



RIAL Workshop on “The Labor Dimension of Globalization and Free Trade Agreements: Impacts and Labor Provisions,” and First Meeting of the Working Groups of the XVI IACML

Santo Domingo, Dominican Republic – July 27 to 29, 2010

**KEY IDEAS AND PRELIMINARY RESULTS OF THE EVENTS**

**Note:** This document contains the preliminary results of the discussions that took place at these events, some of which were highlighted by Minister Max Puig, Minister of Labor of the Dominican Republic, and Ambassador Aníbal Quiñónez, Representative of the OAS in the Dominican Republic, at the closing ceremony. It was prepared by the Technical Secretariat, OAS, as an input for the participants and will be built on by the complete reports that are to be jointly drafted by the chairs and vice chairs of the Working Groups (the Ministries of Labor of the Dominican Republic, United States, Mexico, Brazil, Guyana, and Canada).

**RIAL Workshop on “The Labor Dimension of Globalization and Free Trade Agreements: Impacts and Labor Provisions” – July 27**

- At the First Panel Session, the introductory presentation by ILO, the address by Argentina, and the ensuing discussions again demonstrated that our countries’ growing interdependence has a direct impact on our economies and labor markets.
- The impact of globalization, arising chiefly from trade and foreign investment, can be seen in employment levels, job quality, wages, etc. It depends essentially on the composition of each country’s economy, its export sectors, how labor-intensive they are, and the conditions under which commercial exchanges take place. During the discussion, workers and employers gave their different views on the labor dimension of globalization.
- The Second Panel Session focused on the labor provisions of free trade agreements and integration processes. The introductory presentation was given by ILO’s International Institute for Labor Studies, and the session was structured as a round table comprising delegates from Brazil, Mexico, Chile, the United States, Barbados, Canada, the Dominican Republic, and – as a special guest – the European Union. The discussion revealed that the inclusion of labor provisions is increasingly common in FTAs and integration processes; that efforts are being made to strike a balance between punitive actions and labor cooperation activities in those provisions; and that Ministries of Labor are playing an increasingly active role in trade negotiations.

## Meeting of Working Group 1 – July 28

- Presentations by the ECLAC/ILO Observatory on the global economic crisis indicated that two years after the start of the crisis, the adjustments that had taken place in the labor market were in terms of jobs, not wages, leading to increased unemployment rates and levels of informal work. Manufacturing and construction were particularly badly hit by the crisis and, as a result, unemployment increased more sharply for men than for women. Young people were also badly affected, although higher levels of unemployment in that sector appear to contribute to higher levels of enrolment in education.
- Although the crisis had an immediate impact on employment and informal work, the region's countries were better prepared to meet it and they acted swiftly. The region's economies have reactivated or are reactivating, and this has led to reductions in unemployment rates and to growth in formal employment.
- Some of the measures taken by Ministries of Labor to tackle the crisis and mitigate its effects on employment were identified, including: (1) an expansion of labor market policies, including both passive policies, such as unemployment insurance, and active policies, such as intermediation and professional training, (2) policies for the direct and indirect creation of jobs, including emergency employment programs, (3) expanded coverage of social protection mechanisms, (4) productive reconversion programs, subsidies, etc.
- In the discussion of the responses to the crisis, and in the presentations given by the ministries of Argentina and Saint Lucia and by COSATE and CEATAL, emphasis was placed on the need to interconnect and coordinate economic, social, and labor policies, and mention was again made of the key role played by social dialogue in overcoming crises.
- One panel was devoted to analyzing the situation of Haiti's Ministry of Labor following the devastating earthquake and studying how the region's other ministries could contribute to its institutional strengthening. Many expressions of solidarity and support were made, and the countries agreed to define specific areas for cooperation. This information will be centralized by the OAS, as the IACML's Technical Secretariat.
- It was noted that several of the "Strategic Guidelines of the XV IACML" for the inclusion of gender mainstreaming in labor ministries' operations, programs, and policies have been met. The OAS, through RIAL, the Inter-American Commission of Women (CIM), and ILO have supported the ministries along that path, most particularly with studies, workshops, and training activities.
- Over the coming months, subregional training workshops on gender mainstreaming will be organized in Ecuador for the Andean region (October) and in Paraguay for the Southern Cone (September), with support from those countries' Ministries of Labor. These events are organized by CIM/OAS with the support of ILO, and they complement the workshops held in Guyana for the Caribbean and in El Salvador for Central America. In addition, the OAS is negotiating a project with Canada to conduct gender audits in three ministries.
- The proposal presented by the OAS and Brazil for a Seminar on "Intersectoral Public Policies at a Time of Crisis: Social Protection and Employment" (document: CIMT-16/GT1-

GT2/doc.5/10) was approved without comment. This will be a joint event of RIAL and the Inter-American Social Protection Network (RIPSO) and it is part of the IACML Calendar of Activities 2010-2011. It is scheduled to take place in Rio de Janeiro, Brazil on November 30 to December 2, 2010.

- The IACML members who are in the G-20 (United States, Argentina, Brazil, Mexico, and Canada) commented on the results of the meeting of that group's labor ministers, which was held in April 2010, for making recommendations to the G-20 Summit in Toronto (June 2010). It was emphasized that the Declaration and Plan of Action of IACML XVI were inputs for the discussions. The delegations of Argentina, Brazil, and Mexico were particularly active in commenting on and socializing the agreements reached in Buenos Aires for making progress with the G-20 recommendations.
- The Secretariat reported on the Second Meeting of Ministers and High Authorities of Social Development which took place in Cali, Colombia, July 8 – 9, 2010. Authorities of 28 OAS Member States participated in the meeting, in addition to International organizations such as ECLAC, ILO, the World Bank, IDB, WHO, and UNESCO, among others. This meeting, a political process of the OAS, focused on the strengthening and sustainability of social protection systems. The Communiqué approved by the Ministers emphasizes the commitment to continue working on intersectoral policies to combat poverty and inequality, improve the effectiveness and efficiency of social protection programs, and strengthen the cooperation mechanism of this ministerial forum: the Inter-American Social Protection Network.
- The ILO informed that the 17<sup>th</sup> American Regional Meeting will take place in Santiago, Chile, December 14 – 17, 2010. The meeting will follow up on the Hemispheric Agenda for Decent Work approved at the 16<sup>th</sup> Regional Meeting in 2006 and the recently approved Global Jobs Pact. Responses to the economic crisis will be an important theme of the discussions.

#### **Meeting of Working Group 2 – July 29**

- The OAS, as the coordinating agency of the Inter-American Network for Labor Administration (RIAL), presented a report on the results, tools, activities, and financial situation of the Network since its inception in 2006. During the discussion the countries emphasized certain major benefits they had obtained from the Network, which could be seen in the strengthening of their human and institutional capacities. The results include the development of new services and programs, the modification of internal procedures, the incorporation of new training and management elements, and others.
- The RIAL financial report emphasized the contribution from Canada's Labour Program, for the amount of US\$1.35 million, which had covered most of its activities over the past four years and jointly financed – in conjunction with the OAS –its operating expenses (administrative support). In addition, contributions have been received from the United States, Brazil, Argentina, and Mexico for around US\$180,000, with another US\$320,000 from the OAS. The agreement signed by the OAS and Canada for the RIAL comes to an end in August 2010 and there are some remaining funds, along with a contribution of US\$50,000

from the United States, that will allow the RIAL to operate over the rest of this year. The delegations noted and thanked the Canadian contribution.

- The delegates decided to create a voluntary contribution fund to finance the RIAL from now on. The ministries, according to the resources available, will make annual contributions to this fund of a minimum of US\$5,000, in order to cover the Network's activities and operations. Decisions on the activities to be pursued will be taken by the IACML and its authorities. The OAS will draw up a more detailed proposal for the establishment of the fund, which will enable the delegations to formalize their contributions.
- Commitments were received from the Ministries of Labor of Guyana, for a contribution of US\$5,000, and of Argentina, for a contribution of US\$30,000 (\$10,000 in 2010 and the remainder in 2011). The delegations of Trinidad and Tobago, Mexico, the United States, Paraguay, and The Bahamas stated that, in principle and subject to internal consultations, they wished to contribute to the Network. The delegation of Canada said it could explore the possibility of providing a 2-to-1 matching of the contributions from all the countries other than the United States. This would be subject to internal consultations and would take place by means of a new agreement with the OAS.
- The presentations by CINTERFOR, the Dominican Republic's INFOTEP, and Brazil emphasized that in the region, professional training has helped promote equality of opportunities and social inclusion, develop human potential, improve employability and labor mobility, fight poverty, dynamize innovation processes, and increase productivity and competitiveness.
- Mention was made of certain characteristic elements of professional training that help bring about maximum impact in terms of inclusion, employability, and productivity: orientation toward demand that will enable supply to be adapted swiftly to respond to the needs of productive sectors; establishment of alliances with companies; competence based training approach; development of contextualized and flexible curricula geared to covering vocational and basic skills; incorporation of technological advances (use of ICTs) in learning situations; interconnections with intermediation systems / employment services. It was seen as highly positive that the region's training strategies were under tripartite management (government, workers, and employers).
- The panel session on national decent work programs noted that such programs continue to be developed and carried out throughout the region, some with histories covering several years. From the discussions it was concluded that these programs offer valuable planning tools within labor ministries, but are also operating documents that set the terms for cooperation between the ministries and the ILO.
- Presentations by the Ministries of Labor of Trinidad and Tobago and El Salvador provided examples of comprehensive strategic planning processes aimed at strengthening the ministries' work and better preparing them for tackling changes at the national and global levels. The planning processes are followed by monitoring and verification exercises and they seek to align internal activities with the institution's vision and strategy. The development of a vision and mission, in conjunction with specific goals and objectives, can optimize the management of ministries' different areas and allow the progress made to be monitored.

- The RIAL Workshop on “Public Employment Services” appearing on the IACML’s Calendar of Activities for 2010-2011, to be held in Mexico in February or March 2011, will be jointly organized by the labor ministries of Argentina and Mexico, the World Association of Public Employment Services (WAPES), and the OAS. The organizers are deciding on the focus of this event, which could center on relations between PES and employers. The delegations offered no comments and the organizers agreed to submit a concrete proposal at a later date on the event’s main theme and specific objectives.