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CEATAL DECLARATION

DECLARATION OF THE BUSINESS TECHNICAL ADVISORY COMMITTEE ON LABOR MATTERS (CEATAL) TO THE XXI INTER-AMERICAN CONFERENCE OF MINISTERS OF LABOR OF THE ORGANIZATION OF AMERICAN STATES (OAS)

IN THE FRAMEWORK OF THE XXI INTER-AMERICAN CONFERENCE OF MINISTERS OF LABOR (IACML) OF THE ORGANIZATION OF AMERICAN STATES (OAS), held on September 22 - 24, 2021, the Employers of the Americas, represented through the Business Technical Advisory Committee on Labor Matters (CEATAL), welcome the task attributed to the XXI IACML to reflect on the current social and economic context under the overarching theme “*Building a more resilient world of work with sustainable development, decent work, productive employment, and social inclusion*”.

To contribute to the XXI IACML, CEATAL hereby presents the following Declaration:

The economic and social disruption created by the COVID-19 pandemic has been severe. According to a recent International Labour Organization (ILO) publication, in 2020, Latin America and the Caribbean saw a 7 per cent contraction in economic activity; more than double that of the rest of the world combined.¹ Evidence of the devastating impact can be felt in the high level of unemployment, a significant decrease in productivity, rising levels of corporate bankruptcy, a major contraction in average income and an increase in poverty. According to Economic Commission for Latin America (ECLA), no fewer than two million micro and small enterprises in the region have gone out of business permanently. This drastic reduction in business activity has had an unprecedented impact on employment in the region.

It is true that nine months into 2021, growth forecasts for the current year are much more promising. Both ECLAC and other international organizations have revised upwards their growth estimates for the region, which are around 6% and are based on the effects of higher international demand and an increase in the price of goods exported from the region. Domestic consumption is again more dynamic, especially in those sectors that have been most affected since the start of the pandemic. But growth forecasts for 2022 are somewhat lower (around 3.2), and although significant, this growth will still not be enough to compensate for the sharp decline in the region's economy in 2020.

¹ https://www.ilo.org/wcmsp5/groups/public/---americas/---ro-lima/---sro-port_of_spain/documents/genericdocument/wcms_819029.pdf

The pandemic has revealed and spotlighted an array of weaknesses and vulnerabilities in institutions, policies and processes in most of the countries of the hemisphere. At the same time, it has created opportunities for countries to “build forward better”. There is more clarity on what needs to be addressed, how this might be accomplished, and also on the important role the most representative employer organisations and sustainable enterprises played in navigating the crisis and are and will be playing in any sustainable and resilient recovery strategy.

Employers in the Americas are convinced that democracy and the rule of law are essential requirements for generating economic growth and social progress in the Hemisphere. They are concerned about the actual enforcement of fundamental rights and guarantees in the event of their violation in a number of countries in the Hemisphere

Employers also believe work needs to begin immediately on reaching consensus on ways to create enabling environments for sustainable enterprises in every country in the Americas and drafting productive development policies for the region that help companies avoid bankruptcy and encourage improvements in productivity, innovation, the use of technology, and the qualification and training of workers.

In this regard, CEATAL calls on the Ministers of Labour of the Americas, as a matter of priority and in coordination with other ministries and institutions and with collaboration from the OAS, the ILO, the International Monetary Fund, the World Bank, the Inter-American Development Bank and other relevant international organizations to:

1. **Stimulate Job Creation.** There can be no clearer immediate objective than the need to stimulate and accelerate job creation, and to ensure that strong incentives are established to support entrepreneurs, businesses and workers in their quest for employment growth. This includes targeted incentives and the dismantling of obstacles that employers of all sizes face in driving growth and employment. Workers must be given improved access to diverse forms of employment, and actively supported through training and career guidance to ensure their relevance in a fast-evolving job market. This unprecedented challenge demands an unprecedented focus by countries in the Americas to strengthen or develop relevant regulatory frameworks and reforms that will revitalize job creation and underpin labour markets that are dynamic, flexible, inclusive and relevant for the post-Covid-19 era.
2. **Kick-start a New Era of Productivity.** In reshaping the world of work, a crucial objective for countries in the Americas must be to lay a new path towards greater productivity, which has remained elusive for so many years. Productivity growth is the route to raising standards of living. A focus on productivity paves the way to a more sustainable and resilient growth trajectory. It is essential to have programmes that encourage investment, technology transfer and applied innovation. Special attention should be paid to the situation of micro, small and medium companies, which face greater challenges accessing credit but also experience the most difficulties in finding workers with the qualifications they need. Countries in the Americas should commit to reigniting growth through a focus on productivity that benefits all members of society from upgrading the education of future workers and lifelong training of existing workers, to encouraging technologies that will augment the way we live and work, and reforms that will reduce labour market inefficiencies, remove unnecessary administrative and bureaucratic obstacles, and provide

safeguards that ensure healthy, productive employment and decent work opportunities. Productivity increases are very closely linked to economic growth, which in turn reinforces the employment creation effect. Enterprises with higher productivity and efficiency rates are in a better position to invest in developing workers' skills, improving employment conditions, and creating new jobs. In turn, the higher the productivity, the higher the level of wages, and the greater the capacity of enterprises to create jobs. In this regard, CEATAL welcomes the commitment of the Ministers of Labour from the Americas as stated in para 10 of the Declaration of Buenos Aires.

3. Take determined actions to address challenges occasioned by informality and look for an array of innovative solutions that include transitions from informality to formality. People employed in the informal sector have been severely affected by lockdown measures for Covid-19. Finding incentives to ensure the participation of all stakeholders in rebuilding economies and developing financially sustainable social protection systems is critical. It is also essential to improve the framework conditions for companies to ensure that economic growth and employment is created in the formal sector, enhancing the productivity of the formal sector and creating an enabling business environment. This is not only the best means to reduce poverty, but also fundamentally important for the financial sustainability of social protection systems.

Despite clear divergences between countries in the region, making the “what” and the “how” vary widely, CEATAL is convinced that its recommendations apply to all countries in the Americas.

Finding solutions to these issues and designing a sustainable and resilient future for our societies requires the contribution of all sectors of society to ensure that no one is left behind. CEATAL recognizes that one of the strengths of the Inter American Conference of Ministers of Labour of the Organization of American States is the opportunities it provides for member countries to learn from and assist each other.

To face current economic and social problems, the region needs to have a broad and authentic social dialogue, based on the paradigm of collaboration and not on a culture of confrontation, where governments, employers and workers join forces to generate wealth, employment and opportunities for all. Therefore, it is necessary to request governments to design and implement national public policies that incorporate social dialogue to promote sustainable development. Long-term sustainability comes from meaningful social dialogue, solid social agreements, where decisions-making processes involve governments, employers and workers. In this spirit, Employers acknowledge with gratitude the relevance of institutionalized dialogue with workers and employer organizations through the Trade Union Technical Advisory Council (COSATE) and CEATAL. We reiterate our commitment to cooperate towards achieving a sustainable and resilient recovery in the Americas.

CEATAL highlights and thanks the valuable and ongoing technical and political support of the International Organisation of Employers (IOE) for coordinating and ensuring that the business perspective is reflected in the different activities, documents and political agreements made during the IACML.

Finally, CEATAL wants to highlight the commitment of the Employers in the hemisphere to identifying and putting into action solutions to the challenging post- Covid-19 scenario. Among others, employers are ready to help workers make informed decisions on vaccination and to educate, exchange on, and advocate for effective treatment. Employers reiterate their commitment and ask Governments to do their part in promoting equal and fair access to treatments, medicines, and vaccinations for workers, employers, and individuals in developing economies, as well as for the most vulnerable wherever they may live. They highlight the value of the CONVINC² initiative towards this end.