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DRAFT RESOLUTION

REPORT OF THE  
XIII INTER-AMERICAN CONFERENCE OF MINISTERS OF LABOR

(Approved by the Permanent Council at its meeting of May 12, 2004)

THE GENERAL ASSEMBLY,

HAVING SEEN resolutions CIDI/RES. 121 (VII-O/02), AG/RES. 1858 (XXXII-O/02) "Report of the XII Inter-American Conference of Ministers of Labor," CEPCIDI/RES. 86 (LXXXVIII-O/03) "Convocation of the XIII Inter-American Conference of Ministers of Labor," CEPCIDI/RES. 91 (LXXXIX-O/03) "Change in the date and site of the XIII Inter-American Conference of Ministers of Labor," CEPCIDI/RES. 94 (XCIV-O/03) "Change in the site of the XIII Inter-American Conference of Ministers of Labor," and CIDI/RES. 159 (IX-O/04) "Report of the XIII Inter-American Conference of Ministers of Labor";

TAKING INTO ACCOUNT:

That the XII Inter-American Conference of Ministers of Labor adopted resolution TRABAJO/doc.36/01 rev. 2 corr. 1, Declaration and Plan of Action of Ottawa, which provided for the XIII Conference to be held in Brazil in 2003;

That the Government of Brazil offered to host the XIII Inter-American Conference of Ministers of Labor;

CONSIDERING:

That at the Third Summit of the Americas held in Quebec City, the Heads of State and Government reaffirmed the fundamental importance of the Inter-American Conference of Ministers of Labor;

That the XIII Inter-American Conference of Ministers of Labor was held September 24 to 26, 2003 in Salvador de Bahia, Brazil, with the technical support of the Unit for Social Development and Education and the Executive Secretariat for Integral Development;

The final report of the XIII Inter-American Conference of Ministers of Labor and the decisions adopted, contained in document TRABAJO/doc.14/03,

RESOLVES:

1. To congratulate and thank the Government of Brazil for its work to organize and hold the XIII Inter-American Conference of Ministers of Labor.

2. To endorse the "Salvador Declaration" and the "Salvador Plan of Action," which were adopted by the ministers of labor of the Hemisphere at the XIII Inter-American Conference of Ministers of Labor, and are attached to this resolution.

3. To thank the Government of Mexico for its generous offer to host the XIV Inter-American Conference of Ministers of Labor, October 17 and 18, 2005.

4. To instruct the General Secretariat, through the Unit for Social Development and Education and in coordination with the Executive Secretariat for Integral Development, to continue supporting the process for preparation and follow-up of meetings in the labor sector.

5. To request CIDI to report to the General Assembly at its thirty-fifth regular session on the implementation of this resolution.

## THE SALVADOR DECLARATION

1. We, the Ministers participating in the XIII Inter-American Conference of Ministers of Labor of the Organization of American States, met in the city of Salvador, State of Bahia, Federal Republic of Brazil, on September 24, 25 and 26, 2003, to address issues related to globalization which affect employment and labor in the Americas.

2. We reaffirm our strong commitment to the principles of inter-American solidarity and cooperation of the Charter of the Organization of American States (OAS), to pool our efforts to achieve integral development, which encompasses the economic, social, educational, cultural, scientific, and technological fields. We emphasize that equality of opportunity, the elimination of extreme poverty, the equitable distribution of wealth and income, and the full participation of citizens in decisions related to their own development are, inter alia, basic objectives of integral development. To attain such objectives, we agree to dedicate our efforts to achieve, among other goals, the equitable distribution of national income, the payment of fair wages, opportunities for employment, and labor conditions that are consistent with internationally accepted standards.

3. We recall the Inter-American Democratic Charter, approved by the OAS in Lima, Peru, in September 2001 and, in particular, Article 10, which recognizes that the promotion and strengthening of democracy require the full and effective exercise of workers' rights and the application of core labor standards, as recognized in the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and its Follow-up, adopted in 1998, as well as other related basic ILO conventions. Democracy is strengthened by improving working conditions, labor stability and enhancing the quality of life for workers in the Hemisphere. The OAS members restate their commitment to adopting and implementing all those actions required to generate gainful employment, reduce poverty, and eradicate extreme poverty, taking into account the different economic realities and conditions of the countries of the Hemisphere, as recognized in article 12 of the Charter.

4. We emphasize our firm commitment to the goals of the UN Millennium Declaration and, in particular, the eradication of extreme poverty, creating and enabling people everywhere to find decent and productive work. We are committed to the tasks of improved governance and transparency identified in the Monterrey Consensus of the International Conference on Financing for Development.

5. Our deliberations are framed by the commitments agreed to in the Third Summit of the Americas, held in Quebec, Canada in April 2001. At that time, the Heads of State and Government of the Americas instructed us to continue addressing issues related to the effects of globalization on employment and labor, the objectives of creating greater employment opportunities, improving workers' skills, and improving labor conditions throughout the Hemisphere.

6. We note that the upcoming Special Summit of the Americas, to be held in Mexico, will focus on equitable economic growth, social development, and democratic governance. We recognize that our efforts to support the integral development of our peoples are consistent with the objectives of the Special Summit. We commit to working through the Summit of the Americas process, including the Special Summit, to accomplish our objectives.

7. We recall the Ottawa Declaration of the XII Inter-American Conference of Ministers of Labor, held in Canada in October 2001, in which we emphasized our commitment to create more and better employment as an effective means of combating poverty in the region. At that meeting, we approved a Plan of Action that created two Working Groups: one to examine the social and labor dimensions of the Summit of the Americas process, and the other to find ways to build the capacity of Ministries of Labor and institutions to more effectively implement labor legislation and better carry out their mission.

8. We follow attentively the development of the different processes of regional and subregional integration as well as of bi- and multilateral free trade agreements that are implemented in the Hemisphere, as well as their social and labor impacts. Likewise, we observe that each of those processes has generated instruments for promoting development of the social and labor dimension, according to the characteristics, traditions and will of the participant states and the level of participation of the national and regional social actors. In this sense, we recognize the existence of specific and sensitive labor problems in these processes that may require the adoption of appropriate policies that facilitate harmonious hemispheric integration, in accordance with the priority demanded by each specific situation.

9. We reaffirm our commitment to the 1998 Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO), which provides the foundation for broad-based sustainable development and social justice through full respect for the internationally recognized fundamental labor rights. We recall the agreement of our leaders to adopt and implement legislation and policies that provide for the effective application of the labor principles and rights recognized in the Declaration.

10. We reaffirm our conviction that decent work, as conceived by the ILO leadership, is the most effective instrument for the improvement of living conditions for the peoples of our Hemisphere and their participation in the benefits of material and human progress. We embrace the idea that decent work is necessary for sustainable development in each of our countries, and is a condition for the success of hemispheric economic integration. For that reason, the agenda for decent work should become the axis for national and regional development policies, together with investment in health, education, and culture. In addition, we reaffirm our commitment to integrate the gender perspective in the development and implementation of all labor policies.

11. We recall that respect for the principles and rights recognized in the ILO Declaration and the promotion of decent work as foundations for inclusive globalization were central themes of the discussion agenda during the Fifteenth American Regional Meeting held in Lima, Peru, in December 2002.

12. We have viewed with great interest the activities carried out in the region by the ILO World Commission on the Social Dimension of Globalization and we look forward to reviewing its final report.

13. We note with concern that the adverse economic situation in many of our countries, the slowing of growth in the world economy, and the reduction in social investment have had negative effects on the education, health, welfare, and living conditions of the working population, their families, and the community. In many places, increased unemployment, the deterioration of

working conditions and the reduction in the purchasing power of salaries have contributed to the deepening of social and gender inequality.

14. We caution that the policies implemented by our countries in the process of globalization sometimes do not achieve sustainability or reactivation of economic growth and, consequently, opportunities for employment are reduced. We recognize the importance of taking into account the impact of such policies on employment and the standard of living of the population. Social and employment policies should take priority in the political and economic agendas of our countries to permit the successful adaptation of our peoples to the global economy, and to ensure more equitable access to the benefits of globalization.

15. We also note that in many of our countries the opportunities offered by technological innovations and by the dissemination of telecommunications resources do not always translate into benefits to workers and their families. This can result in maintaining and even exacerbating the gulf between those that participate in human progress and those that are excluded from it.

16. We direct our attention toward the segments of the population most affected by economic crises. These tend to be the persons who also suffer from ills, such as illiteracy or limited formal education, lack of vocational skills, misinformation about the labor market, discrimination, lack of social protection and the breakdown of group and family ties. These factors, which often coexist, expose certain segments of the population to intolerable forms of work and condemn them to an existence that is incompatible with human dignity. For this reason, member states should take steps appropriate to their situations. Such steps could include the development of national action plans on decent work, with the assistance of the ILO, and action plans to effectively implement ILO Conventions 138 and 182, and to combat the sexual exploitation of and trafficking in persons, especially women, children, and adolescents, to eliminate forced and compulsory labor; and to promote dignified and productive employment among those working in the informal sector, women, adolescents, people with disabilities, persons living with HIV/AIDS, migrants, and ethnic and religious minorities, as well as generating an environment and conditions of work that are healthy and safe.

17. We are convinced that economic growth and social progress are interdependent and inter-related aspects of the same project for building prosperous, united and equitable societies. Aware of the challenges associated with the creation of decent and productive employment in the context of globalization, we propose to combine the capacities and efforts of our Labor Ministries and other Ministries in the quest for ideas and practices capable of integrating the economic, social and labor dimensions of the regional and national policies of our Hemisphere.

18. We propose a more active role for the Ministries of Labor in the region, one that takes into account the need for the integration of social, labor and economic policies, and the aspirations of countries of the Hemisphere towards deepening their relations in multiple areas, based on shared values and on the realization of common interests. We visualize this new role of the Labor Ministries in different but analogous and complementary levels: at the domestic level, it is important to establish and deepen the institutional relations of the Labor Ministries with the areas of the State in charge of creating and implementing economic policies; at the regional and hemispheric levels, the fundamental issue is to incorporate this focus into the regional and subregional integration and free trade processes. Furthermore, we uphold the connection between labor policies and those in the areas

of education, health, culture, social and economic equality, welfare and leisure, etc., within the framework of promoting the integral development of the human being.

19. For this reason we support and foster efforts to develop, modernize, and strengthen the Ministries of Labor through regional action that takes into account the important role of horizontal cooperation and technical assistance. To that effect, also, we support the proposal to conduct a feasibility study of options for establishing a mechanism, under the auspices of the IACML, oriented toward the modernization of labor administrations, and also to increase international collaboration and coordination in support of these objectives. We will also study the possibility of creating an inter-American mechanism to promote decent work and strengthen training. In these processes, we will consider the experiences and resources available in member states and regional and international organizations, especially the OAS, PAHO and ILO. The countries of the region will contribute to the financing of the aforementioned proposals according to their means.

20. Socioeconomic challenges cannot be faced exclusively through social policies, and adequate consideration must be given to the economic policies necessary to create the capacity to introduce and sustain the social agenda. A social and labor agenda is an integral part of economic growth and is a way of ensuring the equitable distribution of benefits. Diverse factors, such as political instability and conflict, poor policy and institutional frameworks, corruption, absence of overall health, education and social welfare programs, lack of infrastructure and access to technological changes, and unfavorable investment climate, are conducive to poverty and inequality. An integrated policy framework combining economic and social policies must take account of the economic realities countries face in implementing a comprehensive social agenda.

21. The integration of the economic and social development objectives also requires stronger forms of interaction between governments and citizens at the domestic, regional or hemispheric levels. Freedom of association and the right to organize, social dialogue, tripartism and other institutional means of social participation are crucial for generating consensus on these matters. We highly value the participation of the Trade Union Technical Advisory Council (COSATE) and the Business Technical Advisory Committee on Labor Matters (CEATAL) in the IACML.<sup>1/</sup> The Inter-American Democratic Charter declares that citizen participation in development issues is fundamental for the exercise and strengthening of democracy. Social dialogue is the means for achieving the indispensable agreements for ensuring decent work and respect for the basic rights and dignity of people. We want to intensify the dialogue and cooperation with regional and international organizations that are active in the area of development and labor in the Americas, principal among these being the Organization of American States (OAS), the International Labour Organization (ILO), the Inter-American Commission of Women (CIM), the Economic Commission for Latin America and the Caribbean (ECLAC), the Pan American Health Organization (PAHO), the Inter-American Development Bank (IDB), the Caribbean Development Bank (CDB), the Corporación Andina de Fomento (CAF), the Central American Bank of Economic Integration (CABEI), and the World Bank.

22. We follow with interest the negotiations for the formation of the Free Trade Area of the Americas (FTAA), in the framework of the Summit of the Americas process for the purpose of facilitating the contribution of economic integration to the strengthening of democracy, the creation of prosperity, job creation, the reduction in poverty, sustainable development, and the realization of human potential. We emphasize the importance of considering the social and labor components of

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1. The Joint CEATAL-COSATE Declaration on the occasion of the XIII Inter-American Ministers of Labor is attached to this Declaration.

hemispheric integration during all stages of the negotiations process so that they will be given merited treatment. The Labor Ministries must play an essential role in this process.

23. As stated in paragraph 5 of the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, we reject the use of labor standards for protectionist purposes. We recall that the Declaration of the VII Meeting of the Ministers of Trade of the Hemisphere, held in Quito, Ecuador, in November of 2002, states that the creation of the FTAA, in order to make viable its objectives, must promote goals that are oriented toward economic development, the creation of jobs, and the effective operation of the labor market in the Hemisphere. In the same document, the Ministers of Trade also recognize the need for greater participation by the various sectors of civil society in the hemispheric initiative. We are pleased to see progress in the participation of civil society in this process.

24. We acknowledge that the activities carried out by the two Working Groups established by the Ottawa Plan of Action have greatly contributed to a better understanding of the social and labor dimensions of globalization and of the modernization of Ministries of Labor. We have reviewed their reports and noted with great interest the areas of consensus and the themes that require further work. We adopt the recommendations set forth in the two reports. Such advances represent an excellent basis for implementing policies and programs designed to promote decent work and strengthen the labor administrations.

25. We recognize the importance of implementing more fully the labor commitments expressed by our Heads of State and Government in the Miami, Santiago and Quebec Summit of the Americas Declarations. We recognize that having convergence between the Summit of the Americas process and the negotiations for a Free Trade Area of the Americas is beneficial.

26. With the objective of implementing actions conducive to the fulfillment of the aforementioned goals and commitments,

*WE RESOLVE:*

A. To implement a Plan of Action based on this Declaration, on the Declaration and Plan of Action of the Third Summit of the Americas, and on the work of the XII Inter-American Conference of Ministers of Labor of the OAS, and to dedicate the necessary resources to reach this goal.

B. To maintain the two working groups created by the two previous conferences, with the functions defined at those conferences as follows:

Working Group 1, Labor Dimensions of the Summit of the Americas Process, will examine more in-depth globalization issues that are related to employment and labor, focusing on the implications of regional and subregional integration and free trade processes in the Hemisphere for the purpose of identifying fundamental challenges and intensifying collaboration and cooperation in the Hemisphere in seeking the best solutions to these challenges, with a strong emphasis on the integration of economic and social policies.

Working Group 2, Building Capacity of Labor Ministries will work on developing the ability of these entities to respond to challenges of employment and labor in present and future contexts, in horizontal and harmonious cooperation with other entities in the social, health, education, trade, economic and other areas.

In this sense, we commit ourselves to make efforts to consult with the social actors, via COSATE and CEATAL, regarding the social and labor dimensions of regional and subregional integration and free trade processes in the Hemisphere, and to work with them towards achieving decent work based on the principles of social justice, freedom, equality, security and human dignity.

C. To instruct the Working Groups to offer effective contributions toward decent work and the well being of the citizens of the Hemisphere. To that end, the Working Groups will deepen the work of their predecessors and will improve the systems to follow-up and evaluate the results of the previous Plans of Action to the extent that they help create decent work, promote productive employment and improve health, education, social welfare, well-being, and living conditions for the population.

D. To encourage countries of the hemisphere to intensify cooperation and to share knowledge, experiences, and achievements in the area of employment and labor, so that they may overcome the obstacles to development that can accompany the social, economic, and institutional asymmetries between our countries and regions. The deepening of hemispheric cooperation must involve the social and labor forums constituted in the various trade liberalization and integration experiences in the Americas, as well as the regional and international organizations that exercise a critical role in the promotion of employment and in the betterment of working conditions, particularly the Organization of American States (OAS), the International Labour Organization (ILO), the Inter-American Commission of Women (CIM), the Economic Commission for Latin America and the Caribbean (ECLAC), the Pan American Health Organization (PAHO), the Inter-American Development Bank (IDB), the Caribbean Development Bank (CDB), the Corporación Andina de Fomento (CAF), the Central American Bank of Economic Integration (CABEI), and the World Bank.

E. To organize the Fourteenth Inter-American Conference of Ministers of Labor of the OAS in Mexico in 2005.

## JOINT CEATAL-COSATE DECLARATION

At the XIII Inter.-American Conference of Ministers of Labor of the Organization of American States (OAS), the employers and workers of the Americas, represented through the Business Technical Advisory Committee on Labor Matters (CEATAL) and the Trade Union Technical Advisory Council (COSATE) reaffirm that they follow closely the integration and free trade processes of the Americas and, within these processes, the social and labor dimension of integration. They further reiterate the need to continue the relationship of cooperation between the OAS and the ILO in social and labor topics and in the area of the labor dimension of integration, where respect for basic labor rights is guaranteed, based on application of the principles contained in the ILO Declaration on Fundamental Principles and Rights at Work, an essential condition for moving towards development with social justice. In this regard, they agreed to the following:

### Declaration

- We issue an appeal to the governments to address, with the support of the ILO, employment as a possible to overcome conditions of inequality and delayed development that persist in many countries of our region; create greater opportunities for progress and well-being, as well as generate spaces for high-level dialogue central concern and key element for the development of plans intended to eradicate poverty and that make it between governments, social interlocutors, and international and regional financial institutions for discussion of the situation regarding employment and its current impact on levels of poverty, and thereby contribute to proceeding with the design of harmonious policies in the context of decent work.
- Further, we place special emphasis on the need to generate social dialogue on strengthening education throughout life, and on continuing professional and managerial training as key instruments for the promotion of decent employment in the framework of sustainable development.
- CEATAL and COSATE evaluate positively their participation in the initiatives of the IACML. In the process of deepening such participation, both organizations feel that it would be necessary to change their role as advisory bodies to that of consultative organs of the IACML. They request the ILO in turn to involve ACTEMP and ACTRAV in all the meetings of the Working Groups and the CIMT in support of CEATAL and COSATE, and they reiterate their commitment to continue to collaborate and contribute to that work. To that effect, they draw attention to the need for the OAS and the governments to contribute to strengthening both councils and facilitate the necessary financial mechanisms for ensuring that presence and participation.

President of CEATAL  
*Daniel Funes de Rioja*

President OF COSATE  
*Ericson Crivelli*

## SALVADOR PLAN OF ACTION

1. We, the Ministers of Labor of the Americas, gathered in the city of Salvador, State of Bahia, Federal Republic of Brazil, on September 24, 25 and 26, 2003, on the occasion of the Thirteenth Conference of Ministers of Labor of the Organization of American States (OAS), commit ourselves to implement the following Plan of Action:

### A. IMPLEMENTATION OF THE PLAN OF ACTION: ORGANIZATION

2. The Chair *Pro Tempore* of the Thirteenth Inter-American Conference of Ministers of Labor (Brazil) in collaboration with the former Chair (Canada) and the future Chair (Mexico), with the support of the Technical Secretariat of the OAS and in consultation with the representatives of the Trade Union Technical Advisory Council (COSATE), the Business Technical Advisory Committee on Labor Matters (CEATAL), and the Permanent Technical Committee on Labor Matters (COTPAL), will be responsible for promoting the implementation of the Plan of Action and for improving collaboration and cooperation with the social and labor forums constituted in the various trade liberalization and integration initiatives in the Americas, and with the relevant regional and international organizations, such as the Organization of American States (OAS), International Labor Organization (ILO), Economic Commission for Latin America and the Caribbean (ECLAC), Pan American Health Organization (PAHO), Inter-American Development Bank (IDB), Caribbean Development Bank (CDB), the Corporación Andina de Fomento (CAF), the Central American Bank of Economic Integration (CABEI), and the World Bank.

### B. IMPLEMENTATION OF THE PLAN OF ACTION: RESOURCES

3. Member states should devote the available economic, technical, and logistical resources to implement the Plan of Action and to encourage the participation of COSATE and CEATAL. In addition, the Chair *Pro Tempore* will invite the relevant regional and international organizations to make voluntary contributions to support activities and projects included in this plan, and to facilitate the participation of said worker and employer organizations.

### C. IMPLEMENTATION OF THE PLAN OF ACTION: WORKING GROUPS

4. Participation in the Working Groups will be open to all Member states, as well as COSATE and CEATAL. The Chair *Pro Tempore* will seek the means to ensure the active participation of all the member states and the social partners (i.e. the most representative employers' and workers' organizations) in the implementation of the Plan of Action.

#### WORKING GROUP 1: *LABOR DIMENSIONS OF THE SUMMIT OF THE AMERICAS PROCESS*

5. The Working Group will continue examining the topic of globalization in relation to employment and labor, to follow up on those issues that have been already identified as requiring major effort on behalf of the member states and intensifying collaboration and hemispheric cooperation in the search for better shared solutions, with strong emphasis on the integration of economic and social policies in the national, regional, and subregional spheres.

6. In particular, the Working Group will undertake the following activities:
  - a. Based on the work accomplished by the XI and XII IACML on different regional agreements and institutions addressing labor standards in the context of integration, and the continued study of labor provisions in emerging free trade agreements, elaborate options emphasizing cooperation, to allow for a better implementation of labor commitments, laws and policies, including through an increase in the capacity of Labor Ministries;
  - b. Conduct further enquiry into the effects of economic integration on labor markets and labor policy, the necessary methods for studying these topics and the means to enable Labor Ministries in smaller economies to undertake such analyses.
  - c. Develop the institutional means to structure coordination and collaboration to strengthen Labor Ministries' capacity to carry out their functions. To this end, commission a feasibility study, with recommendations to be brought forward for the consideration of the XIV IACML;
  - d. To analyze conditions for creating a mechanism to promote decent work and strengthen training to help reduce differences between regions and improve conditions for competitiveness in our countries.
  - e. Extend invitations to senior officials from relevant ministries, as appropriate, to attend the IACML seminars, workshops, and Working Group meetings when agenda items address topics of cross-cutting nature. Ministries of Trade and Ministries of Education were identified in this regard by the Working Group;
  - f. Continue to encourage the active participation of CEATAL, COSATE and key international organizations in the work of the Conference regarding the labor dimensions of the Summit of the Americas process; and
  - g. Convey the contents of this report to Trade Ministers in response to the request in their Quito Declaration of November 2002.

7. The Working Group will consider, as a basis for the development of its mission, the knowledge, results and recommendations that arose from the activities carried out by its predecessors, as well as studies and information that can contribute to the accomplishment of its objectives. In that regard, the group will be attentive, *inter.alia*, to the work and recommendations that may arise from the ILO's World Commission on the Social Dimensions of Globalization. The Working Group will prepare a report containing recommendations for consideration at the XIV Conference. These activities will serve as a basis for the adoption of policies and programs intended to reduce or eliminate the decent work deficit in the countries of the Hemisphere.

## WORKING GROUP 2: *BUILDING CAPACITIES OF LABOR MINISTRIES*

8. Working Group 2 will follow-up on the efforts of its predecessors in the development of new mechanisms to increase the capacity of the Ministries of Labor, with a particular focus on responding to the challenges of globalization and integration and free trade processes, as well as increasing the efficiency of the policies and actions directed to the promotion of decent work, the improvement of working conditions, and promotion of the labor principles embodied in the ILO Declaration on Fundamental Principles and Rights at Work. The central objective of this group is to develop tools to support ministries of labor -- structure, legal framework, functions, administration, interaction with the surrounding environment --- for the execution of an active role in the contemporary world and in the future. In this regard, we grant special importance to the continuation and deepening of the regional programs for development, strengthening and modernization of labor administrations, that the ILO, OAS and other organizations design and implement in the hemispheric area.

9. The Working Group should consider, in their activities, the input offered by its predecessors. The cooperation and collaboration among the Ministries of Labor, the OAS, ILO, ECLAC, PAHO, IDB, CDB, CAF, CABI and the World Bank have a strategic significance for obtaining the desired effects, in particular, in developing the capacity of smaller economies and their institutions. As such, the Working Group will build on the work of its predecessors to achieve improved collaboration and coordination, especially in the following fields: by exploring the development of institutional means to structure their efforts to achieve these objectives, by continuing to exchange best practices, by maintaining an inventory of technical assistance and cooperation projects and resources and making it available to IACML members, and by identifying, on the basis of experience, the enabling conditions for sustainable strengthening of institutional capacity.

10. The Working Group should also give special attention to the Horizontal Cooperation Project in the area of Labor, being carried out by the Unit for Social Development and Education (UDSE) of the OAS, based on the critical transfer of consolidated programs and implemented in collaboration with the Inter-American Agency for Cooperation and Development (IACD) and other appropriate units of the OAS General Secretariat. Additionally, the Working Group should consider the results from the USDOL/ILO Project on "Labor Principles and Rights in the context of the XII IACML".

11. The Working Group, in coordination with the ILO, will work to ensure that IACML members are informed of best practices and available resources to raise public awareness of the ILO Declaration about Fundamental Principles and Rights of Work and its follow-up, to communicate and evaluate experiences in the various countries of the Americas with initiatives to eliminate child labor; and to develop within individual countries indicators of fundamental rights as an aspect of decent work, to provide benchmarks for reviewing progress, identifying best practices in those areas, and effectively targeting the resources required to achieve those objectives.

D. IMPLEMENTATION OF THE PLAN OF ACTION: ROLE OF THE MINISTRIES OF LABOR

I – AREAS OF ACTION

12. The Ministries of Labor can play an important role in the generation of opportunities for decent work, the promotion of productive employment, and improvement of working and living conditions, including:

- a. the promotion of the elaboration, revision and updating of labor legislation, promotion of compliance with labor legislation, collective agreements, and international labor standards, particularly those identified in the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up;
- b. the creation of decent work, integration of economic, social and labor policies for the creation and expansion of productive employment and income opportunities; integration of labor, education, culture, welfare, and leisure policies; management of public funds for sectors that are more sensitive to the investment-employment relationship, such as the micro and small enterprises, self-employment, cooperatives; employment programs aimed at vulnerable groups such as women, adolescents, persons with disabilities, ethnic minorities; programs for public credit, microfinance, etc;
- c. the existence of efficient social protection systems, monitoring of health and safety conditions in the workplace; stimulating the formalization of non-standard and unprotected work; expanding social security coverage; complying with programs to abolish child labor, sexual exploitation of children and adolescents, and forced and compulsory labor; developing programs to promote equitable treatment in employment and in the workplace;
- d. the promotion of social dialogue: creation and compliance with statutory provisions for strengthening free and autonomous organizations of employers, workers and other social actors; incentives for collective negotiation; institutionalization of spaces for social dialogue and the participation of civil society in decision-making on labor and development matters.

13. The functions and areas constitute the guidelines of the Plan of Action.

## II – LEVELS OF ACTION

14. The role of the Ministries of Labor should be carried out at the national, regional and hemispheric levels, which complement one other:

- a. at the national level, as described in the previous section and other corollaries, comprising the actual and immediate environment for action for the governmental institutions;
- b. at the subregional and regional levels comprising the actions that correspond to commitments or intentions resulting from agreements on the formation of free trade areas or integration projects;
- c. at the hemispheric level, covering those actions derived from treaties and agreements of the Americas or identified with the architecture of shared and common projects;

### E. IMPLEMENTATION OF THE PLAN OF ACTION: STUDIES, MEETINGS AND SEMINARS

15. By December 2003, the past, present and future Chair *pro tempore* and the Working Groups will jointly develop a calendar of events, in consultation with the Member states, COSATE and CEATAL, as well as the participating regional and international institutions.

16. The Working Groups will schedule three seminars on the theme of integration of the economic and social objectives into national, subregional and regional development policies, the processes of integration and free trade, as well as on the responses of Ministers of Labor to the challenges of promoting decent work in those contexts. These seminars will focus on aspects of this theme, for example, the formulation of a shared vision, the public management of integration, or the creation of institutional means for integration. The preferences, priorities, and interests of the countries and regions of the Hemisphere should be considered in the organization of these seminars.

17. The Working Groups will develop, with technical and financial support from regional and international institutions acting in the social and labor area, a comprehensive study on the topic of promotion of decent work, in its various dimensions, in subregional and regional integration and free trade processes. The study will take into account the social and labor aspects, including those of health and safety, of the subregional experiences of integration and should provide the Ministries of Labor with the theoretical and practical elements necessary for their affirmative participation in the process of negotiation and implementation of this enterprise.

18. The past, present and future IACML Chairs *pro tempore* will direct the development of a feasibility study, in consultation with the Chairs and Vice-Chairs of the two Working Groups, for an “Inter-American Cooperation Mechanism for Professional Labour Administration” with the objective of deepening international collaboration and coordination to modernize labour administrations and support the IACML in its mandate to strengthen the capacity of the Ministries of Labour in the Hemisphere. The study will be administered by the Unit for Social Development and Education of the OAS and will consider the experiences and the resources available within Member states and the regional and international organizations, especially the OAS and ILO that seek to support the strengthening of administrative capacity of the Ministries of Labor. The feasibility study will present a set of specific options and recommendation to the IACML Ministers by the end of July

2004. An interim progress report will be presented to the Working Groups during their first meetings. If member states conclude that the mechanism is feasible, the leadership of the IACML and of the Working Groups will propose measures for its implementation. The terms of reference for the feasibility study have been included as an appendix to this Plan of Action.

19. The Working Groups will evaluate the activities and the advances made by the Information System on Labor Markets (SISMEL) in the production, harmonization and dissemination of labor statistics and documents in member states. Based on that evaluation, the Working Groups will decide, by December 31, 2003, on advisability of maintaining the SISMEL in its present format or of integrating it into other projects, considering the contribution that this system can offer for the improvement of national statistics, mainly in the smaller economies, and the production of comparable indicators on the labor market of the Hemisphere. In any of the hypotheses, the Ministries of Labor will have to designate the national coordinators of the SISMEL that will be in charge of the feeding and updating of the database and documents, as well as of their dissemination.

20. The Working Groups will consider the opportune means to develop the relationship between the Ministries of Labor and the government bodies with competence in the negotiations. In this regard, maximum efforts will be undertaken, within the framework of existing national and institutional competencies, to establish a comprehensive productive and regular dialogue with the Ministries of Trade, as well as with the Ministries of Education, Health, Social Development and the authorities that are charged with combating poverty, and other ministers involved in the negotiations of the FTAA, to consider the impact of the economic and commercial policies on the local and regional labor markets. In that respect, we note that the Ministers of Trade of the Hemisphere have declared, in the Ministerial Declaration of Quito, their interest in knowing the results of the activities of the Working Group relative to the Labor Dimensions of the Summit of the Americas Process.

#### F. IMPLEMENTATION OF THE PLAN OF ACTION: DIRECTIVES FOR THE FUNCTIONING OF THE WORKING GROUPS

##### Coordination

21. The Working Groups will meet at least twice before the XIV Inter-American Conference of Ministers of Labor, at dates and locations that will be determined by what is said in paragraph 15.

22. The Working Groups will be coordinated by the following Ministers of Labor, elected by this conference, who can perform the functions assigned directly, or through a representative:

WG 1: Minister of Labor of Argentina (Chair *pro tempore*) and Minister of Labor of the United States (Vice Chair);

WG 2: Minister of Labor of El Salvador (Chair *pro tempore*) and Minister of Labor of Canada (Vice Chair).

### Methodology

23. The Plan of Action addresses a large number of complex themes reflecting the grave challenges before the Ministers of Labor in global economy. In contrast, most Ministries are faced with serious limitations to adequately perform their function. For this reason, it is indispensable that the Working Groups continue the efforts to improve their methods of work, in order to achieve synergies, maximize efficiencies and disseminate results.

24. The Working Groups should coordinate their work in view of the complimentary nature and interdependence of their plans. Ongoing communication and exchange of knowledge, experience, and results will provide reciprocal benefits.

25. It is fundamental that the Working Groups deepen the actions developed in the prior plans and find the means that will allow for internalization, in the various areas and levels of intervention, the initiatives and recommendations derived from those plans. Furthermore, they should develop systems for monitoring and evaluating the obtained effects in their areas of action.

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 support in an amount to be determined.
- An amount to be determined in accordance with the resolution adopted by this conference 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	June 30, 2004