

REPORT OF WORKING GROUP 2 *BUILDING THE CAPACITY OF LABOR MINISTRIES*

I. INTRODUCTION

The Ottawa Plan of Action of the XII Inter-American Conference of Ministers of Labor (IACML) gave Working Group 2 (WG2) a three-part mandate. First, WG2 was tasked with developing new mechanisms to increase the effectiveness of projects and technical assistance to build the capacity of smaller economies and their labor institutions. Secondly, WG2 was to focus on best practices to promote key labor laws and policies, including by preparing a report on how best practices could be promoted in the hemisphere. Finally, the Working Group would promote the ILO *Declaration on Fundamental Principles and Rights at Work*, focusing on public awareness and private sector initiatives in support of the Declaration, and by addressing both the challenges that member states are facing in enhancing respect for Declaration principles and rights, and ways in which those challenges can be met with the help of technical assistance. This work would give particular attention to the ILO *Convention on the Worst Forms of Child Labor (No. 182)*.

The Working Group met twice, first in Santo Domingo, Dominican Republic, April 8 and 9, 2002, then in Montevideo, Uruguay, April 3 and 4, 2003. WG2 received presentations and papers from individuals, international organizations and representatives of business, labor and governments. In addition, it has commissioned reports and studies, to be prepared by the International Labour Organization and the Organization of American States. The Working Group wishes to thank all of those who provided these valuable inputs, which have contributed in important ways to the advancement of its agenda.

This report provides a brief summary of activities with respect to each of the three dimensions of the Working Group's mandate. For each dimension it then draws together key themes and conclusions. The report concludes with a list of suggestions for further work. Presentations to the Working Group meetings are available through the XII IACML website at www.xii-iacml.org

II. NEW MECHANISMS TO INCREASE THE EFFECTIVENESS OF TECHNICAL ASSISTANCE

(a) Summary of Activities

WG2 took concrete steps towards developing new mechanisms to increase the effectiveness of projects and technical assistance to build the capacity of labor ministries. It commissioned and considered surveys and analyses of capacity building needs, an inventory of available technical assistance resources, and a preliminary report on best practices in technical assistance programming focusing on sustainability of results. This work has provided essential information for matching needs and available resources, learning from and building on experience, and a basis for improving collaboration and coordination among states and key international institutions.

WG2 received and considered reports and presentations on technical assistance projects to:

- strengthen the capacity of labor administration (ILO/MATAC);
- strengthen social dialogue (ILO/PROMALCO);
- disseminate good practices and knowledge required for the prevention of occupational injury and disease (Pan American Health Organization (PAHO) – Healthy Workplace Initiative).

In the course of Working Group meetings, governments, international organizations, and business and labor representatives also exchanged information on assistance initiatives and the conditions that enable such initiatives to achieve sustainable results.

Finally, the ILO and OAS Unit for Social Development and Education (USDE) undertook activities specifically in support of the Working Group's agenda, including country-specific diagnostics of capacity strengthening needs, and organizing and delivering horizontal cooperation workshops.

Specific Working Group activities included the following:

- The XII IACML-ILO Project on Principles and Rights at Work and the OAS/USDE conducted surveys of technical assistance needs of smaller economies. The former focused on devising ways for more efficient means to implement labor regulations; and the latter on active labor market policies and the modernization of state and labor administration. Efforts are currently underway at the OAS to gather best programs for the improvement of labor administration, occupational health and safety, gender integration in labor, and certification of labor competencies.
- Five member states in Latin America and the Caribbean (Peru, Trinidad and Tobago, Nicaragua, Paraguay, and Ecuador) undertook, with the assistance of the ILO Project, a comprehensive labor administration needs diagnosis.
- The ILO Project is developing on behalf of the Working Group a preliminary analysis of best practices in the area of technical assistance, focusing on the enabling conditions for sustainable results. It also assembled a comprehensive inventory of current labor-related multilateral and bilateral assistance projects and donor agencies operating in the hemisphere.
- Future activities of the ILO Project include a comprehensive labor administration needs diagnosis, the implementation of two horizontal cooperation agreements, a series of technical assistance proposals, and a complete evaluation of project results.
- The business and labor advisory committees of the Conference (CEATAL and COSATE) provided substantive needs analyses on capacity strengthening by labor ministries.
- The Working Group received and considered valuable discussion papers and presentations containing concrete proposals to improve collaboration and coordination in support of capacity strengthening, including *Modernizing Labor Administration: Concept Paper for an Americas Institute for Professional Labor Administration* (Chair pro tempore); *Inter-American System of Labor Cooperation* (Mexico).
- Uruguay, as pro tempore Secretariat of the SISMEEL project, launched its website in February 2003. The SISMEEL project is working towards the improvement of countries' ability to produce, analyze, manage and disseminate labor market information, with a particular focus on comparability and reliability indicators.

(b) Key Themes and Conclusions

Labor ministries play an increasingly important and complex role in an integrating international economy. Their mandates generally include the key elements identified by the ILO in its Decent Work Agenda: realizing standards and fundamental principles and rights at work; creating greater opportunities for women and men to secure decent employment and income; enhancing the coverage and effectiveness of social protection for all; and strengthening social dialogue between business, worker representatives and governments. Realizing these mandates in a competitive international economy calls upon labor ministries not only to develop and implement laws and policies for the protection of working people, but also to take steps to ensure that human capital is effectively mobilized in the workplace and in the labor market. The labor market, just as financial markets or stock markets, depends for its efficient functioning upon modern, transparent and effectively administered laws and regulations, and clearinghouses of information. Moreover, labor ministries need to be in a position to participate actively in setting government economic policy agendas, including establishing processes of dialogue with ministries of trade, finance and industry.

This calls for modernized, professional labor policy making, administration, and tribunals. Labor ministries should be supported by reliable information systems that enable them to participate in economic policy making, foster efficient labor markets, and effectively deploy enforcement resources. They should develop management systems to ensure accountability and continuous improvement. They should be accessible to the public, be capable of disseminating information on good practice, and of fostering social dialogue.

In many places the ability of labor ministries to meet these aims is hindered in numerous ways. In particular, there is often high turnover of labor ministry staff, little or no training of personnel, little coordination between government departments, and little capacity to foster social dialogue between worker and employer representatives. Many labor ministries, especially in the smaller economies, would benefit from strengthening staffing, management, information, social dialogue, alternative dispute resolution, inspection and other systems, which are vital to their effectiveness.

Technical assistance and horizontal cooperation have a key role to play in strengthening the capacity of labor ministries. Key international organizations such as the ILO have made substantial contributions to the dissemination of expertise and good practice. There is a need to build on these initiatives, and to improve collaboration and coordination in order to strengthen their effectiveness and continuity. In particular, the IACML should explore networks and institutional mechanisms to facilitate horizontal cooperation, pool resources, and to assist labor ministries in developing comprehensive strategies to strengthen capacity, drawing upon available technical assistance resources and best practices developed in other member states. The discussion document presented by the Chair pro tempore entitled *Modernizing Labor Administration: Concept Paper for an Americas Institute for Professional Labor Administration* has provided a sound basis for further work. We also note the valuable contribution of Mexico in its discussion paper entitled *Inter-American System of Labor Cooperation*.

In developing new mechanisms to increase the effectiveness of technical assistance, it will be essential to monitor and assess the conditions that enable sustainable results to be obtained. Preliminary analysis of experience suggests that successful capacity strengthening programs require political will at all levels of government; participation at all phases by social partners who have a stake in the work; that ministries and agencies take ownership of projects in their design, monitoring and evaluation; and professional staffing systems backed by sufficient financial means.

III. PROMOTING THE ADOPTION OF BEST PRACTICES

(a) Summary of Activities

Working Group meetings served as a forum for exchange of information on best practices by labor ministries in meeting their mandates and by international organizations in assisting them in that regard. The OAS/USDE also undertook the development of horizontal cooperation initiatives to directly support this aspect of the Working Group's agenda. In addition to those listed in Part II above, specific activities included:

- The OAS Inter-American Agency for Cooperation and Development compiled a portfolio of best practices in the field of occupational safety and health which could be made available to member states through horizontal cooperation.
- OAS/USDE intends to extend this work, developing a permanent portfolio covering other areas of labor policy and administration. It has also established a virtual forum accessible by IACML members, which can serve as a focal point for exchanges of best practice information.
- The OAS/USDE has developed and is working to implement a series of three technical assistance workshops: (1) a workshop on building institution training capacity for entrepreneurs and small businesses, based on the SENAI and SEBRAE programs from Brazil; (2) a virtual workshop via the Education Portal of the Americas; and (3) an onsite workshop in Mexico. Both the virtual workshop and onsite workshop are based on Mexico's CONOCER program on labor certification. An initial "training of trainers" for the virtual workshop is expected to commence in the fall of 2003. The two workshops involving CONOCER are based on previous conferences

held in 2002 in Mexico and Panama on skills certification. Additionally, all of the workshops respond to needs identified by the Unit in its surveys and are based on the priority areas identified by the XII IACML. These workshops are made possible in part through funding support from the OAS fellowship program and the generous offers by member states willing to share their best programs.

At Working Group meetings, parties exchanged information on advances in a number of areas:

- Dominican Republic and Chile made presentations on their countries' progress in promoting respect for and application of the ILO *Declaration on Fundamental Principles and Rights at Work*.
- Mexico offered an overview of its comprehensive labor reforms in which social dialogue played a key part in the process.
- Chile addressed its labor inspection and enforcement systems highlighting the role of labor administration in the regulation of employment.
- Barbados presented its successful initiative to deepen social dialogue on matters of economic policy.
- The successful results of the ILO/MATAC project in the Dominican Republic underscored the need for support from social partners, political leaders and international organizations.
- The ILO/PROMALCO project illustrated the practical implementation of the ILO Declaration through labor-management cooperation.
- The OAS Inter-American Commission for Women (OAS/CIM) presented best practices and strategies for gender mainstreaming in the policy making and operations of labor ministries.
- PAHO presented its regional blueprint for sustaining the health of workers through a four-tiered program.
- The ILO made a number of presentations on best practices and lessons learned in raising awareness of the principles and rights in the *ILO Declaration on Fundamental Principles and Rights at Work*, and on programs to eliminate child labor, with a particular focus on the worst forms of child labor (discussed below).

(b) Key Themes and Conclusions

The Working Groups notes that the exchange of best practices at Working Group meetings has played an important role in providing labor ministries with tools to strengthen their policy and administrative capacity. It also encourages the OAS/USDE to build upon its initiatives to facilitate horizontal cooperation and compile a portfolio of best practices. These should make a valuable contribution to the work of the Conference in promoting the strengthening of labor ministry capacity throughout the hemisphere.

IV. PROMOTING THE ILO DECLARATION ON FUNDAMENTAL PRINCIPLES AND RIGHTS AT WORK

(a) Summary of Activities

Working Group meetings served as a focal point for disseminating information on technical assistance programs and private sector initiatives to improve awareness of and respect for Declaration principles and rights, with a particular focus on eliminating child labor. Meetings also served as a forum for social dialogue, including presentations by business and labor directly addressing the challenges in ensuring respect for Declaration principles and rights. Activities included:

- Presentations by the ILO on initiatives to raise awareness of the Declaration within countries of the hemisphere, on tools available from the ILO for that purpose, as well as on strategies and lessons learned.
- COSATE and CEATAL provided detailed presentations on the challenges facing governments in ensuring respect for ILO Declaration principles and rights in the Americas and underlined the

- need to continue the dialogue and to monitor employers' progress in the application of Declaration principles.
- The Working Group also considered presentations from business, labor and non-governmental organizations on the strengths and limitations of, as well as lessons learned with respect to, private sector initiatives to promote respect for Declaration principles and rights.
 - ILO/IPEC held a workshop for Working Group members on time-bound programs for the elimination of child labor, with a particular focus on the worst forms of child labor.
 - Mexico, Chile and the Dominican Republic each gave reports on new initiatives to eliminate child labor within their jurisdictions. Mexico's presentation of a specific action program focused on the multidimensional approach in its permanent national campaign; Chile addressed the underlying economic and social factors of child labor and underscored the importance of preventive policies; the Dominican Republic noted that government child labor initiatives began in 1997 and that two commissions are currently involved in designing child labor eradication policies.

(b) Key Themes and Conclusions

(i) Promoting the ILO Declaration

The Declaration constitutes a key global consensus on fundamental principles and rights that apply at all levels of development. At present the Declaration is promoted mainly through the global reporting mechanism of the Declaration Follow-up, through ILO technical assistance programming, and through national publicity campaigns initiated with technical assistance from and promotional resources developed by the ILO. Private sector initiatives such as employer and industry codes of conduct are increasingly based upon Declaration principles and rights. These steps have succeeded in significantly raising awareness of the Declaration within a relatively short period of time.

Based on experience to date, WG2 sees opportunities for the future in the following areas:

- National governments could develop, with the assistance of the ILO, national action plans for the promotion of the Declaration, including, where appropriate, steps to encourage the incorporation of Declaration principles and rights into private sector initiatives. National strategies could include education programs to be addressed to school age children based on the idea that they will in the future become workers who should benefit from Declaration principles and rights.
- Strengthening social dialogue is an important aspect of Declaration promotion, since social dialogue contributes to respect for Declaration principles and rights, and since tri-partite initiatives can effectively reach the workplace level.
- Developing indicators of fundamental rights, as an aspect of indicators of decent work, would provide benchmarks for reviewing progress, identifying best practices, and effectively targeting resources.
- The aim of ensuring respect for Declaration principles and rights should, like other aspects of the Decent Work Agenda, be incorporated into national social and economic policy making. This often entails, as noted above, a strengthening of the capacity of ministries of labor to participate in national policy making.
- The IACML should continue to work with the ILO to ensure that it receives and considers information on lessons learned in implementing strategies to promote the Declaration.

(ii) Eliminating the Worst Forms of Child Labor

Since its adoption in 2000, 26 states in the Americas have ratified the *ILO Convention Concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour (No. 182)*. Most states in Latin America have begun to incorporate data on child labor into national labor statistics. Seventeen states in the Americas now have multi-stakeholder national commissions for the eradication and prevention of child labor. Fourteen have developed national action plans to that end. Many labor

organizations have created special units or departments on child labor, and a network of over 500 non-government organizations has mobilized its efforts against child labor. The ILO has, through its IPEC program, implemented over 70 projects to eliminate child labor, especially its worst forms, covering over 200,000 children and youth and 50,000 families. This is remarkable progress within a short period of time.

Based on this experience, the Working Group sees opportunities to build on this work in the following areas:

- Eradicating child labor requires a coordinated effort among relevant government ministries, including ministries of education. The success of such coordination will of course depend upon the capacity of labor ministries to act as leads on child labor initiatives.
- The elimination of child labor also depends upon the effectiveness of traditional labor law enforcement systems, especially inspection systems. Again, capacity strengthening can make an important contribution.
- National governments should be encouraged to develop, where appropriate and with the assistance of the ILO, time-bound programs for the elimination of the worst forms of child labor.
- The effectiveness of programs to eliminate child labor can be significantly enhanced through social dialogue, tripartism, and coordination among other social actors interested in the issue.
- It is important to systematize, communicate and evaluate experiences in the various countries of the Americas with initiatives to eliminate child labor, especially in its worst forms. In this regard, the IACML should continue to work closely with the ILO.

V. AREAS FOR FURTHER WORK

On the basis of the above considerations, the Working Group respectfully recommends that Ministers of Labor:

- A. Build on the steps taken by this Working Group to develop new mechanisms to improve the effectiveness of technical assistance in support of capacity strengthening by:
 1. exploring networks that aim to support the strengthening of capacity of ministries of labor; and in particular
 - commissioning a feasibility study into the development of institutional means to structure coordination and collaboration for the purposes of capacity strengthening of labor ministries on the basis of a proposal to be presented by the Chair pro tempore for an Americas Institute for Professional Labor Administration. This study and its recommendations would be brought forward for decision during the XIII IACML; and
 - calling upon the OAS to build upon its initiatives to establish portfolios of best practices to be disseminated through horizontal cooperation;
 2. ensuring that the inventory of technical assistance and cooperation projects compiled by the ILO in support of the XII IACML is maintained and made accessible to IACML members on an ongoing basis; and
 3. following up on studies and reports submitted to this Working Group by examining the enabling conditions for sustainable capacity strengthening.
- B. Continue to exchange best practices in labor policy making, implementation and enforcement at Working Group meetings and/or through parallel initiatives supported by key international organizations.
- C. Continue to promote respect for the principles and rights in the ILO Declaration by working with the ILO to:

1. ensure that IACML members are informed of best practices and available resources to raise public awareness of the Declaration;
2. communicate and evaluate experiences in the various countries of the Americas with initiatives to eliminate child labor, especially in its worst forms; and
3. develop within individual countries indicators of fundamental rights, as an aspect of indicators of decent work, to provide benchmarks for reviewing progress, identifying best practices, and effectively targeting resources.