoting employment growth by providing workers with training during unemployment and access to employment services to assist in the transition to new employment;

(Not all labor ministries have sufficient resources to provide workers with increased economic security during unemployment. For example, Mexico has training programs and certain grants for unemployed workers, but does not have unemployment insurance.)

- Fostering the comprehensive development of individuals and the productive potential of workplaces;
- Deepening the understanding of the labor impacts of integration, including through social dialogue; and
- Participating actively in key economic and social policy debates;

Meeting these challenges calls for modernized, professional labor policy making, connectivity, and advanced information, management, social dialogue, alternative dispute resolution, and compliance systems;

Many labor ministries, particularly in the smaller economies, would benefit from capacity strengthening towards these ends;

Technical assistance and horizontal cooperation have a key role to play in strengthening the capacity of labor ministries;

There is a need for further and sustained collaboration and coordination with respect to building the capacity of labor ministries, among governments, social partners and key international organizations in the Hemisphere, building on and complementing existing programs and initiatives such as those of the International Labor Organization, the Organization of American States, and the Inter-American Development Bank;

In particular there is a need to coordinate the information and expertise required for effective horizontal cooperation programs, to situate such programs within overall capacity strengthening strategies likely to yield sustainable results, and for analysis that supports continuous improvement of capacity strengthening initiatives;

C. TERMS OF REFERENCE

1. Purpose

The study will examine feasibility of options for establishing a mechanism, under the auspices of the IACML, designed to serve the following purposes:

MODERNIZATION OF LABOR ADMINISTRATION

Efforts in support of this may include:

- developing and strengthening of a cadre of trained career professionals at the operational (including inspection), policy analysis and administrative levels, and within the mandate of labor ministries at the level of labor adjudication;

- classifying and disseminating information on good practices;
- incorporating modern information technologies to strengthen efficiency in operations and quality of policy analysis;
- modernizing and improving labor ministries as service providers: developing human capital; promoting employment growth; and facilitating the efficient operation of labor markets;
- increasing the effectiveness of strategies;
- implementing management systems to ensure accountability and continuous improvement.

GREATER INTERNATIONAL COLLABORATION AND COORDINATION

Efforts in support of this may include:

- providing a single window through which information on available resources and best practices can be accessed, based on the classification of best practices in specific areas of cooperation;
- identifying and registering cooperation projects undertaken in the region among countries and groups of countries;
- matching needs with horizontal cooperation resources including experienced professionals and experts;
- supporting the development by national governments of comprehensive capacity strengthening programs drawing upon horizontal cooperation and the assistance of relevant international organizations;
- identifying institutional sources of financing to extend existing cooperation projects to other countries and groups of countries;
- researching, analyzing and disseminating information on successful approaches achieving sustainable results;
- identifying unmet needs;
- providing a training ground for young labor professionals.

2. Scope

The study will take into account the needs of OAS member states identified in the work of IACML Working Groups, and other relevant sources including the ILO, ways to maximize the use of communications technologies, available complementary resources, networking possibilities and strategic counterparts in academia within the Hemisphere.

3. Objectives

To deliver a series of specific options and recommendations to guide the Inter-American Conference of Ministers of Labor in the possible implementation of a cooperative mechanism with respect to the following matters:

i) Role

The mechanism should constitute a resource available on request to governments in the Americas to improve the state of labor administration, and to support the IACML in its mandate to strengthen the capacity of labor ministries in the Hemisphere, by furthering the ability of governments and the Conference to achieve the purposes identified in paragraph 1 above.

The mechanism should seek to build upon and complement the resources made available by key international organizations, particularly those of the International Labor Organization, and the

Organization of American States, including the OAS SISMEML project. It should avoid duplication of operations.

The study will explore possible functions, including but not limited to:

- *Coordination of International Cooperation*
 - creating a pool and managing a network of experienced professional labor administrators available to provide expert assistance to labor ministries, matching needs with available resources;
 - building a system of best practices in labor issues in the Hemisphere's countries, allowing IACML members permanent access through the internet and other means;
 - identifying and registering cooperation projects undertaken in the region among countries and groups of countries, with a view to increasing the effectiveness and regional reach of cooperation;
 - establishing coordination mechanisms with key international institutions in the Americas for the purpose of compiling data and/or links to information on best practices, resources for international cooperation, and needs assessments;
 - working with the Institute for Connectivity in the Americas to develop internet-based solutions;
 - partnering with SISMEML to promote the modernization of labor and labor market information systems;
 - directly assisting IACML member governments in devising comprehensive and sustainable action plans for capacity strengthening, employing the above resources and drawing upon the International Labor Organization and other agencies with appropriate expertise; and in accessing funding sources to support such plans;
- *Analysis*
 - creating a permanent forum for analysis, reflection and exchange of information through the internet;
 - providing periodic experienced-based analyses of conditions for sustainability and effectiveness of programming;
 - developing strategies and new approaches to address unmet needs and achieve sustainable results furthering the aims of the IACML.
- *Training*
 - providing labor ministries with a learning ground to train officials and junior staff.

The member states wish to note that the ILO is the appropriate international organization with the exclusive mandate to set international labor standards and to supervise their application through its tripartite supervisory bodies.

ii) Possible Partners

The study will identify organizations at the national and international level that could act as partners in achieving the purposes described in paragraph 1 (including multilateral organizations, universities, and non-governmental organizations whose purpose is educational or that can provide technical expertise).

iii) Financing

The study will identify resource implications of options presented, including potential sources of funding, suggestions for cost-effectiveness and resource cooperation.

iv) Organization and Accountability

The study will examine how any proposed mechanism could be directed most effectively and efficiently while ensuring that the interests of all stakeholders are considered. The study will consider, among other things: how to ensure that any organization or institution, if such is proposed, would be accountable through direct reporting to the IACML; and modalities for a general supervisory structure composed of a permanent, non-remunerated directive committee which should include the troika of past, present and future chairs pro tempore of the IACML, and should also consider the role of representatives of member States, COSATE and CEATAL, key international organizations, and funding organizations.

v) Administration

In the event that an institutional mechanism is proposed, the study will consider how it could be administered including where it should be hosted, human resource implications, anticipated administrative needs (e.g. office supplies, websites, translation services), and implications of the OAS language policy with respect to the collection and dissemination of materials. This may include recommendations for an administrative structure such as a liaison bureau, secretariat or other appropriate model. To keep costs at a minimum, the extensive use of information and communications technology will be considered, as will the possibility that each member State may designate a national administrator to operate through the internet.

vi) Networking

The study will examine the role of any mechanism as a networking focus for labor administration expertise in the Americas and sharing of best practices. The study should also consider the establishment of a virtual mechanism linking labor ministries among themselves as well as to universities, international organizations and other sources of technical expertise in labor administration, on-line training and capacity-building information.

4. Leadership of the Study

The study will be directed by the past, present and future chairs pro tempore of the IACML. It will be administered by the Unit for Social Development and Education of the OAS, drawing upon recognized experts as appropriate.

The study will be produced in consultation with the leadership of the Working Groups, established in the Action Plan of the XIII IACML, as well as with COSATE and CEATAL. The study will provide for an interim report on progress to the first meetings of the Working Groups.

5. Financing

Financing for the study will be provided as follows:

The Labor Program of the Department of Human Resources Development Canada will provide \$X.

\$X will be allocated from the OAS Summit of the Americas Reserve Sub-Fund, subject to any necessary approvals.

(Other contributors and amounts will be identified as appropriate.)

6. Timing

- ? Submission of outline. February 7, 2004
- ? Submission of preliminary draft
to chairs pro tempore and the OAS April 30, 2004
- ? Meeting of expert consultants with Working
Group leadership and report to Working
Group members First Working Group meetings
- ? Submission of final draft to IACML Ministers
for approval July 30, 2004