

The Employer Perspective on “Integral Development in the Americas”

John D.R. Craig, Canadian Employers Council/CEATAL

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1. Introduction

Mr. Chair and distinguished representatives. I represent the Business Technical Advisory Committee on Labour Issues (CEATAL). CEATAL is the organization that represents the employer associations of each OAS member state. Through these organizations, CEATAL represents literally tens of thousands of small, medium and large private employers across the Americas.

In my role as a representative of hemispheric employers, and in light of the present focus on the need for concerted action to achieve prosperity in the Americas, I will focus my comments on how employers, working with governments and other actors, can contribute to a robust and effective strategy for integral development. We recognize that integral development is a complex and cross-cutting concept, which includes matters of substance (what we hope to achieve) and process (how we will go about it). This is reflected in the 2030 Agenda for Sustainable Development, which informs all of our discussions.

I would be remiss if I did not start with two basis points. First, social dialogue and horizontal cooperation are crucial procedural aspects of integral development that are priority matters for employers. Concerted action cannot happen, let alone succeed, without effective institutions for dialogue and cooperation.

Second, decent, productive employment is essential for social and economic development. However, certain groups, such as youth and women, face high unemployment and significantly greater challenges in entering the labour market. Prolonged unemployment entails a higher risk of future unemployment and may discourage workers, causing them to give up looking for work all together.

Therefore, concerted action is needed to develop programs and policies to assist vulnerable groups in gaining entry into, and remaining in, the employment market. Two specific strategies are particularly important from the employer perspective: first, developing public-private partnerships that focus on education and training; second, implementing programs that encourage entrepreneurship.

2. Public-Private Partnerships re Education and Training

An important cause of youth unemployment is that education and skills are not adequately tailored to the needs of the labour market, which means that firms are unable to hire the workers they need. Furthermore, in an economic downturn, young employees are often the first group of workers to be dismissed given that they lack seniority, training and on-the-job experience. As a

category, vulnerable workers tend to be in precarious employment relationships and are more likely to face job loss during times of economic difficulty.

Consequently, one strategy for concerted action to combat this problem is to promote partnerships in which government and private enterprises join forces to improve the education and training provided to vulnerable groups. Such programs strengthen the ability of members of these groups to secure and maintain employment within the labour market.

Public-private partnerships targeted at vulnerable workers are becoming more common. In some countries, governments and private enterprises have created a hybrid system of education that combines classroom teaching with in-company training. Programs often provide for the following features:

- The content of the training is determined jointly by government, employers, and trade unions;
- The training costs are shared between the employers and governments, with the employers covering the cost of the enterprise-based training and the government covering the costs of the classroom-based training; and
- Students are awarded qualifications upon the completion of written and practical examinations that are evaluated by government, employer, and trade union officials.

Programs of this nature succeed precisely because they incorporate a concerted approach to a key development issue: the social partners jointly determine the program content, ensuring that it is geared toward the real-world needs of the labour market; and the skills learned in such programs are recognized, accredited, and readily transferrable among employers.

3. Entrepreneurship Programs

The vast majority of new jobs are created by the private sector and, particularly, by micro and small enterprises. Encouraging entrepreneurship assists in development in two ways.

First, entrepreneurship programs can be directed at vulnerable groups, in particular women. By providing individuals with the skills to start their own businesses and control their own destinies, those who would otherwise be vulnerable are empowered. They become integrated into their communities and can take on important leadership roles.

Second, entrepreneurs create work not only for themselves but also for others. They become employers who create decent, productive jobs for members of their communities. Often, these jobs are important entry points into the labour market for members of vulnerable groups.

Harnessing the potential of entrepreneurship requires governments to implement programs and policies relating to training, support services, and access to financing. Programs and policies should be based on the following principles:

- Governments should expand entrepreneurship education and training in public schools;

- Governments should enact policies that ease access to financing for entrepreneurs; and
- Governments should provide a range of support services, such as marketing and human resources advice, to entrepreneurs.

In the development of entrepreneurship policies and programs, the private sector's experience and insight should be leveraged through broad-based consultation. Furthermore, mentoring and support relationships between existing business owners and new entrepreneurs can be promoted. The business leaders of today should be encouraged to serve as the role models for the next generation's entrepreneurs.

4. Conclusion

Integral development in the Americas requires concerted, coordinated efforts by governments, the social partners, and other stakeholders. Employers must play a central role in the pursuit of this goal given that the creation of decent, productive employment is an essential component of development strategies. We believe that there are tremendous opportunities for public-private partnerships, joint initiatives, and social dialogue, and look forward to active participation in the development of relevant public policies.

Thank you for your time and your consideration.