

SECOND MEETING OF WORKING GROUP 1

March 31 and April 1, 2003

Montevideo, Uruguay

SUMMARY

1. PARTICIPANTS

Antigua and Barbuda, Argentina, Barbados, Belize, Brazil, Canada, Chile, Costa Rica, Dominica, Dominican Republic, Ecuador, El Salvador, Guatemala, Mexico, Nicaragua, Paraguay, Saint Kitts and Nevis, Saint Lucia, Suriname, United States, Uruguay. Members of the Trade Union Technical Advisory Council (COSATE) and the Business Technical Advisory Committee on Labour Matters (CEATAL). Representatives of the following international organizations: International Labour Organization (ILO), Organization of American States (OAS), Pan-American Health Organization (PAHO), and the Economic Commission for Latin America and the Caribbean (ECLAC).

2. AGENDA

Items in the agenda: a) the labour dimensions of the Summit of the Americas process; b) improving collaboration with other ministries and international organizations; and c) discussion and approval of the report's outline and draft conclusions. Mr. Santiago Perez del Castillo, Minister of Labour and Social Security of Uruguay, and Chair of the Working Group, presented inaugural remarks.

Working Groups 1 and 2 held a joint session on April 1 to discuss the next steps to respond to the ongoing objectives of the IACML.

3. LABOUR DIMENSIONS OF THE SUMMIT OF THE AMERICAS PROCESS

3.1 Governments' perspective

– Canada: Claudette Bradshaw, Minister of Labour

Minister Bradshaw remarked that this meeting is a special opportunity to send a collective message to the Ministers of Trade in the context of the negotiation of a Free Trade Agreement for the Americas (FTAA). The IACML includes more than Labour Ministers. It brings in the expertise of international organizations, labour unions and business organizations. She encouraged all to take advantage of this opportunity to find consensus concerning the message we will send.

The reality is that with or without any specific trade agreement, we live in a global economy. These global challenges directly affect employers and working people as well as their families. It is our job to give both workers and employers the security and stability that come from the rule of law. It is our job to ensure that the global economy is fair to workers, and, at the same time, to make sure that employers are not subject to competition that seeks to gain an advantage by being unfair to workers.

Since 1993, Canada has adopted the policy of including international labour cooperation agreements with all of our trade agreements. We believe that trade and labour are related. We need to respond the challenges of globalization without interfering with trade and, without interfering with each nation's basic right to make its own laws. Canada's labour agreements provide ways to protect against these possible negative effects. We and our trading partners enter into mutual commitments to enforce our own national laws.

It is in the best interests of the international economy to establish a global floor of basic labour principles and rights which are respected by all nations. We strongly support the ILO Declaration on the Fundamental Principles and Rights at Work.

Good labour standards are absolutely necessary for economic growth and development. They are not the luxury items of rich countries. But good labour laws require good public administration and respect for the rule of law, which is central to our labour cooperation agreements.

The Summit of the Americas process includes much more than the free trade negotiations. Many of the other dimensions of this process are actually more important than the trade dimension, such as democracy, good government, human security, and, of course, labour. Canada is well aware that many countries will have their own perspectives on these questions, which are equally valid and important. What we will need to do as we move forward is to respond to a wide range of perspectives, and to accommodate them all as best we can. We believe this is the Summit of the Americas process.

– **Antigua and Barbuda: Austin Josiah, Labour Commissioner, Ministry of Labour, Cooperatives and Public Security**

The concept of “decent work” is crucial to socio-economic advancement in countries. We support the ILO Declaration on Fundamental Principles and Rights at Work and its follow-up. Antigua and Barbuda has ratified all the core labour conventions with a high level of application. We have been working together to build the capacity of our institutions to effectively sustain equality of opportunity in employment, training and life-long learning of our human resource.

In our region, we have been improving on our “best practices” in Labour Administration, which have included statutory, and public service appointments, which provide an independent management of the Labour and Industrial portfolio. In the case of Antigua and Barbuda, the system now offers a comprehensive coverage of labour matters, including basic employment, leave privileges, remuneration and hours of work, severance pay, unfair dismissals, work permits, registration of trade unions and bargaining agents, collective agreements (enforceable), among others.

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The region is excited about the Program for the Promotion of Labour-Management Cooperation (PROMALCO) managed by ILO. This program promotes innovative management-labour relations as an effective mechanism for harnessing the power of workplace partnerships through promoting better work attitudes and opportunities for skilled upgrading and multi-skilling.

The delegate suggested adding the matter of ‘training and certification’ to the IACML mandate as fundamental part of the Summit process. This is crucial to the equality of access to the opportunity aspect of our mandate, but especially so to the free movement of skills within the framework of the FTAA. As such, it has become imperative that Labour and Education Ministries work more closely in the development of our human resources.

– **Uruguay: Santiago Pérez del Castillo, Minister of Labour and Social Security**

There is a Social Right to Integration. There is an anthropological imperative: the purpose of integration is to achieve the well-being of all citizens. Labour and trade aspects are consistently related. Reducing integration to a mere economic dimension means limiting the whole human kind to that dimension.

We need to strengthen Labour Ministries. Uruguay supports the idea of presenting a common position to the Trade Ministers to remind them of the social dimension of integration. Integrating countries is integrating societies, not only economies.

A Social Right to Integration would encompass monitoring enforcement of domestic labour standards or a basic floor of labour rights; it would also address labour mobility, relocation of companies and the coordination of social policies. More than a uniform Labour Right, it would consist of regulating or coordinating mobility, labour and preventive aspects.

Uruguay is concerned for the current lack of employment and the scarcity of decent work. The well-being of workers depends on exports. The Minister encourages opening the doors to free trade.

- **Argentina: Rubén Cortina, International Affairs Coordinator, Ministry of Labour, Employment and Social Security**

We must distinguish between the Summit of the Americas and the FTAA negotiations. The Summit goes beyond FTAA; therefore we should not centre our discussions only on trade and FTAA.

In South America, the main problems are social exclusion and fragmentation of labour. Integration and free trade processes are only valid if they aim to increase the well-being of all people and the solution of these problems. There is no point in focusing on long-term normative discussions when the most pressing issue is to take into consideration the social reality of each country.

We need to find new construction mechanisms that take reality into account. Argentina proposes to develop Focal Points of Development: central subjects structured on the basis of the most pressing, serious issues for each country. These focal points could be established around the IACML and its bodies.

Mercosur's social structure is a social construction model where social actors participate actively in the region's social dialogue. The focal point of development for the Mercosur region would include at its core social inclusion systems and their link to the creation of productive and decent work.

- **Mexico: Catarina Rock de Sacristán, Sub-Coordinator of International Labour Policy, Ministry of Labour and Social Security**

Mexico proposes to consolidate and institutionalize progress achieved by the IACML through the establishment of an Inter-American System of Labour Cooperation (IASLC). This system could allow better collaboration and coordination on labour issues between labour ministries and key international institutions in a permanent and ongoing manner.

The IASLC would include: a) building a system for sharing best practices in labour issues in the hemisphere's countries; b) identifying regional cooperation projects; c) classification of best practices and cooperation projects; d) identifying institutional financial sources (avoid duplication of efforts); e) establishing coordination mechanisms with key international institutions (ILO, OAS, World Bank, etc). Follow-up could be made by the IACML Secretariat *pro tempore*, the *Troika*, the OAS Permanent Secretariat, or a committee created for that purpose.

- **Discussion**

- Uruguay: The Group's Chair proposes to form a drafting committee to prepare the Group's final report, integrated by Brazil, Chile, Canada, the United States, Mexico and Uruguay.

- ILO: The concept of an Inter-American System of Labour Cooperation would complement the work that is being done by the ILO. He reiterated the ILO's disposition to collaborate in any way they can.

- OAS: Emphasized that horizontal cooperation is needed.

3.2 Employers' perspective

- **Business Technical Advisory Committee on Labour Matters (CEATAL): Juan Mailhos, Advisor, Cámara Nacional de Comercio y Servicios del Uruguay and member of the International Organization of Employers**

The objective of economic integration is to transform domestic structures: to promote political transparency, economic openness and full competitiveness. From a social dimension, regional integration should meet the following requirements: a) capacity and institutional building to enforce the rule of law; b) permanent education and human resources development; c) infrastructure and technological development; d) inter-

regional trade (encompassing all trade in all industries; elimination of all barriers) and open markets (in some cases, special and differential treatment should be considered).

CEATAL reaffirms its commitment to make efforts so that the process of regional integration is conducive to social development. Economic integration is relatively easier than integrating social policies.

CEATAL reiterates its full commitment to the ILO Declaration on Fundamental Principles and Rights at Work. The OAS and ILO should strengthen cooperation to achieve consensus on the link between economic integration and labour, and to avoid duplication of functions.

Social clause: labour standards should not be used for commercial protectionist purposes. Linking them to the regional trading system would imply introducing new barriers to trade.

Social security: there is no generic model that can apply to all countries. We must take domestic conditions into account. Economic development and job creation are the surest forms of social security for workers. Given the employers' central role in job creation, we should avoid imposing excessive burdens on them for financing social security.

Unemployment insurance: safety nets should take into account national realities, be affordable, sustainable over time, and efficiently and properly managed. Costs should be approached in an equitable manner: contributions should come from all the parties involved (government, employers, workers). Unemployment problem can be solved by creating jobs and preparing unemployed workers to return to active working life.

Social partners' participation: tripartite collaboration is an essential element in the integration process. With regard to social and labour topics, workers and employers' organizations are better placed to participate in the negotiation process. Interference from other kind of organizations could cause distortions.

3.3 Unions' perspective

- **Trade Union Technical Advisory Council (COSATE): Hassan Yussuff, Secretary-Treasurer, Canadian Labour Congress, and COSATE President**

What sort of integration process do we want? It is undeniable that trade is part of any development strategy. However, trade remains only a means to an end. Far too often, advocates of trade liberalization make it sound as if globalization is an unavoidable process. However, most of it has been the result of policy decisions.

The negotiation of international trade agreements should create international commitments to economic models that benefit the working people. In Latin America, neoliberal policies brought a general drop in the growth rates and an increase in income inequality. The case of Mexico is particularly instructive: even when trade agreements are successful in increasing exports and foreign investment, they may not bring about domestic economic and social development.

'Development' and not 'trade' should be the guiding principle in an integration process. States play a key role in devising development strategies. Serious attention needs to be dedicated to the enforcement of fundamental labour rights, specifically those embodied in the ILO Declaration. They are elements of democracy that allow workers to benefit from integration. The ultimate goal is not to tie trade and labour rights, but to see to it that those rights are in effect enforced. Mr. Yussuff referred to the Inter-American Court of Human Rights, the Pact of San Jose and the Protocol of San Salvador as mechanisms that already exist and that could be used for that purpose; new mechanisms could be created as well.

- **Discussion**

- Argentina: asked COSATE whether they were proposing to create a Social Clause at the hemispheric level.

- COSATE: the European Social Integration Model has recognition that not all aspiring members are at the same level and therefore they have rules that

candidates must reach certain level before being allowed to join in. In the Americas, we have to take into consideration the models that currently exist to protect basic rights of workers.

- México: Agrees with COSATE's position, particularly regarding the promotion of social dialogue to ensure the respect of labour rights. We must place humankind at the centre of our concerns and promote a new labour and business culture. Competitiveness and productivity must not be achieved at the expense of low wages. Mexico agrees as well with the reaffirmation of tripartism.

- Ecuador: Expressed concerns for the reality of his country. In 1971, Ecuador's Labour Code went through drastic reforms to make them more flexible and attract more investment. Since then, no new unions have been registered in the private sector; union membership is currently only 4%. Collective bargaining has been negatively affected. Workers have no mechanisms to defend their interests. A Social Clause could not be achieved through tripartite negotiations because one of the parties –unions- is neither stable nor strong enough. Therefore, it is the responsibility of the state to enforce labour standards, particularly those of the ILO.

- Chile: Consensus on the importance of considering the labour dimensions of integration and the participation of social actors in these processes. It is relevant to increase administrative capacity, which requires resources and good will. We must ensure a basic integration space for all citizens, where labour rights and responsibilities are enforced.

3.4 Reports

- ***Report of the SISMEI project: Juan Bosch, Director of SISMEI's Secretariat pro-tempore and Carlos Araujo, External Advisor, Ministry of Labour and Social Security of Uruguay***

The website created by the Sismel Secretariat *pro-tempore*, was launched in February 2003 thanks to the support of the U.S. Department of Labour. This site allows the exchange of information and can be accessed in English and Spanish at: www.sismel.net.

The Labour Ministry of each country is responsible for inputting its own data in the site. It is requested that each ministry designate a National Coordinator to fulfill this task. There is currently very little information available in the site because very few countries have designated a coordinator to input their data.

A live demonstration of the website was showcased, emphasizing the importance of improving the quality and comparability of labour information.

- Argentina reminded participants that Mercosur's Labour Market Observatory already compiles complete information of the four member states.

- ***Status of follow-up study on "labour standards and labour integration agreements": Verónica Oxman, Director, XII IACML-ILO project and Noemí Cohen, Consultant***

Studies have been carried out in the four Mercosur countries, in addition to Peru, the United States and Canada, Barbados and Jamaica, Panama and Costa Rica.

They explained the social and labour bodies of Mercosur and its instruments (Social-labour Declaration of 1998), Tripartite Forum on Competitiveness, and the actions carried out to respect basic labour standards. The web page www.oit.org.pe/spanish/260ameri/oitreg/activid/proyectos/cimt?oit.html is available for more information.

- ***Discussion***

- Argentina: It is important that the ILO continue with its active participation in all meetings related to integration processes (for example, in Mercosur's Sub-Group 10). We need to understand how labour instruments work within each integration model. He proposed that the IACML-ILO project analyze how Labour Commissions operate.

- IACML-ILO project: The study is of such short duration that it is not possible to carry out studies *in situ*. Argentina's proposal would fall within the responsibility of another section in the ILO.

4. IMPROVING COLLABORATION WITH OTHER MINISTRIES AND INTERNATIONAL ORGANIZATIONS

4.1 Joint presentation by Chile and the United States on their experience negotiating the Chile-U.S. Free Trade Agreement

- **Chile: Pablo Velozo, International Relations Advisor, Ministry of Labour and Social Security**

He referred to the participation of the Ministry of Labour in free trade negotiations, and particularly, the Chile-U.S. FTA of December 10, 2002, which has not been ratified and is not public yet .

The main challenge of integration is to "globalize solidarity." The process cannot be stopped or reverted; therefore, it must be channeled so that it does not put at risk the most vulnerable groups.

He emphasized the work of the World Commission on the Social Dimension of Globalization of the ILO.

It is necessary to strengthen the social policies of the most vulnerable states, as well as the social protection nets for those affected by the process. Non-qualified workers are the most vulnerable group. Therefore, we need to invest in permanent training.

In 2001, Chile reformed its unemployment insurance program and labour code.

As part of the liberalization process, Chile has signed agreements with Mexico, Canada, Korea, the European Union, and the United States. Since the Canada-Chile agreement (1997) a labour side agreement has been incorporated in the negotiations. The Chile-U.S. FTA reaffirms the respect of fundamental rights and contains a minimum level of workplace, health and safety standards. It includes procedures for supervision, and in the event of non-compliance, a monetary contribution procedure to ensure monitoring.

Chile has improved its labour inspection systems. It does not distinguish between those workers protected by trade agreements and workers from other sectors.

- **Chile: Pablo Lazo, Advisor to the Director General of Economic International Relations, Ministry of Foreign Affairs**

Chile assigns great importance to labour matters within trade negotiations. It understands the risks of protectionism, which is already present, unilaterally, in the European Union and the United States. A small state like Chile needs to have clear rules of the game: conciliation or consulting procedures and mechanisms for resolution of controversies. These mechanisms show the intent to fulfill the commitments made. The participation of civil society and the transparency during the negotiations were crucial to democratize the process. Also, the government consulted with employers' groups, not only with big companies, but also with PYMES and with the *Central Unitaria de Trabajadores-CUT* (Worker's Union Centre). Several workshops were held (for example, with the shoe and leather manufacturers) to provide them with information and address their concerns. Representatives of the various social sectors participated in the negotiations (the "next-door room" system).

The negotiation was historically preceded by agreements such as the NAFTA, the U.S.-Jordan FTA, and the Protocol of San Salvador for mechanisms for resolution of controversies. This is proof that there is a strong will to enforce the agreement. Chile put a human face to the negotiation, an ethical sign of its concern for labour rights. As an instance, the Canada-Chile labour side agreement is based on the open dialogue and transparency. So far there have been no complaints. Chile expects the same to happen with the U.S. agreement. To learn more about Chile's trade liberalization process, he suggests visiting the website www.direcon.cl.

- **United States: Jane Richards, International Economist, Department of Labour**

During the negotiation, the U.S. carried out consultations with labour and business groups through information sessions and by sharing texts through classified website access. USDOL participated in a number of different negotiating groups. The USDOL, with the US Trade Representative, played key roles in the labour negotiations. The USDOL also will be represented on the Labor Council created in the FTA to oversee implementation of the labor chapter. Each country reaffirms its obligations as an ILO member and agrees to effectively enforce its labor laws. There is a provision for consultations and for dispute settlement for allegations of non-compliance with the effective enforcement obligation.

The U.S.-Chile FTA also establishes a labor cooperation mechanism to promote compliance with the ILO Declaration (1998) and the elimination of the worst forms of child labour. Activities under this labor cooperation mechanism have already begun. The two governments met to discuss labour laws and enforcement issues. There will be study groups and visits.

Within the FTAA process, a common theme has been "capacity building." In the Quito Declaration (November 2002), Trade Ministers approved cooperation mechanisms to facilitate transition to free trade and integration. The Hemispheric Cooperation Program (HCP) was designed to help small economies to build its capacity. Activities will be organized in three themes: 1) capacity to negotiate; 2) capacity to implement commitments; and 3) capacity to make the transition to integration. The discussions take place in the FTAA Consultative Group on Smaller Economies and include the participation of the Inter-American Development Bank, the OAS and ECLAC. In Panama (January 2003), a paper to guide the development of national strategies to strengthen trade related capacities was drafted and approved. Issue areas for the strategies correspond to topics of each of the working groups, and also include labour and environment. What we are doing in the IACML forum regarding capacity building can be complemented with HCP. Many US ministries with technical expertise are available to assist with capacity building.

- **Discussion**

- Cosate (Victor Báez): Inquired about the textual reference in the agreement to "eradication of child labour".

- Chile: There are several aspects: the 1998 ILO Declaration, the Convention 138 (minimum age for child work) and 182 (worst forms of child labour). The agreement includes all of them; it aims at eliminating the worst forms of child labour. It also considers that the worst forms are present in the informal and independent sectors. It is therefore a social policy matter more than a labour right. We are evaluating the worst forms of child labour to be able to fight them directly. Strict and precise monitoring is necessary.

- United States: There is specific reference to Convention 182 dealing with the worst forms of child labor: employment by children under a certain age; in illicit activities; in conditions that endanger their health and safety, for example.

- Paraguay: Inquired about the mechanism for resolution of controversies and sanctions.

- Chile: The mechanism for resolution of controversies is used only when all other judicial mechanisms have been exhausted. The purpose of the Labour Council is to resolve conflicts by experts on labour matters. These experts are named by the Labour Ministries. There are no sanctions, but processes to fix the situation that has prompted the complaint by the other part. It reaffirms prevention and monitoring mechanisms.

- ILO: Inquired why the item "minimum wage" is included in the agreement but "non-discrimination" is not.

- United States: The evolution of specific clauses was guided by US Trade program guidelines and provisions and was the result of negotiations.

- Chile: There are several forms of discrimination. In Chile, "discrimination" refers to those practices against collective bargaining, which are forbidden by national laws and by the labour chapter.
- Ecuador: Presented the problem of outsourcing of staff as one of the worst forms of labour relations because workers do not know who their employer is. Is there any provision in the agreement for this kind of workers?
 - Chile: the labour agreement seeks compliance with domestic legislations. The problem of outsourcing is not new, but it has increased recently. It is dealt with indirectly in our labour laws. The website www.dt.gob.cl may be consulted for further information on this matter.
- CEATAL: Expressed concern for the potential use of labour standards as a form of protectionism. He inquired about the agreement's non-application criteria.
 - Chile: the objective of Chile's labour reform was to enforce compliance with domestic legislation. The negotiation of the labour chapter avoided distinguishing between those workers that are protected by the agreement and those that are not because they don't work in the exporting sector. There is a need to modernize the norms and the monitoring procedures. Now we intend to reform the labour judicial process.
- Saint Lucia: Regarding small island development states, how can we engage you to build our capacity to participate in negotiations and in the process in general?
 - United States: The process for hemispheric capacity building involves the OAS, and the IDB , with the U.S. and Canada also providing guidance. CARICOM is participating as a group. You might contact your country representative or the CARICOM representative to the Consultative Group on Smaller Economies. Coordination and consultations are starting; countries are just developing their list of priorities within the National Strategies.
- Antigua and Barbuda: Expressed concern that we might be overloading the system with so many bilateral negotiations. The Summit and our Conference say we must also improve collaboration with international organizations and other government ministries.
 - Chile: We need to distinguish between: a) the Summit of the Americas process and the FTAA negotiations and b) the social/labour dimension of integration. The Quito Conference discussed the role of labour matters within free trade processes. It corresponds to the IACML to reflect on the labour dimensions of integration.
- Argentina: The Chilean experience is relevant to the construction of a labour/social space. Agreements such as the Chile-U.S. could serve as a model, but we need to analyze first how the social reality was built.

4.2 Presentations by international organizations

- *Perspectives of the World Commission on the Labour Dimension of Globalization: Virgilio Levaggi, Regional Integration and Decent Work Specialist, ILO Regional Office for Latin America and the Caribbean*

In 1994, the Governing Body of the ILO established the Working Group on the Social Dimension of International Free trade. At the onset, the Working Group focused on whether or not to introduce a social clause in the multilateral trade system. The idea was soon rejected due to its political non-viability.

The World Commission on the Social Dimensions of Globalization is formed by 24 internationally well-known persons. It focuses on the impact of globalization on employment, working conditions, income and social protection. It is preparing a Report that will be presented to the international community next year.

Several regional and national consultations have taken place in Latin America and the Caribbean. The foremost issue that has emerged is the articulation of integration and free trade for insertion in globalization. Integration goes beyond free trade and needs to

be studied through a comprehensive framework that encompasses the strategic interrelationships between economic, social and other key variables.

Another important element in the sub-regional experience is the "democracy clause".

Perspectives: most international organizations have acknowledged that the ILO is the international body with the most capability to deal with social issues. The ILO has the following tools to renovate its conceptual framework: a) the Declaration on the Fundamental Principles and Rights at Work; and b) the Decent Work Agenda.

- ***Occupational health and safety, productivity and integration in the Americas: Luz Maritza Tennassee, Workers' Health Regional Advisor, PAHO***

PAHO was created in 1902 as the Americas regional office of the World Health Organization. It is the organ within the inter-American system that specializes in health.

Health is a key variable in development; it is also an undeniable human right. Labour and health are both individual and collective goods. There is a relationship between labour and the eradication of poverty. Companies or businesses that invest in occupational health are more productive. Along the same lines, the most competitive countries are those that invest in health and safety in the workplace.

PAHO's strategic plan for 2003-2007: to improve the living conditions, health and safety at work and the well-being of the working population, in order to advance towards human sustainable development with equity and social justice. Four main areas for basic action: public policy, workplace environment; promotion of workers' health; and comprehensive services for workers.

It is imperative to incorporate in the agenda of integration agreements the wide range of social issues related to workers' health and safety such as the need to invest in occupational health prevention, health standards, and dissemination of best practices, among others.

- ***Role of the IACML in the labour dimension of the Summit of the Americas process: Sofialeiticia Morales, Director, Unit for Social Development and Education, OAS***

The XII IACML's Ottawa Declaration and Plan of Action follow the labour and employment mandates given by Heads of State after the Third Summit of the Americas (Quebec Declaration).

The key themes are: a) social dimension and integration agreements (how to avoid that the social dimension be used for protectionist purposes); b) intersectorial focus: need to increase collaboration between different ministries (labour, trade, social development, health, education); c) increased collaboration among international organizations (ILO, PAHO, WHO, IADB, etc) and labour ministries; d) strengthening strategies and creation of new mechanisms for technical assistance. Proposal:

1. Create an Inter-American Commission of Labour as a technical-political mechanism to follow-up on the IACML ministerial commitments;
2. Enhancement of labour standards evaluation using multilateral mechanisms;
3. Participate in the Hemispheric Cooperation Program created by the Ministers of Trade in the Quito Declaration; create a similar program for the IACML as a mechanism for technical assistance for capacity building on labour matters.
4. Use a horizontal cooperation strategy.

- ***Discussion***

- Saint Lucia: Need to establish social links between CARICOM and the rest of the hemisphere. The objective of integration is to increase the well-being of people. For integration to be viable it needs to be backed by a minimum level of social protection. Hemispheric integration might help to address inequalities. It is important to close have a more equitable relation between smaller economies and developed states.

CARICOM needs to develop its human capital. Human dignity includes health, safety, security, education, training in the workplace, etc.

Today's globalization does not take human dignity into consideration. It is merely a materialist process. Globalization must have a human face, bringing back into it the spiritual dimension. Integration must be based on human dignity. Work is not merchandise.

- CEATAL: Regarding the ILO's presentation on social dimension of globalization, inquired whether employment is created or destroyed in this process.

Regarding the OAS's presentation, expressed that even though the proposal to create an Inter-American Labour Commission is interesting, it would duplicate the work that the ILO is already doing.

- ILO: the impact of trade liberalization cannot be generalized due to the many domestic policies that often accompany that process. See for example the latest document of the ILO's Working Group on Globalization. In many cases, there is no evidence of creation of quality employment.

- OAS: the Inter-American Commission would be a technical-political body. It would be consistent with the OAS' current technical-political work in alliance with the ILO.

- Dominica: Agrees with St. Lucia's remarks. It is important to support less developed countries. He also agrees with the Minister of Uruguay's remarks, which affirmed the spiritual dimension of integration and labour.

- Antigua and Barbuda: inquires about the inter-disciplinary approach presented by the OAS.

- OAS: the Summit of the Americas provides mandates to different sectors. For example, regarding education, the Inter-American Conference of Ministers of Education will meet in Mexico to study ways of educating young people in preparation for the labour market and labour skills certification. That is a clear example of inter-disciplinary cooperation between the two conferences.

- México: Agrees with St. Lucia's remarks. Mexico is trying to create a new labour and business culture, oriented toward the individuals' comprehensive development. Mexico requested more information about the proposed Inter-American Labour Commission.

- OAS: The Commission could follow the example of the Inter-American Commission for Education where each Ministry names a representative. COSATE and CEATAL would participate as well. Its mandate would be to follow-up and evaluate regional goals and how hemispheric commitments are being fulfilled. The IACML would be involved according to thematic processes; we would need to find appropriate mechanisms. The IACML Chair *pro tempore* could lead the Commission during its term.

- Argentina: Proposes that the IACML establish Focal Points of Development. Mercosur's would be unemployment and social exclusion. Activities within the IACML would be around those two themes. Three important steps are:

a) Consolidated programs (each country to share information on its actions to face challenges in the new world of work);

b) Prepare an agenda of the themes that the Ministers of Labour want to discuss with the Ministers of Trade;

c) Study labour standards within integration. Do we all agree that what we are looking for is an appropriate instrument to address the labour and social dimension of integration in the Americas? Two working groups should be established by the next conference in Brasilia.

- ECLAC: When talking about globalization, we tend to focus on trade. There is also a financial dimension. Some employment problems are related to growth problems, which in turn are related to financial problems. When defining a labour agenda we must

distinguish between these problems. Otherwise, we will end up with an accurate diagnosis but the inappropriate solution.

He supports the OAS proposal and reaffirms ECLAC's availability to collaborate its experience on economic and social development matters.

- **Brazil**: Presented the conclusions of the workshop on Prospective Impacts of Hemispheric Integration on Labour Markets: Risks and Opportunities, held in Brasilia on March 27 and 28, 2003.

5. DISCUSSION AND APPROVAL OF THE REPORT'S OUTLINE AND DRAFT CONCLUSIONS

In a roundtable format, countries made recommendations on areas of consensus and future work. The Working Group Chair expressed his interest in developing a concise report identifying the themes that are priority and making recommendations to the Labour Ministers.

- **Brazil**: Important themes coincide with the conclusions reached at the Brasilia workshop:

- a) An integration process implies other dimensions than just the economic; take into account social and cultural dimensions;
- b) Social dimensions should be analyzed through prospective studies;
- c) Strengthening the capacity of labour ministries to achieve a more equitable distribution of income.

- **Argentina**: An integration process should address both short-term and long-term (structural) problems.

Proposal: each region needs to decide what its priorities are. There is a need to create regional channels to address those priorities. For Mercosur, the most pressing themes are social exclusion and unemployment.

In the long run, the substantive agenda must include a political theme (trade) in response to the Quito Declaration request. We must consult with social actors, which will take time. The ILO must continue studying the role of labour standards in the hemisphere.

- **United States**: The importance of the Quito Declaration must not be underestimated: it reflects the Trade Ministers' recognition of the relevance of our work. This is a great opportunity to increase awareness of the importance of labor and employment aspects of the integration process. Key themes that have consensus could serve as a basis for our recommendations:

- a) Social dialogue and tripartism;
- b) Commitment to the ILO Declaration on the Fundamental Principles and Rights at Work;
- c) Commitment to improving the lives of workers;
- d) Improving the efficiency of labour markets.

We must distinguish between issues that have been discussed in our working groups and those that haven't. The latter can be included in the section "areas for further study". We have the mandate to improve the coordination process with international organizations and other ministries. We have done a good job coordinating with international organizations such as the ILO and the OAS. We still have the challenge to better coordinate with other ministries. Quito represents an advance in this area. Delegates have discussed the intention to coordinate with other ministries (i.e. education). Therefore, we need to find ways to do this (participation by other relevant ministries in meetings, for example?). We have to keep in mind that this report will be shared with the Trade Ministers and it should be meaningful to them as well. The following issues would be appropriate for further work:

a.) Responding to the risks and opportunities of trade (prospective studies). Policy-makers must be able to help workers make the transition from unemployment to new jobs. The workers who oppose globalization are those who feel that they are being left behind. Making adjustments for those who are at risk of unemployment, and preparing workers and job seekers to update and improve their skills base;

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b.) Formulating next steps: how to manage greater collaboration and coordination among labour ministries, other ministries and international institutions;

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c.) Continuing to increase the capacity of labor ministries.

- **Central American countries (Guatemala, Costa Rica, El Salvador, and Nicaragua) and the Dominican Republic** (common position): Agree with analyzing the advantages of creating a Professional Labour Administration Institute. They will provide their position in a written statement at a later date. Key themes:

a) Commitment to the ILO Declaration on Fundamental Principles and Rights at Work.

a) Occupational health and safety;

b) Labour migration;

c) Strengthening of labour administrations to enable them to act pro-actively.

Areas for further work:

a) Consolidation of national information systems;

b) Skills certification;

c) Labour market monitoring

d) Work mediation;

e) Social dialogue.

- **Ecuador**: Agrees with the proposal of creating a Professional Labour Administration Institute. Important themes:

a) Occupational health and safety; and

b) Workplace environment

Proposes to create agreements among relevant ministries and levels of government (municipalities, Ministries of Health and Environment) to address environmental protection.

Another important theme for further discussion is the regulation of outsourcing to make labour legislation.

- **Chile**:

a) Supports proposal to identify tools and strategies to strengthen labour administration. Agrees with the idea of creating an Institute for Labour Administration to coordinate and complement our experience;

b) Ensure social dialogue;

c) Improve collaboration with other ministries and international institutions;

d) Social dimension contributes to social stability and prosperity. Need to emphasize this dimension within the integration process.

- **Antigua and Barbuda**: Identifies consensus on the following themes:

a) social dialogue and tripartism;

b) human capital development;

c) Role of the ILO and the international labour standards;

d) Promoting constructive labour-management relations;

e) Maximize access to opportunities;

f) International cooperation and commitments on labour matters;

g) Mandate from Heads of State in III Summit of the Americas;

- h) Improving coordination with relevant international institutions and other government departments

Themes for further consideration:

- a) The relationship between labour policy and economic integration;
- b) Creation of productive employment;

- **Paraguay:** Areas that require further work are:

- a) Supporting inclusive and equitable labour markets and protecting vulnerable groups;
- b) Employment Risks of economic integration in the Americas;
- c) Identifying common interests in an integrating economy;
- d) Strengthening the capacity of national labour administrations;
- e) Improving coordination with relevant international institutions and other government departments

- **México:** We need to assess progress attained in areas supported by Ministers. Some areas have not received enough attention. Themes for further work:

- a) Formalization of the informal sector (we should include some recommendations in the report);
- b) Improving coordination with relevant international institutions and other government departments (perhaps through joint cooperation projects);
- c) Emphasize the Group's consensus to address the social impacts of globalization on labour markets;
- d) Strengthen tripartite participation in negotiations.
- e) Regarding paragraph "B" of the draft outline, we cannot talk about a collaboration mechanism that has not been yet approved by the Ministers of Trade. We can recommend creating one, but we cannot assume that the process already exists. So far, the Trade Ministers have only asked us for a report.

- **Uruguay:** Agrees with Mexico on that collaboration between the IACML and the FTAA has not been concretized. However, would like to see the relation IACML-FTAA reflected in the report. The intention is to achieve that the Ministers of Labour are included in the negotiations. Important themes:

- a) Social dimension of integration;
- b) Compensatory policies
- c) tripartism and social dialogue

- **Argentina:** Need to evaluate the political implications of collaborating with those that are negotiating the FTAA. It is an important qualitative change.

- **Canada:** Key themes:

- a) Need to develop mechanisms to implement commitments to promote labour principles and rights as a dimension of economic integration. This is a key aspect of a human capital strategy. Other aspects of human capital strategy are:
- b) Reflect in legislation and effectively implement the fundamental labour principles and rights recognized by the ILO;
- c) build effective labour administrations that can develop and implement sound labour policies and legislation oriented to the contemporary economy;
- d) Obtain and disseminate the best possible information on preventing occupational injuries and disease;
- e) Provide training and skills upgrading to workers who need or want to enhance their productive potential;
- f) Ensure that workers have the economic security that they need to pursue their own personal development and that of their families.

Areas for further work include:

- a) Support for horizontal networks that aim to strengthen capacity. We should continue to build on the ongoing work of Working Group 2 by providing a means for improved collaboration and coordination (creation of a Labour Administration Institute);
 - b) Keep monitoring the effects of economic integration on labour policy, especially on the ability of national economies and governments to provide decent work.
 - c) Continue our dialogue with other ministries, particularly trade and education.
- **Saint Kitts and Nevis:** Main themes:
- a) Investment and job creation (unemployment syndrome resulting from economic integration);
 - b) Strengthen capacity of labour ministries, particularly regarding occupation health and safety (improve productivity and build safety nets);
 - c) Analyze labour impacts of integration (just like there are environmental impact studies);
 - d) Social dialogue with special attention to assisting unions to be equal partners.
- **Belize:** Themes to include in the report:
- a) Social dialogue and tripartism
 - b) Human resources development
 - c) Promotion of decent work
 - d) Protection of labour rights, including those of migrant workers
 - e) Promoting management-labour cooperation
 - f) Promoting ILO Declaration
 - g) Strengthen capacity of ministries of labour;
 - h) Healthy workplaces, including HIV/AIDS education.

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