

ORGANIZATION OF AMERICAN STATES Inter-American Council for Integral Development (CIDI)

THIRD MEETING OF WORKING GROUP I GLOBALIZATION OF THE ECONOMY AND ITS SOCIAL AND LABOR DIMENSIONS XI INTER-AMERICAN CONFERENCE OF MINISTERS OF LABOR 25-27 April 2001 Santa Cruz de la Sierra, Bolivia OEA/SER.L/XIX.V CIMT/GT/GEDSOL/doc. 3/01 27 April 2001 Original: Spanish

FINAL REPORT

17th Street and Constitution Avenue, NW Washington, DC 20006

MINISTRY OF LABOR AND MICROENTERPRISE OF BOLIVIA

WORKING GROUP I

"GLOBALIZATION OF THE ECONOMY AND ITS SOCIAL AND LABOR DIMENSIONS" (O.A.S)

FINAL REPORT

Santa Cruz de la Sierra, Bolivia 27 April 2001 The representatives of ARGENTINA, BOLIVIA, BRAZIL, CANADA, CHILE, COLOMBIA, MEXICO, PANAMA, PERU, THE UNITED STATES, URUGUAY and VENEZUELA as members of the Group and of the "Globalization of the Economy and its Social and Labor Dimensions" representatives, established by the OAS Eleventh Inter-American Conference of Ministers of Labor and the ENTREPRENEURIAL COUNCIL FOR TECHNICAL ADVICE ON LABOR ISSUES (CEATAL), as the advisory body to Group I and of the International Labor Organization (ILO) as a technical advisory agency in a meeting held on April 26 and 27, 2001, in Santa Cruz de la Sierra, in Bolivia, and with the support of the OAS as Technical Secretariat of the Conference, place on record:

- That a third meeting has been held on the aforesaid dates in accordance with the mandate contained in the Declaration and Plan of Action of Viña del Mar, of 1998, on the requirements and challenges of Globalization of the Economy and its Social and Labor Dimensions.
- That the discussions have followed the order set out in the Thematic Agenda presented by Bolivia as the host country and coordinator of the Meeting of Group I.
- That, having complied with the agreements reached at the Follow-Up Meeting held in Washington, D.C., on implementing the Plan of Action of Viña del Mar, in February 2000, the objectives of the present meeting are as follows:
 - 1. To move forward with and deepen discussion of the topics raised in the Working Group.
 - 2. To receive information concerning the preparatory work for the Twelfth OAS Conference of Inter-American Ministers of Labor, scheduled to be held in Ottawa, Canada, from 17 to 19 October 2001.
 - 3. To review the status of technical assistance projects and to identify needs and offers of assistance between participating countries.

The issues entrusted by the Group concern the following topics:

- I. Social dimension of integration processes
- II. Transformations in the structure and functioning of labor markets and labor regimes
- III. Professional Education and Training
- IV. Systems for Assisting Unemployed workers

I. Social dimension of integration processes

The meeting of Group I was opened by Dr. Jorge Pacheco Franco, the Minister of Labor and Microenterprise of Bolivia, who welcomed the participants and emphasized that the group had the awesome responsibility of reconciling the economic framework and the concern for sustainable productive employment with respect to different issues in order to raise living standards and thus ensure a setting conducive to a stronger democratic process while consolidating the climate of peace and harmony necessary for developing both lines of action. In this sense, the challenges posed at the present time by economic, political, and cultural globalization have been transformed into structural variables of development. Extreme poverty and a market economy that is developing in imperfect conditions at a high social cost are the characteristics of the present relationship between the State, the market, and society. He then stressed the importance of cooperation for all countries attending the Conference and in particular for the OAS and the ILO, in developing government labor Lastly, he emphasized the importance of reiterating the objectives of the policy. Declaration and the Plan of Action of Viña del Mar with respect to the need to humanize the economic model and foster solidarity in attaining the objectives of equitable economic and social development, eradication of poverty, and elimination of discrimination, with equity and social justice.

Next, the OAS as Technical Secretary of the Conference thanked the Minister on behalf of the Organization of American States for his generous offer to serve as host and organizer of the present meeting. He then mentioned the recent Summit of the Americas meeting to indicate the renewed commitment of the Heads of State to hemispheric integration and the national and collective responsibility to the economic well-being and security of their peoples and to reaffirm the value of democracy for ensuring that the objectives targeted in the areas of work and employment are attained as well as the fundamental importance of the Inter-American Conference of Ministers of Labor. A report was presented on the progress made up to that time in the work undertaken by Group I.

Next, Dr. Jaime Alvarez, Deputy Minister of Labor Relations, as chairman of the meeting, presented the proposed agenda and its objectives which were adopted as shown in the annexes.

Next in the order of business was a general presentation on the CIMT-ILO project, which was followed by two presentations on the project. Mr. Tomás Sala Franco and Ms. María Carmen Ferreira spoke on the integration processes within the European Union and MERCOSUR and on the sociolabor issue, respectively. It was agreed that the text prepared by Mr. Alfonso Oñate on the North American Free Trade Agreement (NAFTA) would be distributed later.

As a general issue concerning all of the presentations, it was indicated that the comments and contributions made by the Group participants would be compiled for a final presentation at the Ottawa Conference.

As to these texts, it was noted that the European model was the most developed integration process in existence and that it involved three important freedoms: the free circulation of goods, capital, and persons. In the area of labor, the European process seeks to harmonize legislation and to create a community labor law. In MERCOSUR, instruments and mechanisms were being developed to protect the rights of workers. As to the labor assistance agreement linked to the North America Free Trade Agreement, it was specifically mentioned that it did not seek to harmonize the labor standards of the signatory countries.

It was indicated that with respect to employment in the present phase of the process of hemispheric integration, an assessment was needed to determine how member countries were progressing on the implementation of labor standards. It was mentioned that the issue of the institutional status of labor integration that was to be implemented during the more advanced stages of this process would not be discussed. The experience with the integration process, however, showed that the social issue never appeared in the initial work, a situation that underscores the importance of considering forthwith these experiences within the context of the process of hemispheric integration.

It was mentioned that it might be useful to observe the process of integration in East Europe as an experience for the region. It was further mentioned that the European Union had a social fund so that labor legislation could be applied and developed.

In accordance with the order of business set out in the agenda, the afternoon activities began with a presentation on migrant workers in North America given by a consultant, Monica Verea.

In the ensuing discussion, it was noted that working conditions and social protection for migrant workers in recipient countries was a major issue that warranted study by the Working Group and by the Conference itself.

It was also mentioned that the possibility of implementing policies on investment of remittances sent by migrant workers to their countries of origin should be studied.

Later, a presentation was made on the work done by the consultant, Adolfo Ciudad, on the Outlook for Labor Reform in OAS member countries. In this regard, it was noted that it was difficult to strike a balance in reconciling the adaptation requirements for companies in the globalization process with the concern for preserving sources of employment and the labor rights acquired by workers. It was further noted that the work related solely to Latin America. It was also mentioned that greater flexibility in the process was being developed as a fait accompli in many countries and that subcontracting and triangular contracting were amongst the different modalities now being developed.

Next a presentation on the CIMT-ILO project covered the survey on the status of the Plan of Action of Viña del Mar. In this regard, observations were made for inclusion in the "corrigendum" attached hereto as Annex I, which would be forwarded to the countries by the Chairman Pro Tempore through the CIMT-ILO project.

Following the order set out in the agenda, the works commenced with a presentation by the United States Department of Labor on current assistance projects and on the possibility of starting up others was mentioned.

The OAS as Technical Secretary of the Conference mentioned the projects that had been presented at the Meeting of the Advisory Council of the Chairman Pro Tempore. These project were described in the relevant report. It was indicated that the countries would be given additional information if they wished. Particular mention was made of a project on industrial safety in preparation in Bolivia. In this regard, Panama offered to assist Bolivia with the projects that they had already developed. It was agreed that both countries would work closely together to develop this initiative.

The Representative for Venezuela confirmed that the Workshop on Preventive Mediation would be held from 2 to 4 July 2001 on Marguerita Island. Presentations would be made by Canadian and Brazilian presenters as agreed at the Third Meeting of Group II on April 5 and 6, 2001, in San Jose, Costa Rica. All countries were urged to indicate whether they wished to take part.

The Canadian delegation then proceeded to make a presentation on the preparatory work being done for the Ministerial Meeting in Ottawa, in October 2001.

Some highlights of the Declaration and Plan of Action emanating from the Third Summit of Heads of State, in Quebec in April 2001, were mentioned. Emphasis was placed on the importance of the Declaration as a whole and the transversality of different issues covered in the Plan of Action. These should be taken into account in preparing the OAS XII Inter-American Conference of Ministers of Labor.

The proposed agenda will be sent to the countries by next June 30 before the Preparatory Meeting scheduled for Miami from July 11 to 13, 2001.

Canada stressed the fact that appropriate channels would be sought to permit civil society to take part in the process.

WORDS OF APPRECIATION

The Third Meeting of Group I on "Globalization of the Economy and its Social and Labor Dimensions", established by the OAS XI Inter-American Conference of Ministers of Labor wishes to express its deep gratitude to the Minister of Labor and Microenterprise of Bolivia and his colleagues as well as to the other national and local authorities for the generous hospitality that they have extended to the participants and their success in organizing and carrying out the present meeting.

April 27, 2001 Santa Cruz de la Sierra, Bolivia.

ANNEX 1

CORRIGENDUM TO THE SURVEY ON THE IMPLEMENTATION STATUS OF THE PLAN OF ACTION OF VIÑA DEL MAR

EMPLOYMENT AND THE LABOR MARKET

In point 1, "Employment and institutional labor framework" should read: "Employment and labor market".

The heading which reads "Politics and procedures..." should read "Identification of new and innovative policies and procedures that will allow ministries to respond to the challenges stemming from the new structures and functions of labor markets, which result from the natural processes of adaptation of the organization of production and services in our countries and from the demands of economic integration and national and international competitiveness."

Point 1.1 of the same section is deleted.

Point 2 "Competitive organization and productivity-based systems of remuneration" under the heading "Organizations with greater capacity for adaptation..." should read "Study of systems for determining remuneration levels that have proven successful in guaranteeing an adequate and just relationship between workers' incomes and their level of productivity, quality, and professional training. Special attention should be given to collective bargaining, considering its fundamental place in determining remuneration levels".

Point 3 "Active labor market policies. Worker training" under the heading "Through training services..." should read "Identification of conceptual, institutional, and operational designs for professional education and training systems, programs and activities, placing priority on identifying those policies that can harmoniously integrate the objectives of the public and private sectors, and shared public and private sector funding mechanisms".

Point 3.4 is deleted.

Point 5 "Severance protection systems" should read "Systems for assisting unemployed workers".

"Collective bargaining and labor relations" should be headed "In the area of labor relations".

In Point 1 "Collective bargaining and promoting labor organizations" point 1.1 "Measures or regulations..." should read "Extension of the coverage of collective bargaining to the greatest possible number of sectors of the economy, and to most employees and workers".

In Point 2 "Social dialogue", the heading "Successful integration" should read "Development of initiatives aimed at establishing, or strengthening where they already exist, a wide variety of tripartite or bipartite social dialogue forums as may be appropriate at the national, sectoral, or regional levels, and based on the situation in each country".

MODERNIZATION OF THE STATE AND LABOR ADMINISTRATION

In point 2 "Inspection of labor" the heading "in the context of the processes" should read "Intensification of their inspection functions in labor and social security areas, taking into consideration the modalities suited to the institutional realities of each country."

EMPLOYMENT AND LABOR MARKET

6. Labor standards corresponding to fundamental rights of workers in accordance with the ILO. Identifying and monitoring the implementation status of Conventions listed in the declaration on principles and fundamental

Identifying and monitoring the implementation status of Conventions listed in the declaration on principles and fundamental rights in the work place (ILO, June 1998)

	STATUS OF IMPLEMENTATION				DESCRIPTION	PRIORITY		
Convention on hard labor (No. 29)	NI	Ι	A	Т		А	Ι	В
Convention on the abolition of mandatory labor (No. 105)								
Convention on the minimum age (No. 138)								
Convention on the freedom of association and protection of the right to organize (No. 87)								
Convention on the right to organize and to bargain collectively (No. 98)								
Convention on equal pay (No. 100)								
Convention on discrimination (employment and occupation) (No. 111)								

TO ADD A NEW POINT "SOCIAL SECURITY"

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	STATUS				DESCRIPTION	PRIORITY		
Undertaking actions to correct shortcomings in social security systems in order to help workers upon retirement from the work force	NI	Ι	A	Т		A	Ι	В
1.2 Study and design of social security policies and regimes to cover the situation of migrant workers								

ANNEX 2

HORIZONTAL COOPERATION PROPOSALS

HOST COUNTRY: ARGENTINA

PROGRAM/PROJECT CONSOLIDATED EXPERIENCE	Workshop on settlement services in individual labor conflict situations
NEED DETECTED	Lack of systems for mediating and expediting settlements in individual labor conflict situations
OBJECTIVE	To share the experience acquired by the Labor Settlement Service (SECLO) in individual conflict situations
ACTIVITY	 Organize the activity including: Proposed schedule: Last quarter 2001 Place: Buenos Aires, Ministerio de Trabajo, Empleo y Formación de los Recursos Humanos Number of Participants: At least two per interested country
FUNDING	The Ministry of Labor underakes to provide the speakers, the physical facilities for the event, and materials for the workshop, which will be conducted in Spanish. Financing must be sought for participants' fares and per diem expenses.
FURTHER OBSERVATIONS	

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