



## Governing Body

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**FOR DECISION**

FOURTH ITEM ON THE AGENDA

### **Report and conclusions of the 17th American Regional Meeting (Santiago de Chile, 14–17 December 2010)**

#### **Overview**

##### **Issues covered**

This document contains the final report of the 17th American Regional Meeting, adopted by the delegations of the Americas region, meeting in Santiago de Chile on 17 December 2010. Appendix I to the report contains a summary of an inaugural event held shortly before the Meeting opened; Appendix II, a letter from His Excellency President Luis Ignacio Lula da Silva of Brazil; Appendix III, the conclusions of the Meeting, also adopted on 17 December 2010, while Appendix IV contains the report of the Credentials Committee of the Meeting, which the Meeting requested, under article 9, paragraph 4, of the *Rules for Regional Meetings* (2008), be brought to the attention of the Governing Body of the ILO.

##### **Decision required**

There is a point for decision in paragraph 156 which concerns the action to be taken with respect to the conclusions of the Meeting.

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## Introduction

1. The 17th American Regional Meeting of the International Labour Organization was held in Santiago de Chile from 14 to 17 December 2010.
2. The Meeting set up a Drafting Committee to consider the conclusions, and appointed a Credentials Committee in accordance with the *Rules for Regional Meetings* (2008).
3. Information regarding attendance at the Meeting is provided in the report of the Credentials Committee.

## Opening ceremony

4. The Meeting unanimously elected Ms Camila Merino Catalán, Minister of Labour and Social Welfare of Chile, as its Chairperson. Ms Victoria de Avilés, Minister of Labour and Social Security of El Salvador, was elected as Government Vice-Chairperson; Ms Albis Muñoz of the Bolivarian Republic of Venezuela was elected as Employer Vice-Chairperson; and Mr Julio Roberto Gómez of Colombia was elected as Worker Vice-Chairperson.
5. The Chairperson of the Meeting proposed, and it was agreed, that the outcome that the Meeting would adopt based on its discussions, could also include contributions from the inaugural event on growth, employment and equity in the Americas. A summary of the inaugural event, held just prior to the opening ceremony of the Meeting, figures in Appendix I.
6. The Director-General welcomed the Officers of the Meeting and said that the inaugural event had already put the key issues on the table. He noted that the world no longer had the certainties of the past, nor was there certainty about what would be the road map for the future. Such times of global redesign also provided opportunities to develop the tripartism of the ILO.
7. Although the recent crisis had hit developed countries harder than developing ones, an ever-present feature had been that the most vulnerable, while not responsible for the crisis, were the most affected. The crisis had put leaders to the test in defining their vision of the future. Despite some positive circumstances, much remained to be done. The Economic Commission for Latin America and the Caribbean (ECLAC) had forecast lower growth in 2011. The challenge was very clear: it was not going to be possible to come out of the crisis through the same policies that had been in place when it began. The pre-crisis model of globalization had overvalued the market, undervalued the importance of public policies and other key issues such as environmental protection, and given an exaggerated role to the financial sector, which had only led to greater inequalities. Poor distribution of its benefits had triggered the crisis of that model, which the world of work and the ILO were being called upon to help correct. As perceived by people in their daily lives, the quality of work defined the quality of society.
8. For there to be decent work, there had to be work, which was why it was essential for there to be sustainable enterprises as defined by the ILO in 2007. The ways out of the crisis should give employment a central place and embrace a vision that opposed considering work as a simple factor of production and the worker as a mere consumer.

9. There were five reasons why Latin America had been better placed to face the crisis. Democratic institutions had been strengthened in almost all the countries of the region; there had been growing confidence among them to meet the challenges of the twenty-first century with suitable policies; it had proved possible to pursue macroeconomic policies that included social investment; the limitations of the globalization model had not prevented many countries in the region from increasing their integration into the global economy; and the region had adopted in 2006 an Agenda for the Hemisphere, which was a real conceptual and methodological tool to guide the actions of governments, workers and employers in favour of decent work. That had served as the compass to point the way.
10. The fact that growth was insufficiently linked to goals relating to social justice and the reduction of inequalities had yet to be addressed. Although successful public policies had been developed in Latin America, much more progress was needed with regard to the integration of labour, social and economic policies.
11. The need for such convergence had been discussed in the context of the G20. It had been stated that employment should be placed at the heart of recovery policies. In that context, it was necessary to integrate three key elements: the implementation of reforms to boost global demand; the promotion of job-rich growth; and the strengthening of labour institutions through tripartism, collective bargaining and proper labour administration and inspection.
12. The Director-General concluded his statement by reaffirming that no one was served by a development model that reinforced inequality. He suggested that a balance should be struck between capital and labour, between finance and the real economy, and between the State, the market, society and the individual.

## **Statement by the Chairperson of the Meeting**

13. The Chairperson of the Meeting said that Chile was proud to host the event; she highlighted the role of the ILO as a forum for tripartite dialogue and communication in a region where it was necessary to pool efforts in order to move towards the Decent Work Agenda.
14. With regard to job creation, she said that economic policy should create a virtuous circle between growth and employment. The Government of Chile had set the goal of creating one million quality jobs over five years. Despite the recent earthquake, 315,000 jobs had been created and the outlook for 2011 was, in that regard, positive. Job opportunities should reach the whole population, especially young people and women, who had low rates of employment and faced difficulties in terms of employability. Chile had developed an ambitious training plan, which aimed to benefit five million people over four years through a budget increase of 30 per cent, giving priority to the training of less skilled workers and vulnerable young people.
15. Another challenge for the region was to promote social dialogue, on the basis of the paradigm being promoted by the ILO of cooperation and trust between governments, employers and workers, based on existing good practices. She emphasized that Chile was ready to ratify the ILO Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187). She also said that the State should create social protection systems that allowed economic growth and enhanced opportunities. The Government of Chile had promoted a policy on minimum family income, together with advice on job seeking and training, and a reform of the labour courts. The Government had strengthened inspection and had developed a system of assisted inspection, which provided support to small businesses with regard to compliance with labour regulations.

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## General discussion on the Report

16. Mr Jean Maninat, Director of the ILO Regional Office for Latin America and the Caribbean, introduced the Report of the Director-General, entitled *The Decent Work Decade in the Americas, 2006–15. Agenda for the Hemisphere: Initial assessment and perspectives*.
17. He pointed out that the Report, which was a mid-term evaluation of the Agenda for the Hemisphere adopted at the 16th American Regional Meeting held in Brasilia in May 2006, focused on action taken by governments and the social partners while presenting the ILO's contribution to such action. The constituents had responded to the crisis effectively and rapidly, adopting counter-cyclical policies that had helped mitigate the effects of the global financial crisis of 2008 on the world of work. This pointed to the existence of a political and economic vision different from that which had prevailed in the 1990s, with a more active role for the State, and with employment promotion and domestic demand high on the policy agenda.
18. During the period covered by the Report, the socio-political context of the region had been marked by four major trends: (a) continued strengthening of democratic institutionalism as citizens' preferred option for organizing social and political life; (b) moderate advances in the alleviation of poverty and extreme poverty, reflecting the fact that economic growth was not necessarily synonymous with progress for the majority in many countries; (c) further integration of the countries of the region in the globalization process; (d) the importance of social protection, as attested by the package of policies implemented by many countries in response to the global financial and economic crisis.
19. In the pre-crisis period economic growth rates of the countries in the region had, on average, exceeded the 5 per cent target set by the Decent Work Agenda for the Hemisphere. A moderate but steady increase in employment rates and wages had been observed over the same period. Improved fiscal balance, increased availability of international reserves and moderate inflation levels meant that governments had been able to respond to the crisis through counter-cyclical policies and social protection measures. The impact on the labour market had thus been less severe than expected, and it was likely that the growth rate proposed in the Decent Work Agenda for the Hemisphere would be achieved once more in 2010.
20. In contrast to that positive overview, the Regional Director highlighted areas in which severe decent work deficits still persisted. It was important to link economic growth, development and social justice goals and the generation of quality jobs, given that six out of ten jobs created in the region were still in the informal economy. Another serious problem was the youth employment deficit. Data for 2008 showed that 20 per cent of young people in the region were neither studying nor at work, a figure slightly lower than that registered in 2005, when 22 million young people aged between 15 and 24 (21.1 per cent of the total) were in that situation.
21. Progress had been made in regard to ratification of the fundamental labour Conventions. However, beyond respect for the principles laid down in those Conventions in law and policy, problems remained in their application in key areas such as unionization and collective bargaining. Social dialogue could be a key instrument of progress in that direction.
22. Important advances had been made in the region in regard to gender equality and non-discrimination against women. However, wide gaps still remained in terms of earnings, social protection, informality, distribution of unpaid family care work and women's presence in decision-making and influential positions.

23. Child labour continued to be a serious problem, and it was thus necessary to accelerate the implementation of measures to eliminate it. Despite the progress achieved, one out of ten children in the region worked. The elimination of forced labour was another challenge. The ILO estimated that 1.3 million persons were subjected to that type of work in Latin America and the Caribbean. The efforts being made by some countries in that direction should be supported and promoted. The Report also pointed to the persistence of glaring inequalities and forms of discrimination affecting indigenous or Afro-descendent people in most countries of the region.
24. Concerning social protection, the Regional Director also emphasized the need to make progress towards guaranteeing access to a basic social protection floor for workers as a fundamental corollary to economic growth processes, with the aim of achieving development based on equality and social justice. The social protection floor by no means replaced the objectives of the Social Security (Minimum Standards) Convention, 1952 (No. 102); the intention was to build a social protection staircase to meet those objectives.
25. Significant progress had also been made in regard to social dialogue and tripartism, two pillars of ILO action, although the level of social dialogue required to achieve substantial development had not yet been attained. The Report stated that some 20 countries of the region had some form of social dialogue agreement in place, many of them relating to the implementation of Decent Work Country Programmes.
26. Lastly, the Regional Director conveyed four strategic messages attesting to what had been achieved over the four years under review: (a) decent work was viable in the countries of the Americas; the social partners were promoting it as the basis for a development strategy focused on productive growth generating quality jobs covered by social protection; (b) it had been possible to provide protection during the crisis, which implied that once it had been overcome, those responses should become permanent; (c) the crisis had offered an opportunity to develop new employment promotion policies; and (d) labour institutions had proven to be a strategic element and should be strengthened, given their key role in achieving growth with progress and social justice.

## **Address by His Excellency, Mr Sebastián Piñera, President of the Republic of Chile**

27. His Excellency Mr Sebastián Piñera, President of the Republic of Chile, highlighted the importance of work, and decent work in particular, as the centre of people's lives. He emphasized the value of the ILO's tripartite structure, but pointed out that there were groups of workers who were not directly represented on its tripartite bodies, such as those in the informal economy, the unemployed and jobseekers. The ILO's tripartite system should therefore reflect the concerns and needs of all those groups.
28. He affirmed that the vast majority of people earned their living through work, but that over and above its economic function, work was also a means of personal and social fulfilment, and a gateway to true freedom. Adding the qualifier "decent" to the word "work" added a dimension of imagination, creativity and dignity to the effort and sacrifice made.
29. He highlighted the difference between the labour force participation rates in Latin America and the member States of the Organisation for Economic Co-operation and Development (OECD). Closing that gap would mean including 36 million people in the labour markets of the region, thus increasing the contribution to countries' development and improving equality of opportunity. In the case of Chile alone, it would imply including 1 million people, half of whom were women.

30. The unemployment rate in Latin America was 2 or 3 per cent higher than the average for the OECD countries. Closing that gap would mean reducing the number of unemployed in the region by 5.5 million; in other words, 5.5 million people would be given a sense of dignity, confidence and self-esteem, since the loss of a job affected not only a person's wallet, but also the peace of mind of individuals and families.
31. The Government of Chile had set itself the goal of including 1 million people in the labour market by the year 2014, correcting the low labour force participation rates of women and young people first and foremost. Another goal set by the Government was to eliminate poverty within ten years. It would be necessary at the same time to set up social protection networks which would help get people back to work as soon as possible.
32. In order to overcome the main causes of poverty, it was essential first of all to address the jobs shortage and shortcomings of the educational system. In that regard, the Government of Chile had adopted the concept of an "Ethical Family Income", which consisted in bringing family incomes up to the poverty level at least, with assistance being made conditional on meeting requirements including school attendance of children and seeking work.
33. As an example of the viability of the Government's objectives, the speaker pointed out that between May and December 2010, the Chilean economy had registered average growth of 6 per cent and 300,000 new jobs had been created. To close the education gap, the Government had set the target of training 1.2 million workers during the year.
34. Increasing the labour force participation rate of women, young persons and poor people was one of the main challenges facing the country. Telework should be facilitated to reduce commuting time and enhance quality of life, which would be reflected in more leisure time, more freedom, better work-family balance, less stress, less transport and less pollution.
35. Mr Piñera emphasized that, as a result of the accident that had occurred in 2010 in a copper mine in Chile, a review of standards, procedures, inspection and resources had been carried out in order to create an occupational safety and health culture.
36. He affirmed his commitment to freedom of association and collective bargaining, the fight against child labour, the elimination of discrimination at work and the promotion of decent work. He commended the ILO for the work it had done in that regard. He concluded by stating that his Government had drafted a bill with a view to ratifying the Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187), in order to improve occupational safety and health conditions.

## **General discussion on the Report (cont.)**

37. Mr Dagoberto Lima Godoy, Employers' delegate of Brazil, speaking for the Employers' group, said that he had noted the reported progress in the implementation of the Decent Work Agenda for the Hemisphere presented at the 16th American Regional Meeting. He recalled that the Agenda was a product of the Office and did not have the full support of the ILO constituents. He pointed out that while he fully agreed with many aspects of the Agenda, he disagreed with others, and highlighted the importance of continuing to work on the areas of convergence.
38. He regretted that the Report had taken a predominantly normative approach, focusing on workers' rights, and made scant reference to the rights of employers, which in many cases were under attack. He was concerned that the sections of the Report on international labour

standards focused on ratification of Conventions, and pointed out that ratification was not an end in itself and should not be the result of external pressure, as that usually led to disaster. Governments should consider the possibility of ratifying a Convention only where national legislation was consistent with its provisions.

- 39.** He stated that only standards promoting the creation of decent and productive employment should be drafted and promoted, as many standards hindered employment generation. In addition, the impact of future standards on the economy and job creation should be evaluated. The speaker would have preferred the Report to elaborate further on what was meant by the following: “sustainable enterprise”, a concept that was inextricably linked with the concept of decent work, which implied another concept that was fundamental to employers, that of the right to property, a true prerequisite for the existence of private enterprise and hence sustainable enterprise; the need to strengthen social dialogue based on cooperation, not confrontation; and to focus on collective bargaining based on autonomy of the bipartite partners, without government interference; the importance of education and vocational training, and of social protection networks as means of reintegration in the labour market; and the need to change excessively bureaucratic regulatory frameworks that encouraged informality. Lastly, he pointed out the danger that still existed in the region, and the need for a firm stance in defence of human rights.
- 40.** The Secretary-General of the Trade Union Confederation of Workers of the Americas (CSA), Mr Victor Baez, speaking on behalf of the Workers’ group, stressed the importance of collective bargaining and public policies for the promotion of workers’ rights. He referred to the decline in unionization rates and the lack of protection for workers who were not covered by collective agreements. Hence the critical importance of unionization.
- 41.** He emphasized the importance of the right to establish branch trade unions and bargain collectively at sectoral level. Studies had been carried out on trade union density to assess the current situation, and one of the reasons for the decline in the unionization rate was the persecution of workers in several Latin American countries. He pointed out that in countries where collective bargaining took place at sectoral level, the workers had more rights.
- 42.** He stated that the Committee on Freedom of Association had recommended lifting the restrictive requirements imposed in many countries of the region on the number of trade union members, making unionization impossible for many workers in micro- and small enterprises. He stressed the importance of social dialogue, but considered that the establishment of tripartite bodies was not an adequate indicator of strengthened dialogue, as violations of workers’ rights persisted in certain countries. A campaign for ratification of Convention No. 102 should be launched in the Americas.
- 43.** He said that priority should be given to occupational safety and health, since according to estimates of the Ibero-American Social Security Organization (OISS) 30 million occupational accidents occurred every year in Latin America, causing 250,000 deaths. Corporate responsibility played a crucial role in that regard. Lastly, he stated that there could be no sustainable enterprises without decent work, and that minimum standards on environmental protection were needed.
- 44.** The Ambassador of the Federative Republic of Brazil read a letter from His Excellency Mr Luiz Inácio Lula da Silva, President of the Federative Republic of Brazil, addressed to the Director-General of the International Labour Office, which is contained in Appendix II to this report.



45. The Minister of Labour of Canada noted that the Meeting provided an important opportunity to discuss how to move beyond the global recession. She stressed the importance of policies supporting enterprises and workforces and generating economic growth. The Global Jobs Pact had received wide support from the G8, G20 and the UN system. Through the Pact, through research, analysis and technical assistance, the ILO had contributed to a jobs-focused recovery. Canada's Economic Action Plan and provincial and territorial initiatives had helped to implement the Global Jobs Pact. The Government of Canada had invested US\$62 billion to protect and create jobs and had taken specific measures relating to tax relief, infrastructure, housing, green projects, research, greater access to employment and insurance benefits.
46. The Wage Earner Protection Program (2008) had paid out more than \$61 million to over 28,000 workers. It was important to support young workers and to develop a flexible, adaptable workforce. Canada's Economic Action Plan was among the largest stimulus packages in the world. With more than 425,000 new jobs created since July 2009, it was predicted that Canada would be the leading G7 industrialized country in terms of economic growth. It would continue to focus on economic and job growth. Labour issues would remain prominent in Canada's bilateral trade agenda: labour rights could not be sacrificed to economic growth.
47. The Ambassador of Brazil presented some elements of her report as Chairperson of the Governing Body of the ILO (June 2009–June 2010), noting that the main challenge in that period had been overcoming the crisis and promoting the Global Jobs Pact. One of the first measures had been to ensure that the Pact would become a point of reference for the multilateral system and that had been achieved through the adoption by consensus in ECOSOC of the resolution put forward at the initiative of Latin America and the Caribbean to integrate the Pact into the activities of the United Nations system. She described how the continent had experienced economic recovery with jobs growth because of the governments' capacity for counter-cyclical action, and said that the Working Party on the Social Dimension of Globalization had highlighted the region's achievements with regard to promoting economic growth with social inclusion on the basis of a coherent approach between financial, social and employment policies. She said that, in November 2009 and March 2010, the Governing Body had adopted a series of decisions to integrate the Global Jobs Pact into Decent Work Country Programmes.
48. She also noted that, during that period, South–South cooperation had been strengthened in the ILO. New projects had been approved and new opportunities had arisen to strengthen such cooperation. She mentioned a new triangular cooperation agreement reached between Haiti, Brazil and the United States with the ILO to eradicate child labour and the financial support to the Turin Centre that would benefit 2,800 participants from the region.
49. She referred to the adoption of the ILO Action Plan for Gender Equality 2010–15 and the progress made in the area of social protection, through the promotion of a basic social protection floor, a concept that had been defined by the UN Chief Executives Board as one of the nine fundamental initiatives to tackle the crisis.
50. She was confident that the efforts of the Working Party on the Functioning of the Governing Body and the International Labour Conference would make it possible to adopt working methods that were better suited to current requirements. She said that the honour of having chaired the Governing Body was owed to the region and that, during her time in office, she had seen how central ILO issues were to current times. She stressed that, if there was a sustainable way out of the crisis, it would be through the ILO and that the Americas region had a moral and institutional duty to ensure that the Organization continued to be at the centre of global decisions. Lastly, she recalled, in the words of

President Lula, that “at a time when so many paradigms are disintegrating, the ILO serves not only as a political point of reference, but also as an ethical and moral one”.

51. A Government delegate of Honduras referred to the commitments made by his country at the 16th American Regional Meeting in 2006 and stressed the importance of sustained economic growth with equity, social inclusion, strengthened democratic institutions and social dialogue. He acknowledged that there had been a drop in growth of almost 2 per cent in 2009 as a result of the political crisis, but also noted the more recent strengthening of the national economy. The Country Vision 2010–38 and the National Plan 2010–22 had led to the development of legislation to benefit the most vulnerable sectors of society, encourage private investment and create jobs, and would contribute to the National Social Welfare Strategy, in order to extend universal pensions coverage. He stressed the need to increase the efficiency and capacity of institutions to meet the Millennium Development Goals, for which it was necessary to improve the macroeconomic and structural environment, which should contribute to sustainable development, more jobs and greater productivity. He mentioned two national employment programmes that counted on public and private participation as examples of programmes aimed at the creation of quality jobs and decent work for a prosperous, fair and equitable society. Lastly, he stressed the importance of promoting constructive, inclusive and committed dialogue in order to achieve sustainable economic and social development with labour rights, which would help strengthen democracy and enhance internal stability for sustainable social development.
52. A Government delegate of the United States said that the ILO’s four strategic objectives composed a virtuous circle. The United States Government fully supported the Decent Work Agenda, and would continue to do so, particularly in the G20. It was critical to recovery from the crisis. The ILO’s research capacity must be reinforced, so as to generate the sound analysis necessary to inform policy decisions. To mitigate the crisis, counter-cyclical measures were necessary in order to sustain income and enhance social protection for families. Engaging the social partners was essential for the success of these measures.
53. The ILO had a key role in helping to share best practices and build the capacity of labour ministries and the social partners to develop measures adapted to national circumstances. Employment growth was vital. The American Recovery Reinvestment Act provided for an 800 billion dollar stimulus package, helping to create 3 million jobs and save a further 8.5 million jobs. These efforts demonstrated the value of public intervention in the economy. Regulation should be introduced to prevent such crises in the future. More action was necessary to reduce the unacceptably high levels of unemployment. The United States Government strongly supported the ILO’s focus on international labour standards, in particular freedom of association and collective bargaining. These should remain top priorities for the ILO. Labour-related safety and health issues should also be given priority in the hemisphere. The United States was strongly committed to the Decent Work Agenda.

### **Address by the Honourable Vice-President of the Republic of Colombia, Mr Angelino Garzón**

54. Mr Angelino Garzón, Vice-President of Colombia, stated that his country was making progress economically and socially and in its fight against crime and violence. Despite the advances, which had been recognized by the ILO Committee on the Application of Conventions and Recommendations, the Government was aware of the serious hardships and consequences the violence of the past 62 years had caused. The State, recognizing that there were more than 3 million victims, was moving forwards to make reparations and to return land to victims. Mr Garzón stated that infringement of freedom of association was a violation of human rights and reiterated the will of his Government to work with the ILO

on this issue. In this context, he considered the visit to be made by the ILO Tripartite Committee in February 2011 to be of particular importance.

55. Mr Garzón announced the creation of a Ministry of Labour, separate from the Ministry of Health. He also announced that the new First Employment Law banned associated labour cooperatives that violated labour standards. He emphasized the importance of eradicating child labour, promoting gender equality and continuing to make gains on behalf of migrant workers. In matters of comprehensive social security, he underscored the rights of persons with disabilities and those affected by HIV/AIDS. After thanking the international community for its solidarity during the winter front that had assailed Colombia lately, he called on employers, workers and governments to form a united front for a better world, one that had better governments, increased democracy and was free of human rights violations.

## General discussion on the Report (cont.)

56. A Government delegate of Suriname stated that his Government, which took office in August 2010, had placed decent work at the centre of its macroeconomic policy. Policies and funding for the social security system were major challenges. Current priorities were the strengthening of social dialogue, green jobs, formalizing the workplace, vocational training, youth employment, social protection, domestic workers, gender equality and HIV/AIDS in the workplace.
57. A Government delegate of the Bolivarian Republic of Venezuela asserted that economic growth did not guarantee equitable distribution of wealth. He indicated that his country had made progress in overcoming inequality and extreme poverty, generating sustained growth in social indicators that had led to improvements in the Human Development Index and Gini coefficient. To this end, the Government had carried out a policy of annually raising the minimum wage, protecting jobs and reducing informal employment in the labour market. In recent years over 8,000 new trade unions had been registered and union membership had doubled. Efforts had also been made to reduce precarious working conditions and outsourcing of jobs and to end the violation of workers' rights. He warned, however, that the crisis persisted in the world's capitalist system, which had engaged in practices contrary to the rights of workers. Lastly, he asserted that the Government of the Bolivarian Republic of Venezuela respected private property ownership, equally for employers and for workers.
58. A Government delegate of Trinidad and Tobago reaffirmed his Government's commitment to the principles of decent work and to the tripartite model. He highlighted his country's leadership in promoting decent work in the hemisphere through its position as Chair of the Inter-American Conference of Labour Ministers, and its commitment to South-South and bilateral cooperation. The country had responded to the crisis by following the guidelines of the Global Jobs Pact and had begun work on a decent work policy and plan of action.
59. The Secretary-General for Trade Union Convergence in Panama, member of the ITUC observer delegation, stated that in most countries of the region tripartite social dialogue had produced meagre outcomes. He made special reference to the countries of Central America and the Caribbean, where national tripartite councils were weak and non-binding, and where programmes of the ILO Decent Work Agenda were at a standstill. He said that this was partly due to the lack of respect for freedom of association and to the absence – with some exceptions – of collective bargaining by sector or industry. Furthermore, there had been scant progress in aligning legislation with the observations issued by the Committee of Experts on the Application of Conventions and Recommendations. The Secretary-General called to mind the Unitarian Trade Union Council in Central America,

which was created in October 2010 to serve as a subregional forum for dialogue. ILO support was required to generate quality dialogue that produced results on the issues of freedom of association, collective bargaining and workers' rights.

- 60.** The Workers' delegate from Peru asserted that it was incumbent on the tripartite delegations to evaluate the scope of actions engaged at the national level when implementing commitments made at international gatherings, including ILO Conventions and Recommendations. He emphasized the current opportunity for decent work to become the basis of a new consensus on sustainable development, a consensus which must also include the economic, social and environmental dimensions. To achieve this, as set forth in the Global Jobs Pact, it was essential that international labour standards be strengthened, as well as respect for fundamental labour principles and rights. He suggested the need to include jobs systematically in economic and social policies, and to push for policies that favour investment in and maintenance of sustainable enterprises, understanding sustainability to mean the comprehensive application of legal standards, pursuant to international Conventions and with respect for freedom of association and collective bargaining, including bargaining by industry segment. Satisfactory labour relations, he concluded, required protection against the sacking of those who represent workers, and facilities in which they could perform their functions, along with government supervision to ensure social and environmental responsibility on the part of businesses.
- 61.** The representative of the World Federation of Trade Unions from Brazil remarked that the international crisis had particularly affected workers. In many countries of the region the crisis had arrived just as new political scenarios were unfolding, raising awareness of the need for more equitable income distribution, growth with full employment and environmental sustainability. This setting had also engendered greater advocacy for the prioritization of international labour standards, especially ILO Conventions Nos 98, 151 and 158, as an essential step for achieving decent work and for deepening democracy at the workplace, and for ending anti-trade union practices.
- 62.** The Workers' delegate of Uruguay emphasized that, though the worst of the crisis was now past, anti-cyclical measures were needed. He told how social dialogue in Uruguay had enabled social protection measures to be taken in response to the crisis. He also mentioned the importance of collective bargaining, social integration and wider social security coverage. He suggested that the role of the State be studied and that steps be taken towards the true reformulation of paradigms for development and progress, including not only job creation but also productive, economic and social development within a context of greater social justice. He believed that Uruguay's labour relations system must be changed to prevent regression to pre-crisis stages. He described the Law for Collective Bargaining for Public Servants, but indicated that the Government had not abided by it. The State must push for dignified work in a context of the rights to collective bargaining and freedom of association. He concluded by supporting the campaign to ratify Conventions Nos 87, 98 and 102.
- 63.** The Workers' delegate of Brazil stated that, though the region was recovering from the crisis, many countries still lacked social protection and equality. He also mentioned his concern over the murders of trade union leaders in several countries of the region. He stated that the trade union movement defended decent work as fundamental to a new model for development and was the engine that drove growth and the response to the crisis. Freedom of association and collective bargaining were pillars of decent work. He suggested changing the model of consumption and production patterns so as to make them more sustainable. He told how, in Brazil, the policy to systematically raise the minimum wage and enhance income distribution had led to a virtuous cycle of growth. He recognized the success Brazil had had in responding to the crisis by adopting anti-cyclical

measures to strengthen development based on the domestic market and on reducing social inequalities.

- 64.** The Workers' delegate of Costa Rica said it made no sense to speak of decent work without mentioning rights, nor did it make sense to speak of rights without mentioning freedom of association. He recalled that numerous complaints had been lodged against Costa Rica for violations of freedom of association and of the right to collective bargaining, and that despite pronouncements by ILO supervisory bodies the violations continued and, in fact, were on the rise. He denounced the existence of an "anti-trade union culture" in Costa Rica. He spoke of the new positive approach by the Superior Council on Labour, but said that a national jobs policy enacted in 2004 had never been executed, that the worker-promoted Decent Work Agenda had not yet been approved. The same held true for the new labour procedural code. He supported the campaign to ratify and implement Convention No. 102. Lastly, he called for effective dialogue and expressed his opposition to bills introduced in the Legislative Assembly aimed at increasing job flexibility.
- 65.** The Workers' delegate from the United States cited the 2006 ILO report *Decent work in the Americas: An agenda for the Hemisphere*, which addressed the violation of worker rights and the exclusion of a large number of workers from job-related benefits. He stated that since that time the situation had not improved and had perhaps worsened. He acknowledged the references made in the current Report by the Director-General to the "considerable deficits" related to freedom of association and the "hostile attitudes" toward workers and trade unions, but he considered these to be insufficient because they did not express enough alarm, nor did they adequately spell out the obstacles that kept workers from exercising their rights, details that were necessary if a plan was to be developed to overcome them. He described how whole sectors of workers were excluded from labour codes or saw their rights limited in some countries, such as rural and domestic workers, as well as workers in the informal sector. In addition, work relations had been deteriorating in several countries, due to the use of temporary and commercial contracts, intermediaries, subcontracting and cooperatives, which created insecurity and prevented the exercise of workers' rights. Collective bargaining was jeopardized in many countries, highlighting disregard of the concept of good faith negotiation, direct negotiation with workers or so-called "solidarism". He recalled violence against trade unionists in Colombia, Guatemala and Honduras, and attacks against workers in Panama and Mexico. He asked the ILO to take into consideration the obstacles workers currently faced and to take necessary measures regarding them.
- 66.** The Workers' delegate from Panama highlighted that the Director-General's Report for this Meeting set out a road map for strengthening tripartism in the region. He recognized that headway had been made with regard to decent work in the Americas, but that there still was a long way to go in terms of the freedom to create trade unions and bargain collectively. He stated that his country had made little progress with the Decent Work Agenda and the implementation of the fundamental ILO Conventions. He also stated that the Tripartite Committee on Decent Work should meet. He concluded his remarks by stating that democracy was a conquest and that permanent, ongoing and productive dialogue were indispensable instruments for defending, monitoring and developing the same.
- 67.** The UNETE technical adviser, from the Bolivarian Republic of Venezuela, acting as substitute delegate, stressed the need for environmental protection to be highlighted in every document about decent work. He pointed out that workers must be aware of what they were producing so that wealth was not generated at the expense of soil, water contamination and worker exposure to toxic substances, and that wealth could no longer be generated at the expense of the environment.

- 68.** The Workers' delegate from Nicaragua stated the importance of education in the process of guaranteeing decent work, as well as professional qualification as a key factor for the development of worker skills. He highlighted the importance of respect for migrant worker rights and appreciating the contribution these made to countries' economies, as was the case with Nicaraguan workers in Costa Rica. He stressed that social dialogue was possible if authorities were willing, as evidenced by the creation of the National Labour Council in Nicaragua. He concluded his remarks by highlighting that the full exercise of freedom of association and the encouragement of and respect for collective bargaining must be the main lines of work over the coming years.
- 69.** The Workers' delegate from Paraguay highlighted the value of the report presented by the Director-General, which indicated the importance of protecting international labour standards in crisis scenarios. He insisted that the report provided important elements to guide trade union policy and public policies in countries throughout the region. He highlighted the effects of calamities produced by climatic change and the global crisis on the job market as a core concern for workers in Paraguay and for MERCOSUR. As for his country, he mentioned that growth rates were high but that cases where trade union rights and the right of association were violated had still been observed. He also mentioned salary, safety, health and education-related problems. He called for the problem of migration in the region to be taken more seriously, especially in cases of xenophobia, as well as the situation of indigenous peoples and peasant farmers.
- 70.** The Secretary of the National Union of Mexican Workers, member of the observer delegation of the ITUC, drew attention to the need to more thoroughly protect freedom of association and collective hiring. He highlighted the marginalization of migrant workers and agricultural wage earners, and increased exploitation under the excuse of corporate competitiveness. He stated that it was imperative, when considering elements behind the concept of decent work, that we stressed that decent work could only be real if it was accompanied by freedom of association and collective bargaining.
- 71.** The Regional Secretary of the International Metalworkers' Federation recalled that those countries that had made substantial public investment had come out of the crisis better. The lesson to be learned from the crisis was that growth and the distribution of its benefits were possible. However, there were still unfortunate situations around the world: repression and assassination of trade unionists, irresponsible attitudes of certain governments in the event of mining catastrophes, investment incentives that compromised working conditions and labour rights, together with the hiring of workers under different conditions in the same enterprise. The ILO should be concerned about the conditions of workers at transnational enterprises who were increasingly called upon to work harder without receiving any benefits in return. He also stressed that there was a link between company sustainability and the lack of conflict, highlighting that precarious working conditions could not be overcome through the same policies that had produced them. He proposed that the ILO participate in the review of the OECD Guidelines for Multinational Enterprises, contributing the principles of the MNE Declaration and the relevant Conventions, providing additional technical cooperation for production chain follow-up so that multinational enterprises did not become disassociated from their workers along the chain. He finally requested that a position document be formulated to improve current working conditions in the region.
- 72.** A Workers' group technical adviser from Colombia, acting as substitute Workers' delegate, stated that freedom of association was hard to enforce in his country because trade union leaders are still being assassinated and rights breached. Better conditions must be promoted for collective bargaining, ratifying Conventions Nos 102, 97, 143 and 135 and observance of Conventions that have already been ratified. Colombian trade unions faced several obstacles to the exercise of freedom of association (2 million people are still

unable to affiliate and negotiate their working conditions). The loss of trade union leaders prevents collective bargaining and the State allows the coexistence of trade union and non-trade union collective agreements, which violates the actions of organized workers. He criticized a decree regulating the provisions of a “trade contract” which could encourage the substitution of collective agreements using trade union contracts and thus weakening the trade union’s negotiating role. He finally deplored obstacles to the right to strike and different ways of impeding or hindering the participation of trade unions in the country’s labour affairs. Finally, he stressed the importance of a health and safety official in the region.

- 73.** The representative of the Revolutionary Confederation of Rural Workers and Smallholders (CROC) from Mexico, acting as substitute Workers’ delegate, stressed the need to strengthen labour health and safety policies and especially the promotion and application of Convention No. 155. These policies should be based on consensus, coherence and coordination, be extensively disseminated, put into practice and subjected to social control. In Mexico, the appropriate body for formulating said policies was the State Advisory OSH Committee which was tripartite in nature. He called for the ratification of Convention No. 102, already ratified by Mexico. He finally requested that the Decent Work Agenda for the Hemisphere incorporate occupational safety and health goals for 2015, and for ILO support toward achieving these goals. Finally he stressed the need for an occupational safety and health official in the regions.
- 74.** The Workers’ technical adviser from Argentina, acting as substitute delegate, agreed with the Report in that there was a major deficit of progress made in social dialogue and tripartism processes. The strengthening of trade unions and collective bargaining mechanisms was essential and should be within the framework of the Decent Work Country Programmes. Developing the skills of trade unions would strengthen worker participation in the framework of UN cooperation at all stages of the National Decent Work Programme, including execution of a well-designed and effective programme. She also stressed the need to apply the Global Jobs Pact in a national programme for employment to which trade unions would contribute.
- 75.** The Secretary-General of the Single Federation of Workers (CUT), from Honduras, member of the ITUC observer delegation, stated that injustices were still being committed against workers, freedom of association and collective bargaining in the region. Workers’ dignity and rights must be respected, including the right to live, in order to ensure decent work. He insisted that labour regulations must be improved and respected, that social protection systems must be strengthened, as well as regulation and enforcement of occupational health and safety, and to that end called for ratification and application of Convention No. 102. He also supported productive social dialogue. Finally, he urged governments and entrepreneurs to firmly support the ILO, since the democratic system and the possibility of maintaining a climate of peace and harmony in labour relations were founded on the Organization.
- 76.** The Secretary-General of the Trade Union Confederation of Guatemala, member of the ITUC observer delegation, also insisted on the importance of promoting respect for freedom of association and collective bargaining, still lacking in the region, as evidenced by the number of complaints before the Committee on Freedom of Association. He also highlighted the importance of social dialogue as a means of conflict resolution and for advancement of the Decent Work Agenda, if workers’ rights were to be respected. This was not the case in Guatemala, where there were problems with the Tripartite Commission on International Labour Affairs and in the formulation of reports that failed to portray the country’s current scenario. Social and salary conflicts in Guatemala were numerous and long-lasting. He called for the need to advance the campaign for ratification and

application of Convention No. 102, stating that he deeply regretted the absence of an official delegation from Guatemala at the Regional Meeting.

- 77.** A Workers' delegate from Canada, Ms Barbara Byers, stated that the Regional Meeting was an appropriate space for strengthening the tripartite model, collective bargaining and freedom of association, especially in the midst of an economic and jobs crisis such as the one being experienced at the moment. Labour standards and strong trade unions would allow for greater equality and fair jobs. Nevertheless, globalization and liberalization of trade and finance had applied pressure on labour rights and had diminished the bargaining power of workers and trade unions throughout the region, which had additionally weakened social protection. She called on the governments of the Americas to reverse this trend by rejecting the neo-liberal labour market model. She stressed the existence of a link between international labour standards and trade and their effects on the lives of workers, their families and communities. Free trade agreements, she said, were designed to protect the rights of investors but not those of workers. An example of this was the "investor state clause", which allowed foreign corporations to evade national law in matters of health, environment and natural resources while at the same time requiring the State to compensate them if national legislation over such matters caused them "loss of earnings". She recognized the importance of government programmes to increase public spending in support of families that had been affected by the crisis, but said these programmes must address the long-term needs of the unemployed. Lastly, she mentioned the disadvantages faced by migrant workers in Canada, many of whom come from Latin America and the Caribbean, underscoring that the Canadian trade union movement would not rest until labour rights had been extended to all workers, regardless of their migrant status.
- 78.** The Minister of Labour of the Plurinational State of Bolivia, Ms Carmen Ruth Trujillo Cárdenas, stated that the Regional Meeting provided a good opportunity to work together on a series of policies aimed at promoting opportunities for decent work, especially for the most vulnerable. Economic policies were needed that included social protection and that upheld the fundamental principles and rights at work, with an emphasis on non-discrimination. Coordinated regional efforts were also needed to strengthen labour administration in all countries. She agreed with the ILO Director-General that the goal of decent work should be central to any economic recovery policies.
- 79.** A Worker representative from Colombia said that the Report of the Director-General gave an account of progress and established a virtuous relationship between wage growth, economic recovery and social equality in some countries. This did not reflect the reality in Colombia, a laggard on the issue of decent work. The main reason for this lay in the challenges to the right to freedom of association. In Colombia, trade unions had long been seen as enemies of the State and of corporations, a view that had reinforced a deeply rooted anti-trade-union culture. Over 60 per cent of murders of trade union leaders in the world had occurred in Colombia, with 41 union leaders killed this year. He stated that labour legislation over the past eight years had been biased against workers and was characterized by the absence of social dialogue, reductions of rights and guarantees for workers, and a decrease in union representation in bipartite and tripartite forums. He pointed to the lack of progress on the Tripartite Agreement on Freedom of Association and the absence of measures necessary for guaranteeing the safety of union leaders or the rights that the Committee on the Application of Conventions and Recommendations had repeatedly recommended. He said that as a result of anti-trade union policies there had been a decrease in the number and coverage of collective agreements. Unions had disappeared and membership had declined, causing Colombia's union membership rate (4.2 per cent) to be one of the lowest in the Hemisphere and in the world. He requested that the conclusions of the Regional Meeting include the commitments necessary to make freedom of association, collective bargaining and social dialogue realities in all countries of the Hemisphere.



80. The Workers' delegate from Guatemala, Mr Luis Alberto Lara of the Guatemalan Health Workers' Union (SNTSG), said that the Report of the Director-General was a road map for building social pacts at the local level, through collective bargaining. He stressed, in this context, the urgent need to strengthen freedom of association and collective bargaining, especially in cases such as Guatemala, where murder and kidnapping were widely practised, the corollary of which was spiralling violence. He made reference to globalization, which had allowed advancement in technological development and innovation, but which had also accelerated the degradation of ecosystems, anti-trade-union policies (including torture, kidnapping and murder), increased precarious working conditions, informality and lower union membership rolls. These effects had been accompanied by regressive fiscal and tax policies, which had exacerbated inequality and worsened the living conditions of families. Lastly, he stated that the Report of the Director-General should denounce the impunity enjoyed by those responsible for unleashing repressive policies against the union movement. It was high time this serious problem ceased.
81. A Workers' technical adviser from Chile, Ms María Rosas Velásquez, acting as substitute delegate, indicated that Chile's economy was prospering, but the same could not be said for workers. She said that the costs of the crisis had fallen squarely on the labour market, increasing precarious working conditions. She also suggested that the country's social protection conditions were designed with the idea that individuals would maintain personal savings accounts, but that these accounts were inaccessible to most workers. In this context, she emphasized that economic recovery must not be achieved on the basis of precarious contracts. Lastly, she stated that workers' organizations must be willing to work together with the Government for a new "labour contract" that would govern labour relations, and that such a contract must be based on the principles of decent work. She took the opportunity to denounce dismissals within the public administration.
82. The Workers' delegate from the Dominican Republic, Mr Gabriel del Río, stated that, as the Director-General had said, firm political will was necessary to advance a new paradigm for development, one that would allow for just and equitable globalization with decent work as one of its fundamental principles. The ILO should carry out an assessment of the various trade agreements in the region to determine the impact globalization had had on decent work. He underscored that if countries were to create decent and productive work they must diversify their economies and create comparative advantages in areas of high added value, promoting heavy investment in the creation of jobs and decent work.
83. Mr Bruno Baranda, Undersecretary for Labour of Chile, recalled that several phenomena and events that had taken place this year affected the Government's economic and political agenda, highlighting the earthquake at the start of this year and the accident at the copper mine in the Atacama Desert. Notwithstanding, he stated that one sign of Chile's success was the fact that the economy had recovered substantially (by approximately 6 per cent) and that nearly 300,000 new jobs had been created over the first nine months of the new government administration. He stated that the Government had taken on the commitment to adopt a new "labour contract" defining labour relations. This contract would be based on a commitment to good practices in terms of collaborative and constructive labour relations between employers and workers. Referring to the accusation of unjustified dismissal of nearly 8,000 Chilean public employees, the speaker made it clear that the accusation was correct neither in its terms nor in the stated number. The dismissal of these workers had been due to different reasons related to the termination of programmes following poor evaluations or which did not contribute to the policies and programmes of the Government in power, or to the expiry of fixed-term contracts or contracts for a specific job or project, in addition to the case of trusted personnel in senior public administration roles.

- 84.** The Minister of Labour Relations of Ecuador, Mr Richard Espinoza, highlighted that his country had reported growth amounting to 0.3 per cent and one of the lowest unemployment rates in the world, due to protection of the most vulnerable workers' salaries and anti-cyclical policies. Among the factors contributing to this achievement he highlighted public investment in social and technological development, production development policies, subcontracting contract regulation, duty cuts and domestic consumption protection by distributing bonuses to over 1.6 million people. The Ministry had promoted the "Employment Partner" programme that included an electronic public employment market, a training network, legal consultancy for getting a job, competency certification, access to financial services and stimulus for productive endeavours and the creation of self-employment, among other elements. As part of this employment policy, domestic employee salaries had been raised to a minimum wage level in 2010. Domestic worker affiliation to social security had increased by 45 per cent following a national campaign highlighting their rights. Measures had also been taken in order to incorporate young workers into the job market, such as the "My first job" internship programme and mandatory retirement at the age of 70 for public servants, in exchange for a generous retirement package. In sum, the groundwork for a new relationship between capital and labour was being laid in Ecuador in order to reach the joint objectives of welfare and productivity while placing decent work at the core of all policies.
- 85.** A Workers' delegate from Costa Rica, Mr Rodrigo Aguilar, stated that there was a huge decent work deficit in Central America. Unionization in the public sector was prohibited in several countries or limited to collective bargaining, while state regulation was favoured, as was the case in Costa Rica. Convention ratification was not enough. The instruments must also be enforced, specifically the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), which was often violated. In keeping with the same, a stronger judiciary was indispensable. The efficiency of social dialogue in the region was also questioned in view of scarce national policies and few Decent Work Country Programmes implemented in a tripartite manner. This Report was a valuable document, but did not very accurately represent the existing hurdles for the observance of the fundamental Conventions and of Convention No. 102.
- 86.** A Workers' adviser from Mexico, Mr Salvador Medina, acting as substitute delegate, proposed that the Hemispheric Agenda for Decent Work should include specific actions to support those workers and their families hardest hit by the crisis. This was the case with youth at risk, workers with precarious jobs, informal economy workers and migrant workers. As for migrant workers, national trade unions considered that this was a labour affair to be regulated by the ministries of labour, which were required to formulate migration policies in conjunction with the social partners. In turn, the ILO was to support trade unions, since the best way to protect migrant workers was to include them in trade unions. Freedom of association was a key element from this perspective. The Multilateral Framework provided by the ILO constituted an important instrument for managing migratory currents by means of tripartite consensus and providing legal venues for migrant workers in order to ensure that their rights were respected. Finally, he stated that ratification of Conventions Nos 97 and 143 was of priority to workers, since these laid the foundations for sustainable migration policies, envisaging social dialogue and international cooperation as a way of fine-tuning the legal migration framework.
- 87.** Mr Kertis Augustus, Secretary-General of the Waterfront and Allied Workers Union (WAWU), Dominica, said that the Caribbean trade union shared the concerns stated in the Report of the Director-General. He indicated that the Caribbean region promoted and respected fundamental Conventions and had even incorporated Conventions Nos 87 and 98 into the constitutions of several countries. These facts were contrasted by the recent opinions of some employers who failed to respect collective bargaining processes. In order to maintain healthy professional relations, he asked the ILO to closely monitor the

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application of these Conventions in the Caribbean, which had provided stability and contributed to productivity in countries throughout the region.

- 88.** A Workers' delegate from Brazil expressed his concern for the lack of methodological arrangements for social security as a priority element in the region. He proposed including a more definite gender focus and consideration of the balance between family life and working life as a fundamental element of social security. The Report also failed to make reference to the effects of the economic crisis on occupational health and safety. The effects of the crisis on migrant workers and their families had to be analysed from a social security and remittance perspective. He proposed that social security should be considered a fundamental right and that proposals and programmes in this area be formulated, to be implemented by the Continental Trade Union Platform on Social Security with ACTRAV support. The recent crisis had shed light on the close relationship between democracy, economic policy, participation, labour relations and social security. Democratic systems thus had to be strengthened, with increased participation, social dialogue and respect for collective labour rights. Only the State, together with the participation of employers and workers, was entitled to formulate and implement an integral and redistributive social security model featuring universal coverage.
- 89.** Mr Raúl Requena, Regional Secretary of the Global Union (UNI), Panama, member of the ITUC observer delegation, expressed his support for the concept of decent work and the contents of paragraph 51 of the Report. The existence of productive and quality jobs was a fundamental element in order to strike the right balance between growth and development. He therefore disagreed with those Employers and Governments who spoke of economies that employed and societies that protected. A specific reference to decent work at multinational enterprises was omitted from the Report. He recalled that the practices of these enterprises, which often performed poorly in terms of labour and human resource issues, largely influenced the behaviour of small and medium enterprises. He concluded his remarks by stating that the main challenge in the region was not criminality, but rather unemployment, economic problems and increasing poverty.
- 90.** A Government delegate of Costa Rica stated the importance of continuing to deploy joint efforts to achieve a higher level of decent work in the region. He emphasized that, even if the crisis of 2008 had held back the rate of development, it had also given rise to the application of good practices in the field of anti-cyclical policies and measures by way of crisis response. In the case of his country, economic activity was recovering, which led to reduced unemployment. He pointed out that the country had undertaken firm action to strengthen tripartism and social dialogue, by reinvigorating the High Council of Labour. On the other hand, a national campaign had been initiated for compliance with, and information on, minimum wages; the campaign was aimed at employers and workers and had been conducted through the services of the labour inspectorate that had carried out a total of 17,000 visits.
- 91.** A Government delegate of Mexico, speaking with the support of his delegation, indicated that Mexico considered the Decent Work Agenda for the Hemisphere to be a guide. He reported that wage trends in Mexico had been positive since the crisis and that in a large percentage of recent wage review exercises between the parties, it had been agreed to introduce productivity and quality bonuses and incentives. He mentioned the results achieved by the National Employment Service which had managed to attend to more than 12 million persons and generate profits of some US\$3 million, especially in the export and service sectors. As a result of the anti-cyclical policy, approximately 1 million jobs had been generated in the formal economy in 2010 and the jobs lost on account of the crisis had been recovered. He reported a strengthening of the labour inspectorate and that a process of labour reform was taking place. The Labour Reform Initiative presented to the Federal Congress in March 2010 included the concept of decent work, and the

interpretation of labour standards would take place in the light of that concept. In that Bill, decent work was defined as “that in which the human dignity of the worker is fully respected, and in which there is no discrimination on grounds of gender, sexual preference, disability, race or religion; there is access to social security and to remunerative wages; ongoing vocational training is supplied to enhance the worker’s productivity and welfare; and optimum safety and health conditions exist to prevent work-related risks. Decent work also includes unlimited respect for workers’ rights, such as freedom of association, trade union autonomy and democracy, the right to strike and to bargain collectively”. Finally, the speaker stressed the permanent commitment to avoid and prevent forced labour, to promote the integration of women into the workplace, to reduce the wage gap and to improve social protection in Mexico.

92. The Workers’ delegate of Colombia, Mr Julio Roberto Gomez-Esguerra, General Labour Confederation (CGT), stated that he shared the concerns regarding achievement of the goals set out in the Decent Work Hemispheric Agenda. The crisis within the capitalist system had affected the poorest sectors and, as a direct corollary, had resulted in increased unemployment, a larger informal sector and greater precarity of wages. The initial evaluations of progress under the Decent Work Agenda for the Hemisphere were now complete and the speaker considered that the results obtained in the field of decent work, the fight against poverty, the eradication of child labour and support for gender equality were not encouraging. He indicated that anti-trade union violence continued, as reflected in the deaths of 41 trade unionists in 2010 and the difficulties faced by workers’ organizations when engaging in collective bargaining. He reported the lack of effective provisions in the Bill to ratify the Labour Relations (Public Service) Convention, 1978 (No. 151), which prevented public-sector workers from the practice of collective bargaining. He stated that the consolidation of democracy required compliance with internal laws and their harmonization with the principles and standards of the ILO. He expressed his satisfaction at the Government’s commitment with regard to the elimination of associated labour cooperatives, which affected the labour rights of 1.4 million workers in Colombia, despite the difficulties that had arisen in the debate on the Bill. He said that it was necessary to be mindful that the region contained the most powerful country in the world, the United States, and one of the poorest countries, Haiti, which called for solidarity with people struck down by disaster. He concluded by saying that democracy without a representative trade union movement was a caricature of democracy.
93. The Meeting opened a series of four dialogues to allow in-depth discussion of themes of particular interest to the region.

### **Dialogue 1: Lessons from the crisis: Public policies and the role of the social partners in efforts to promote recovery with decent work**

94. The Minister of Labour of Canada, Ms Lisa Raitt, highlighted the proactive role of the ILO and its constituents in the international response to the financial and economic crisis. The Global Jobs Pact had placed employment on the international recovery agenda. The Minister said that ILO research on successful recovery strategies had supported the G20 Labour Ministers in their crisis recovery efforts. In Seoul the G20 had called on the ILO to continue to help countries to promote recovery with decent work, in collaboration with the International Monetary Fund (IMF). While some progress had been made in that direction, it had been uneven in the region.

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- 95.** The Minister presented Canada's Economic Action Plan, which had earmarked \$62 billion to help protect and create jobs and strengthen innovation. It provided for investment in infrastructure and tax relief for individuals and businesses, as well as specific measures to help the unemployed and workers at risk of losing their jobs and to support vocational training. In the following phase of the Economic Action Plan the Government of Canada would continue to focus on employment, growth and balanced public finances.
- 96.** The Minister of Labour of the Dominican Republic, Mr Max Puig, said that before the crisis his country had achieved steady growth between 1952 and 2002 at an average rate of 5.5 per cent per year. However, that growth had not been sufficient to reduce inequality and create quality jobs. Despite economic growth, 56 per cent of the economically active population was in the informal economy and the unemployment rate was 14 per cent; furthermore, wages were generally low. The crisis had led to a reduction in the country's exports and a drop in tourism revenues, remittances and foreign direct investment. In 2009 the Government had decided to convene a Summit of National Unity for recovery, with broad participation of all the social partners, including employers' and workers' organizations. Round tables had been held, including one on the subject of employment, which had proposed a number of measures: support to SMEs, vocational training and the promotion of entrepreneurship culture; infrastructure works; and incentives to avoid lay-offs. The Government had reduced interest rates and the tax burden and extended health insurance coverage.
- 97.** The Minister highlighted the following lessons learned: the unity of the national actors and the Government's initiative in convening the Summit; the ability of society to reach agreement, given the opportunity to participate in a transparent manner; and the imperative need to coordinate the efforts of the various government institutions.
- 98.** Mr Stanley Gacek, Office of International Relations, United States Department of Labor, supported the fundamental premise of the panel – that economic growth in itself was not sufficient to reduce inequality and create decent work. He also agreed that the counter-cyclical policies implemented in the region had been more proactive and more conducive to decent work than those applied in previous recessions. In that respect, he highlighted the policies of Brazil, Chile and Nicaragua referred to in the Report of the Director-General.
- 99.** The United States had also implemented a major package of measures totalling nearly US\$800 billion in response to the recession, including infrastructure investment, training grants for green jobs and other emerging industries and expanded assistance to unemployed jobseekers. According to an independent study, without that package of measures, GDP in 2010 would have been 11.5 per cent lower and there would have been 8.5 million fewer jobs.
- 100.** The speaker was of the view that the strengthening of institutions, international labour standards, freedom of association and collective bargaining were key to ongoing job creation and decent work in the region. Accordingly, the United States Government had hired more labour inspectors and had strengthened its procedures for enforcing labour standards. Given the central role of international labour standards in economic growth and development, he encouraged the Director-General to ensure that the ILO's standards work was among his top priorities.
- 101.** The Employers' delegate of the United States, Ms Ronnie Goldberg, said that the Employers had long been emphasizing the importance of economic growth, not as an end in itself, but as an essential means of generating wealth, investment and jobs, and hence raising the standard of living. As reiterated by the ILO, the concept of sustainable enterprises was key to meeting social challenges and creating decent work. That called for certain prerequisites, including governance, stability, social dialogue, respect for human

rights, sound macroeconomic policies, adequate social protection and environmental protection policies. Other equally important principles were a culture of entrepreneurship and an enabling regulatory and legal environment, which were reflected in appropriately designed, transparent and clearly stated standards. Legal safeguards and respect for property rights were also important to attract investment and provide enterprises with security. A smoothly functioning financial system contributed to an inclusive business development process. With respect to an enabling infrastructure for sustainable enterprises, communication played a crucial role. Lastly, education, training and lifelong learning were essential to enable enterprises to hire the right workers and to increase employability.

- 102.** The Secretary-General of the CSA, Mr Victor Báez, from Paraguay, member of the ITUC observer delegation, began by noting that the first Regional Meeting in 1936 (Santiago de Chile) had also been held during a period of crisis. The difference between 1936 and 2010 was that during that period, decisions had been taken enabling a response to the challenges of economic crises. The Declaration of Philadelphia had linked development and rights for the first time; the Declaration on Fundamental Principles and Rights at Work (1998), the Declaration on Social Justice for a Fair Globalization (2008) and the Global Jobs Pact (2009) were now the banners of the social partners. To create decent work, the countries in the region must diversify production. While many economies were growing, such growth was based in sectors where employment creation was low. It was important to focus on sectors that generated decent work. Furthermore, there was a risk in the region that free trade agreements would erode States' power by restricting their ability to promote sustainable enterprises and decent work. He called for continental and/or subregional integration and for complementarity in production among countries. Taxation policies and strong States were needed, as was a policy to govern redistribution. To conclude, he urged the region's ministers of labour to participate in the G20 Summit convened by the Government of France, given the importance of ILO participation and of the social issues on the agenda.
- 103.** A Worker representative from Colombia referred to the difficulties workers faced in organizing and bargaining collectively in his country and in other countries in the region. He said that the message should ring out from the 17th American Regional Meeting that the ILO's strategic objectives must be implemented. He pointed to the need for vocational training, noting that large enterprises needed properly trained workers who had the support of those enterprises. Forms of employment that did not guarantee workers' rights, such as associated work cooperatives and/or union contracts, had to be avoided. He said that workers in his country were demanding freedom of association and collective bargaining.
- 104.** Mr Juan Castillo, Workers' delegate of Uruguay, coordinator of the Inter-Union Workers' Assembly – National Confederation of Workers (PIT-CNT), said that the fact that the crisis had had a different impact in the northern countries and in Latin America was due to the role of the trade union movement, which in that region had achieved tripartite mechanisms, and to the responsiveness of governments to social demands. Nevertheless, the uneven distribution of wealth remained an Achilles heel, as a considerable number of workers were still living in poverty and workers in his country were calling for collective bargaining at the sectoral level.
- 105.** According to the Employers' delegate of Argentina, Mr Daniel Funes de Rioja, the crisis had shown that there was a two-tier system in the private sector: formal and informal enterprises. Similarly, the crisis had affected formal and marginalized societies in different ways. The Employers' delegate agreed with the Minister from Uruguay that incentives to bring enterprises into the formal sector were needed and he stressed the importance of education and training. In his view, globalization was irreversible and international coordination was becoming increasingly important. The ILO must be present at international forums and collaborate with other multilateral institutions.

106. Mr João Cunha da Silva, Public Services International (PSI), member of the ITUC observer delegation, referred to the situation of public-sector workers, many of whom were in temporary posts and unable to engage in collective bargaining.
107. Mr Juan Pinzón Salazar, Secretary-General of the General Confederation of Workers of Guatemala, member of the ITUC Worker delegation, said that it was essential to re-engineer the political party systems and the State itself, which must respond to national policies and not to the policies of certain groups, such as drug traffickers, which had a disastrous influence on the creation of decent and productive employment.
108. A Workers' delegate from Brazil, Mr Expedito Solaney (CUT, Brazil) asked about the ability of social dialogue in the various countries to respond to the crisis, and cited by way of example the National Conference on Decent Work and Employment convened by the federal Government of Brazil.
109. A Government delegate of Brazil, Mr Mario Barbosa, Ministry of Labour, noted that the policies adopted to tackle the crisis had become important references for the MERCOSUR growth and employment strategy, with the effective participation of employers and workers. In Brazil, preparations were under way to establish the National Labour Relations Council. At the following meeting of G20 Labour Ministers, the social dialogue process should be strengthened by presenting the Meeting's recommendations as alternative solutions for tackling the major post-crisis challenges with decent work.
110. Ms Lisa Raitt concluded that the impact of the crisis had gone beyond just the economy and enterprises. By way of example, she described Canadian support programmes for the forestry industry, which focused not only on enterprises in the sector, but also on the individuals and communities concerned. She underlined the importance of Labour Cooperation Agreements, which helped establish good practices in the region.
111. Mr Stanley Gacek reiterated the importance of labour standards, social dialogue and tripartism. The United States Government was ready to collaborate on a bilateral or multilateral basis to help countries achieve their objectives in those areas.
112. Mr Max Puig pointed out that there had been a divorce between social, economic and labour policies. It was imperative for them to be coordinated and for there to be broad tripartite involvement, encompassing other social partners.
113. Mr Ronnie Goldberg was of the view that the economy, international policies and labour market requirements were changing, requiring governments to take difficult and unpopular decisions. He recalled the importance of preparing new generations for new jobs.
114. Mr Victor Báez said that countries where trade unionism was stronger had been hit less hard by the crisis and that in countries with low fiscal pressure there could be no redistribution. He repeated his concern at the high levels of informality and proposed that the business sector should eliminate labour outsourcing.

## Dialogue 2: Global Wage Report 2010

115. The Director of the ILO Conditions of Work and Employment Programme, Ms Manuela Tomei, moderator of the dialogue, presented the *Global Wage Report 2010/11*, highlighting the short-term impact of the international crisis on wages. The downturn in global growth in 2009 had meant that the growth rate of average real wages had slowed by 50 per cent, a figure that would have been even higher if China had been excluded. In Latin America and the Caribbean there had also been a slowdown, although wage growth

had remained positive, unlike in other world regions such as the advanced countries or Eastern Europe and Central Asia. The aggregate data probably overestimated wage growth during the crisis because of the composition effect, that is, as a result of changes that had taken place in the composition of salaried work caused by the economic crisis, and lower than expected inflation rates. The real economy as a whole had suffered the effects of the crisis, which was demonstrated by the fact that profits had fallen more than the wage share, which was less volatile in times of economic downturn. Since 1999 there had been significant wage moderation in advanced economies. Latin America and the Caribbean had also recorded a low rate of wage growth, unlike Asia, where wage levels had doubled over that period.

- 116.** The G20 Summit in Seoul in 2010 had highlighted the need to promote shared growth with a greater balance between the lowest-income and the richest countries. Wage policies could contribute to a growth that was more stable, balanced and inclusive, which was why it was essential to establish a closer link between wages and productivity and to reverse the trend towards more low-wage jobs. In that regard, collective bargaining and tripartite wage-fixing mechanisms had yielded positive results. Maintaining or increasing the minimum wage, a measure that had been adopted in 2009 by 57 of the 108 countries on which data were available, played a role in preserving the purchasing power of the lowest paid workers.
- 117.** The special guest at the Meeting, Professor Su Hainan, President of the Institute of Labour and Social Studies of China, outlined his country's main wage trends and system of labour remuneration. First, he explained that China's economic development depended largely on exports and investment. The country had a total of 400 million employees, more than the total for Latin America and the Caribbean. Of these, 22.6 per cent worked in state-owned and collective enterprises, 17.6 per cent worked in private enterprises and 42 per cent worked in individual-owned or independent enterprises. China's economy had developed very rapidly in recent years, at an average annual rate of 11.4 per cent between 2006 and 2009. In that same period, the average real wage increase had been 12.6 per cent per annum.
- 118.** Professor Su identified three problems related to wages in China. First, there had been a significant downturn in labour income since 1992. A second problem was the growing wage gap between industries, provinces and workers. Lastly, there were wage arrears, pay inequalities and additional payments outside the salary system. The main causes of these problems were poorly developed legislation on wage distribution, inefficient wage-fixing mechanisms, a poorly developed system to monitor wage distribution and inadequate monitoring of existing legislation.
- 119.** China had initiated a process to reform its wage policies under its 12th Five-Year Plan (2011–15), the objective of which was to increase incomes on a sustained basis in order to boost growth and labour productivity and thereby reduce poverty. To that end, there were plans to improve pay in all types of enterprise and to establish and develop a wage-fixing mechanism, through collective bargaining in large and medium-sized enterprises and through wage bargaining processes at the regional and sectoral levels for small enterprises. In addition, there were plans to increase the minimum wage and to regulate wage disparities between the highest and lowest levels by establishing wage increase mechanisms linked to profits and economic development. Finally, emphasis would be placed on compliance with labour standards, with punitive measures for enterprises that did not comply with them, and on strengthening inspection.
- 120.** Mr Andrés Marinakis, ILO Specialist in Market Policies and Labour Institutions, presented information on the moderate wage growth in Latin America and the Caribbean, which in the current decade had been only just above the rate in industrialized countries and below



that of other regions. During the period, the recovery of the real minimum wage in the region had been widespread, although at levels that were still insufficient. From 2000 to 2007, the general economic climate in the region had been one of sustained growth, falling unemployment and contained inflation and real wages had increased by an average of 1.2 per cent. The crisis which had struck in 2008 had severely affected that growth and to a lesser extent employment, also leading to a sharp drop in inflation. The crisis had led to an adjustment in nominal wages – which had grown on average by only 6 per cent in 2009, as compared with 11.5 per cent in 2008 – but as a result of price reductions, real wages had risen by 2.1 per cent, as compared with 1.9 per cent the previous year.

- 121.** Of the 22 countries of Latin America and the Caribbean for which data were available, only four had not adjusted their minimum wage. The majority of the region's countries reviewed their minimum wage periodically, usually annually, on the basis of inflation figures for the immediately preceding period, taking into account any expected price increases. The fall in inflation throughout almost the entire region in 2009 had meant that the purchasing power of wages in that year had remained virtually intact.
- 122.** With regard to collective bargaining, the ILO Specialist pointed out that, despite the uncertainty resulting from the crisis, dialogue processes had been maintained in many countries of the region, with innovations being introduced: in some cases bargaining periods were shortened; in others, safeguard clauses or social peace clauses had been added; in general, wage adjustments had been moderated. Public policy decisions had been taken which avoided wage deflation, with prudent increases that were manageable for enterprises and served to protect the purchasing power of the lowest wage earners – and hence consumption – without compromising employment. While declining inflation had helped, what was worth noting was that collective bargaining had proved to be adaptable to the situation.
- 123.** The Minister of Labour of El Salvador, Ms Victoria Marina Velásquez de Avilés, stated that economic improvements were insufficient if they did not generate decent work, and emphasized the importance of promoting small enterprises as generators of employment. Starting in 2009, El Salvador had launched a post-crisis recovery programme giving priority to fighting poverty, exclusion and social injustice while calling for dialogue in order to shift from a development model based on low incomes and gender inequality, and characterized by heavy reliance on remittances from Salvadorans abroad, low growth and weak global integration. Although the current unemployment rate in El Salvador was 7 per cent, over 40 per cent of the economically active population was underemployed. This situation was jeopardizing democratic governability, as reflected in the situation of young people who, faced with a lack of alternatives, were at risk of drifting into organized crime or emigrating abroad. The Salvadoran Government had increased wages for public-sector employees and had begun, in accordance with the law, the process of revision and fixing the minimum wage for the private sector.
- 124.** The Undersecretary of Employment and Labour Productivity of Mexico, Mr Jaime Domingo López Buitrón, emphasized the need to increase workers' wages. Macroeconomic stability was necessary, but did not suffice in itself to generate high levels of development. He also highlighted the important role played during the crisis by sectoral or national pacts, income transfer policies, emergency employment programmes and labour intermediation. However, he stressed the importance of improving the statistics that served as a basis for decision-making in regard to wages. He suggested that wages should feature high on a future agenda, reopening the debate on linking wages to productivity, reinvestment and fiscal incentives.

- 125.** The Undersecretary of the Ministry of Labour and Social Security of Uruguay, Mr Nelson Loustaunau, explained that Uruguay had a centralized wage policy in which bargaining took place, not at the enterprise level, but at the branch or production chain level, through tripartite wage boards established by an Act of 1943. The boards were subdivided into more than 200 bargaining units that fixed minimum wages for each category of workers. In response to the crisis, the country had decided to continue collective bargaining, introducing a safeguard clause providing for renegotiation if the impact of the crisis were to exceed expectations. In the previous five-year period, the performance of the Uruguayan economy had registered growth, unemployment had been low and real wages had increased, while formalization figures had doubled. That would not have been possible without social dialogue.
- 126.** An Employer representative, Mr Alfonso Swett Opazo, Chilean Confederation of Production and Trade (CPC, Chile), stated that the problems of the region – inequality, chronic poverty – could not be solved solely through the minimum wage; although it was an important tool, it should be combined with other measures that did not lead to labour market distortions and structural unemployment. To force a minimum wage based on calculation of average productivity – instead of a more appropriate indicator such as marginal productivity – would be counterproductive and could lead to an increase in informality. He stressed the importance of social dialogue to improve labour productivity, for example through apprenticeship and training schemes in enterprises. Dialogue should focus on areas of bipartite agreement, without waiting for governments to propose solutions.
- 127.** A Worker representative, Mr João Felício (CUT, Brazil), affirmed that recent experience in Brazil showed that the minimum wage did not necessarily have to result in increased inflation or bankruptcy of enterprises, as maintained by the neo-liberal theory that had been prevalent in the region in the 1990s. In fact, 92 per cent of wage agreements in Brazil had led to improved earnings for enterprises. Collective bargaining was more common and more successful where there were strong trade union movements and a regulatory framework that guaranteed dialogue. Most of the countries of the region should move from words to practice, which would enable a virtuous cycle of wage rises, increased consumption and employment, especially among the poorest sectors. With greater democracy, Latin America and the Caribbean now had the opportunity to reduce inequality and concentration of income and meet other challenges such as equality in remuneration between men and women.

### **Dialogue 3: The challenge of social protection for all**

- 128.** In the first presentation, the Minister of Labour and Social Protection of Chile, Ms Camila Merino, stated that she considered social protection from the point of view of the opportunities and security it presented. She saw the following opportunities: (a) developing creativity, innovation and the will to overcome; (b) developing efficient technologies; (c) promoting micro- and small enterprises; (d) increasing the transparency and competitiveness of markets; (e) modernizing the State; and (f) investing in infrastructure. The social security system seeks to enable people to rejoin the labour market, yet without engendering dependency. The keys to achieving this were: job creation, modernization of the State and the sustainable funding of social protection.
- 129.** She reported that a Ministry of Social Development had been created to ensure better execution of the various programmes in this area. One major project for this Ministry was the Ethical Family Income Initiative, which enabled the most vulnerable families to overcome poverty, facilitating access to jobs and fostering vocational training. Adequate incentives prevented families from returning to poverty. The social security system, with

its three pillars – solidarity, contribution and voluntary participation – expanded the solidarity pensions system of the most vulnerable households by 60 per cent. A new instrument for focusing and extending coverage for independent workers had been implemented, into which the workers were obliged to pay. She highlighted that raising awareness of social security would increase membership.

- 130.** She stated that job creation required employment intermediation from the Government. To this end, the Government had introduced the bonus system called the *Nueva Bolsa Nacional de Empleo* (New National Employment Grant). Other successful initiatives included job fairs, labour assistance programmes and municipal intermediation offices. The Minister mentioned an ambitious training plan that would reach over 5 million people within four years. The budget for vocational training had been increased; the use of tax waivers expanded; a grant had been provided for active workers with a 20 per cent co-payment, reimbursable upon completion of the course; a training bonus programme had been initiated for SMEs; on-the-job training programmes for vulnerable young persons had been introduced; and a business skills and practices training programme implemented.
- 131.** The Minister of Labour, Employment and Social Security of Argentina, Mr Carlos Tomada, recalled his comments at the previous ILO Regional Meeting, during which he had highlighted the involvement of the ILO in general issues of economic development. He mentioned the role the Organization of the American States (OAS) had played in the meeting of Ministers of Labour and the first meeting of G20 Ministers. He stated that his country had learned a tough lesson from the crisis in 2001: growth was not sufficient to reduce poverty and inequality. The crisis had taught that development was not possible without decent work and the reduction of inequality. He shared four additional lessons learned. First, that while the impact of the crisis had not been felt so acutely in Argentina, this was not because of a spontaneous evolution of the markets, but rather because of public policies aimed at sustaining employment, the economy and demand. That set of policies had accounted for 1.8 per cent of GDP. The second lesson was that even prior to the crisis priority had been given to jobs that offered social protection, collective bargaining, real wages and improved aggregate demand. Also, supplementary policies had been implemented, such as reducing indebtedness and improving infrastructure in order to support activity levels. The lesson in this was that the policies aimed at the crisis had supplemented policies already in place, rather than countering them. The third lesson had two parts: retirement and pension reform and a return to a distribution system that increased coverage to 98 per cent of older adults, and the *Asignación Universal por Hijo* (Universal Child Allotment) (AUH). This policy placed social security at the forefront of the crisis, not as an austerity measure but as a key step in addressing the crisis itself. A floor had been established for social security and the National Council for Social Policy, made up of six ministries, had developed strategies for making social policies universal. In the case of the AUH, an effort had been made to avoid the poverty trap by extending the benefit to children of workers in the informal economy. The fourth lesson was that Argentina must seek a model that was based on innovation and technological growth, a fertile context in which to encourage the development of labour institutions. The Minister concluded by saying that despite the diverging views about possible development strategies, growth with decent work had gained a foothold. For this to continue, it was essential that domestic markets be strengthened, jobs be protected, and social security be provided.
- 132.** The Minister of Labour of Barbados, Ms Esther Byer-Suckoo, stated that she wished to see greater participation by CARICOM countries, that the Caribbean countries were not a homogeneous group. Barbados was a small and open economy, vulnerable to global warming, dependent on the export of commodities and on tourism. Barbados had been hit hard by the crisis, with significant unemployment. Barbados had been a democracy since independence. It had a high Human Development Index. The entire population enjoyed

free education and health care. The number of contingencies covered by social security was extensive and regular actuarial reviews pointed to challenges related to an ageing population. She stressed the role of anti-cyclical fiscal policies and social dialogue, as well as changes to unemployment insurance, as a means of addressing the crisis. She emphasized the importance of defending social protection during periods of fiscal tightening. She underscored work done on the Decent Work Agenda, in cooperation with the ILO Office for the Caribbean.

- 133.** The Minister of Labour and Job Promotion of Peru, Ms Manuela Esperanza García Cochagne, described recent progress in developing a social protection system in her country. She referred to the commitments set out in the Universal Declaration of Human Rights, the Decent Work Agenda for the Hemisphere, 2006–15, the decent work strategic objectives promoted by the ILO, dialogue for social cohesion and the Global Jobs Pact, to which the State of Peru adhered. She recounted various aspects of the recent health system reform (2009). The Universal Health Insurance Law gave access to a range of health services by means of contributory, subsidized and semi-contributory regimes, which was intended to extend health coverage to the low-income sector. She referred to public–private roles and to the increase of health coverage, which had risen from 37 per cent in 2004 to 60 per cent in 2009. The number of workers affiliated to the pensions system had increased from 2.5 million in 2005 to 4 million in 2009. Tripartism was being developed within the National Council for Labour and the Promotion of Employment, with a view to elaborating policies in the field of social security. The Peruvian Government had established the Registration of Workers Plan (*Plan RETO*), to reduce informal labour; the *JUNTOS* programme, to combat poverty; and the *POR JOVEN and REVALORA PERU* programmes, which provided free training with a view to entering the job market or learning new skills.
- 134.** The Employers’ delegate from Canada, Mr Brian Burkett, stated the importance attached by the Employers to the issue of social protection, in particular since the recent crisis. He emphasized the lessons that he considered to be important: (1) imposing proposals from above was not the best way of proceeding, but each situation would require its own specific solution. The Decent Work Agenda was one example: it was for the social partners to negotiate together with the ILO the precise form of its implementation; (2) in the Americas, “horizontal cooperation” worked better, with the development of good practices and an exchange of information, as opposed to the imposition of ideas from above. He stressed that economic and social development must always proceed together. He presented two perspectives shared by the Employers regarding the Social Protection Floor (SPF): the concern that the SPF initiative could be imposed from above; and the fact that ILO Conventions and Recommendations relating to social security had experienced only a low level of ratification. It would be preferable to promote social dialogue in a search for a model that took national realities into account. Doubts remained regarding fiscal sustainability, in particular for the most fragile economies; this could run counter to growth and the generation of decent jobs. It would be better to engage in an employment development policy focusing upon sustainability, productivity and employability, with the creation of a social protection net for the most vulnerable.
- 135.** The Workers’ technical adviser from Argentina, Mr Guillermo Zucotti, acting as substitute delegate, emphasized the integral social security concept shared by the Workers, as developed at the International Labour Conference in 2001. This vision was characterized by the idea that social security was part of human rights, the four pillars of decent work being indivisible, and that the State was responsible for its implementation and promotion; the strategic importance of Convention No. 102 had also been emphasized. Accordingly, the ILO was called upon to write this notion, including the strategic importance of Convention No. 102, into all its social security documents. Furthermore, it was necessary to state explicitly the reasons for low coverage: the absence of collective bargaining, the spread of the tertiary sector, shortfalls in tax revenue, inequality in private pension funds

prevalent in Latin America, the lack of incentives for integrating the self-employed, the absence of progressive tax systems suitable for redistributing income. However, the trade union movement believed that the low level of coverage could not be resolved through a model based on assistance policies but, rather, through decent work and wages. He requested the Office to explain the causes of the failure of private systems in the face of the challenge of extending participatory coverage.

- 136.** Social security for all required two components: a basic public pillar, financed from progressive taxes and of benefit to all, and a contribution-based public pillar with tripartite financing. Each State should devote a percentage of its GDP to social protection. The SPF initiative could be regarded as an additional element of an expansion strategy, specifically designed for the most vulnerable sections of the population, although it should be part of an integral protection system. Accordingly, it was indispensable to incorporate gender equality. The SPF offered an opportunity to develop a rights-based system of benefits. However, answers to the following questions were required: Who would be the beneficiaries? How would the benefits be determined? What would the reference income be? How would it be financed? How would the tripartite contribution be secured institutionally? What would be the relation with decent work and what would be the State's responsibility and that of the employers? With appropriate responses to the above questions, it would prove possible to guarantee an approach to rights-based social protection.
- 137.** In the ensuing debate, eight Worker representatives made statements, among which, in addition to the points listed by Mr Zucotti, some argued in favour of a ratification campaign of Convention No. 102, against the privatization of social security, and in favour of decent work. Ms Ivonne Rodriguez, Public Services International (ISP), from Colombia, stressed the need also for a forceful campaign to ratify ILO Conventions Nos 151 and 154. Mr Roberto Gonzalez, Sandinista Union of Workers (CST), from Nicaragua, pointed out that it would be impossible to have a social protection floor unless Convention No. 102 was implemented. Mr Victor Hidalgo, Autonomous Central of Workers (CAT), from Chile, maintained that the trade union movement provided the impetus to ratification campaigns for this instrument, on which the European Union had based its universal systems. Mr Manuel Cova, Workers' Confederation of Venezuela (CTV), from the Bolivarian Republic of Venezuela, said that the social security deficit on the continent could not be countered by assistance policies alone, but required a strategic national response based on labour relations and decent work. Mr José del Valle, CROC, Workers' delegate from Mexico, stated that progressive contributions were absolutely central to social justice in any social security system. In addition, Mr Matheus Carvalho, Government delegate of Brazil, referred to the good experience in his country regarding a social protection system that included non-contributory policies, and to Brazil's support for the concept of a social protection floor as a strategy to expand social protection coverage to include the most vulnerable.

#### **Dialogue 4: New trends in South–South cooperation**

- 138.** The Director of the ILO Office for Brazil, Ms Lais Abramo, dialogue moderator, highlighted the important role of South–South cooperation, understood as a joint effort and manifestation of solidarity between developing countries as a strategy for achieving the goals of the Decent Work Agenda for the Hemisphere. South–South cooperation was at the very core of the ILO, encouraging the exchange of experiences and good practices between all of its member States, involving governments, employers and workers.
- 139.** Ms Gerardina González, Director of External Relations and Partnerships (EXREL), ILO, Geneva, stressed a form of South–South cooperation, triangular cooperation, which

implied the establishment of a relationship between developing countries, developed countries and international organizations or civil society. Ms González also talked about the third South–South Development Expo hosted by the ILO and the UN South–South Cooperation Unit in Geneva, in November 2010. The Expo had brought together 600 delegates from 150 countries to exchange experiences on issues such as education, human development, global health and HIV/AIDS, food security, the social protection floor, climate change, port development and decent work. A declaration of intent was signed on this occasion in order to promote decent work by means of cooperation between India, Brazil and South Africa (the IBSA group). She also stated that the ILO promoted South–South cooperation and triangular projects in all issues covered by the Decent Work Agenda, with associated, advanced and beneficiary countries, which included most Latin American countries. She concluded by indicating that the American Regional Meeting of the ILO was a good opportunity to continue promoting forms of triangular cooperation in the region and launched the idea of an ILO network featuring cooperation agencies from Latin American countries.

- 140.** The Deputy Minister of Labour and Social Security of Paraguay, Mr Raúl Mongelós, drew attention to the fact that the innovative aspect of South–South cooperation, which required a mutual learning process between the parties involved, was that it was horizontal in nature and considered recipient countries to be partners. The Deputy Minister thanked Brazil for its support through of the Brazilian Agency for Cooperation (ABC), and the ILO for its support through the “Alliance Programme for South–South cooperation in the areas of social security and child labour”, whose purpose was to create decent work, especially for vulnerable groups, in accordance with the priorities of the tripartite National Programme, which were: formulation and application of an employment strategy; strengthening labour institutions; improving the observance of labour standards; strengthening social actors by means of training in conjunction with employers’ and workers’ organizations; and the encouragement of social dialogue. He stressed that the “Alliance Programme” would help to expand social security coverage and enhance its effectiveness, highlighting that the Brazilian experience was an important point of reference in this sense.
- 141.** Mr Márcio Correa, Multilateral Technical Cooperation Coordinator for ABC, referred to the Agency’s mandate to implement Brazil’s technical cooperation policy and to coordinate, negotiate, execute, provide follow-up and evaluate both bilateral and triangular South–South technical cooperation. He indicated that Brazil’s cooperation had expanded to over 82 countries throughout Latin America and the Caribbean, Africa, Asia, Oceania and Eastern Europe over the last eight years, supported by over 100 Brazilian institutions from the public and private sectors. The ABC defined its cooperation framework as the exchange of solutions between developing countries by means of institutional strengthening in the learning process between counterparts. This strategy was indicative of demand and solidarity principles, the absence of commercial interests and the application of Brazilian experience as an added value. The Agency methodically arranged good development practices in the country and disseminated the same for implementation by partners. He referred to the alliance programme between Brazil and the ILO, which was being developed currently in the fields of the combat against child labour and forced labour, social protection, green jobs and the strengthening of trade union organizations in Latin America, Africa and Asia, and which could be a model for similar programmes established with other UN agencies.
- 142.** Ms Cristina Lazo Vergara, Executive Director of the Chilean Agency for International Cooperation, panellist on the dialogue, highlighted that South–South cooperation might be a post-crisis management tool, since this was a development and foreign policy instrument for Latin American integration and for reaching common ground at international forums. Chile cooperated with several countries in the region, such as Paraguay and Haiti, with regard to social and educational issues. The Executive Director indicated that the fight

against poverty, social protection, institutional strengthening and support for public policies, production development and the promotion of exports, science, technology, innovation and public safety must be priority areas for South–South cooperation. She also proposed that the exchange of experiences be encouraged in order to promote decent work based on a bank of good practices featuring standardized criteria.

- 143.** Francisco Pilotti and María Claudia Camacho, representatives from the Organization of American States, presented the Inter-American Network for Labour Administration (RIAL), a cooperation experience established by the Inter-American Conference of Ministers of Labour (CIMT) featuring ILO support. The objective of RIAL, which was financed by means of voluntary funds, was to strengthen the institutional and human capacities of the ministers of labour. They reported that important results had been achieved in the design and improvement of domestic labour processes, especially information systems, in the reform of regulatory frameworks, the development of new services, the improvement of programmes under way and the fine-tuning of training activities.
- 144.** Mr José Ricardo Briceño, President of the National Confederation of Private Business Associations, Employers' delegate of Peru, described the challenges posed and opportunities created for developing countries by globalization, since this was an inevitable process whose parameters were not pre-established. He gave an example of new trade flows between developing countries and other emerging countries, as well as the production of new export goods. Accordingly, he stated that cooperation should be between everyone, not just from developed countries to less developed countries. As for sectors meriting South–South cooperation, he mentioned microfinance, education, access to formality and technology, taxation and other structural reforms. He called for the ILO to coordinate South–South cooperation focusing on decent work, sustainable enterprises and social dialogue with other multilateral organizations and national partners.
- 145.** Ms Amanda Villatoro, member of the ITUC observer delegation, put emphasis on the limits of North–South cooperation, evidenced by the fact that countries in the South that recovered from the crisis the fastest were those free of external dependency and which stayed in control of their macroeconomic policies. In keeping with the same, she highlighted that South–South cooperation must firstly strengthen associated countries, involving social and economic actors in order to create jobs, encourage income redistribution and respect for international labour standards, objectives established by the ILO and by the Global Jobs Pact. She also highlighted the importance of regional integration for economic growth and development, indicating that South–South cooperation favoured converging efforts between national and local levels, including universities and other local institutions. She referred to cooperation between trade unions in the framework of South–South cooperation and specifically the project supported by the ILO and the ABC in the fight against child labour and promoting the inclusion of young people in the Haitian job market, supported by the CSA. She supported initiatives by groups of countries such as the initiative that had brought together India, Brazil and South Africa (IBSA) or Brazil, Russian Federation, India and China (BRIC), as well as other experiences such as the MERCOSUR Structural Convergence Fund. She finally expressed interest in South–South cooperation in order to support issues related to participation in the trade union movement, governance, collective bargaining, promoting decent work, equal opportunities, economy based on solidarity and environmental protection.
- 146.** In response to questions from the audience, the panellists highlighted the importance of advanced countries participating in triangular cooperation mechanisms, not only in terms of financial contributions, but also technical and human contributions leading to the interventions featuring greater scope and impact. They also stressed how important it was that South–South cooperation principles (unconditionality, focus on demand) permeated

traditional cooperation, in order to prevent this cooperation from being associated with commercial processes.

## **Consideration of the report of the Credentials Committee**

147. The Meeting took note of the report of the Credentials Committee, which would be brought to the attention of the Governing Body, in accordance with article 9, paragraph 4, of the *Rules for Regional Meetings* (2008) (see Appendix IV).

## **Consideration and adoption of the report of the Meeting**

148. The draft report of the 17th American Regional Meeting was circulated to all participants. Various delegates submitted amendments to their own statements, which have subsequently been incorporated into this final version of the report. The report was then adopted for review by the Governing Body.

## **Consideration and adoption of the conclusions**

149. The Chairperson of the Meeting read out the full text of the draft conclusions of the Regional Meeting, as submitted by the Drafting Committee for the conclusions. The Meeting then adopted the conclusions in their entirety (see Appendix III).
150. A Government delegate of Argentina congratulated the Meeting on the adoption of the conclusions, and thanked the Drafting Committee for its work. He requested the Office to organize preliminary tripartite regional consultations to reflect in a reliable and timely manner on the subjects of concern to the groups, such that the conclusions of future regional meetings might be implemented more expeditiously.

## **Closing of the Meeting**

151. The Government Vice-Chairperson of the Meeting, Ms Victoria Marina Velásquez de Avilés, Minister of Labour and Social Security of El Salvador, underlined the need for an ethical agreement to encourage employment and decent work opportunities for all, which would imply wide-ranging national policies. This was essential if the principles of social justice that guided ILO action were to be respected, and progress made towards the goal of reducing poverty, as agreed by the international community. She appreciated the contribution of the ILO towards realizing these goals with the adoption of the Decent Work Agenda, an approach backed by international consensus, and she stressed that governments, employers and workers shared the responsibility for making progress with regard to these objectives.
152. The spokesperson for the Workers' group, Sir Roy Trotman, highlighted the importance of considering the problems and circumstances specific to the Caribbean countries. He pointed to the adoption of the conclusions as proof of the goodwill of the groups and of the possibility of finding areas of agreement in spite of differences. He indicated that the following subjects were of priority to the Workers: recognition that fundamental rights were universal, irrespective of the level of development of countries; occupational safety and health; protection of the environment and promotion of the green economy; the need to



place decent work at the heart of economic policies; freedom of association; and the implementation of Conventions Nos 151 and 154. Finally, he expressed concern with regard to gender equality and to the limited number of women delegates at the Meeting.

**153.** The Employer Vice-Chairperson of the Meeting, Ms Albis Muñoz, stressed once again the importance of social dialogue and the need to improve methods used to this end. Sustainability of enterprises, including small and medium-sized enterprises, was a crucial part of the reality in Latin America and the Caribbean, and was closely linked to decent work. She regretted that the causes of unemployment in Latin America and the Caribbean had not been discussed in greater depth. With regard to the conclusions, she said that the Employers' group welcomed recognition of the importance of the tripartite resolution on sustainable enterprises, as well as the clear mandate given to the Office to develop technical cooperation activities in this field. She regretted however that reticence remained with regard to recognizing the right to private property as a concept related to well-being. She indicated that the Employers' group would submit a more detailed document setting out its priorities for the region to the Regional Office.

**154.** The Chairperson of the Meeting, Ms Camila Merino Catalán, Minister of Labour and Social Welfare of Chile, thanked the participants for the level of dialogue and reflection, and expressed gratitude to the spokespersons and to the members of the Drafting Committee for the conclusions. She stressed the importance of establishing spaces for dialogue at regional level, which would allow the countries of Latin America and the Caribbean to exchange and analyse experience, as well as providing valuable human contacts. She pointed out that the ILO had set out the main lines of guidance for the governments and social partners of the region, in particular through the concept of decent work. Finally, she stated that major progress had been made, though much remained to be done, in particular with regard to insufficient integration of women and young persons, to discrimination, differences in wages linked to training, or the sustainability of pensions and social security.

**155.** The Director-General of the ILO, Mr Juan Somavia, thanked the Chairperson of the Meeting for her presentations, her dedication and for having facilitated the presence of His Excellency, President Piñera of Chile. He expressed gratitude to President Piñera for agreeing to host the Regional Meeting; the strong support of the Government of Chile had contributed greatly to the success of the event. He also thanked the Vice-Chairpersons, the spokespersons for the groups, the guest speakers, the secretariat, the moderators of the dialogues and His Excellency, President Lula of Brazil, who had provided tremendous support to the ILO during his tenure as President of his country. He was grateful to the tripartite delegations from the Americas, pointing to the high participation by States Members from the Caribbean. The main results of the Meeting were the quality of the debates and of the dialogues, the vitality and richness of the discussions. The conclusions of the Meeting were balanced and realistic, reflecting the manner in which the ILO, faced with a shifting global landscape, must adapt its approach to the reality in Latin America and the Caribbean, especially with regard to the need to strengthen social dialogue. This was a shared responsibility and an essential challenge, as social dialogue was the tool that would allow the countries of the region to replace the policies that had generated the crisis.

**156. *The Governing Body may wish to request the Director-General:***

*(a) to draw the attention of the governments of member States of the Americas region and, through them, that of their national employers' and workers' organizations, to the conclusions adopted by the Meeting;*

*(b) to take these conclusions into consideration when implementing current programmes and in developing future programme and budget proposals;*

*(c) to transmit the text of the conclusions:*

- (i) to the governments of all member States, and through them, to national employers' and workers' organizations;*
- (ii) to the international organizations concerned, including international non-governmental organizations with consultative status.*

Geneva, 4 February 2011

*Point for decision:* Paragraph 156

## Appendix I

### Inaugural event: Growth, employment and equity in the Americas

1. Mr Jean Maninat, Director of the ILO Regional Office for Latin America and the Caribbean, highlighted that issues relating to growth, employment and equity provided an appropriate framework for an agenda that should guide the recovery from the crisis.
2. Mr Juan Somavia, Director-General of the ILO, in his capacity as the moderator of the inaugural event, expressed the hope that there would be a substantive discussion on the key theme of the panel, namely equity. That theme provided institutions with a significant framework, because it was a global issue that was the focus of many high-level meetings around the world, including the recent G20 Leaders' Summit in Seoul. The link between equity and productivity posed a challenge in terms of formulating policies to help countries overcome the crisis. Likewise, the quality of employment was central to the agenda of the Meeting, together with the themes of equality, inequality, innovation, productivity and competitiveness.
3. The Director-General stressed that the presence at the Meeting of tripartite delegations from the countries of Latin America and the Caribbean, the United States and Canada, as well as of observers from other countries, showed unequivocal support for tripartism, which was central to the identity of the ILO. He placed particular emphasis on *Decent work in the Americas: An agenda for the Hemisphere, 2006–15*, which had been discussed at the previous Regional Meeting, and on its importance for establishing criteria to tackle the crisis.
4. He drew attention to the important contribution to the Regional Meeting of the ECLAC report *Time for equality*.
5. Ms Alicia Bárcena, Executive Secretary of ECLAC, expressed her thanks to the ILO for having invited her to present the development agenda for the region, in other words the report entitled *Time for equality*. An analysis of the inequality gaps that continued to affect the countries of Latin America and the Caribbean highlighted the importance of “decent work”. The crisis had marked a turning point for rethinking the challenge of tackling inequality in the region, not only in its social and economic dimensions, but also in terms of gender, race, ethnicity and access to political rights. In that regard, the four main gaps in the region were: the poor distribution of income; the very low saving and investment rates; the production heterogeneity between large and small businesses, with labour segmentation and the absence of social protection; and poor tax collection.
6. To highlight the importance of the link between growth and employment, she said that, following the crisis of the 1980s, it had taken 14 years to recover in terms of GDP per capita, and 25 years to achieve a recovery in social indicators. Latin America was now not only a much more cautious region – no countries suffered from hyperinflation or unmanageable public debts – but it was also socially progressive. In the last decade, all the governments had decided to tackle the issue of poverty and for the first time there had been a reduction in social inequality.
7. In 2010, while developed countries had grown at a slow pace, the performance of Latin America in the light of the crisis had stood out for two reasons. In its relationship with other regions, it had been characterized by high levels of liquidity, low interest rates, the ability to attract capital and an export model based on commodity-intensive specialization. At an internal level, the firm and quick response of governments with counter-cyclical economic policies had helped to ensure that, at the end of 2009, a recovery had begun in private consumption, growth rates, investment in capital goods and foreign trade.

8. As a result of fiscal and social stimulus packages, the unemployment rate had been reduced to 7.6 per cent in 2010, and estimates put it at 7.3 per cent in 2011. The increase in the poverty, absolute poverty and extreme poverty rates was consequently smaller than expected. However, positive average growth in the region was mainly due to the success achieved by the countries of South America, in particular those exporting to Asia and the Pacific, while the Central American economies and Mexico continued to depend on the slow recovery of the North American market. Productivity increases, on the other hand, had been minimal during the period 1990–2007. The region had not managed to shift to growth industries, in contrast to the United States, which had achieved productivity growth based on innovation and technology.
9. The fact that 180 million people were living in poverty was the main challenge facing Latin America and the Caribbean. To meet that challenge, ECLAC proposed public policies based on six pillars: (1) macroeconomic policy for inclusive development, with incentives to stimulate productivity; (2) overcoming structural heterogeneity and productivity gaps, particularly in regard to innovation, knowledge and support for small and medium-sized enterprises (SMEs); (3) overcoming territorial disparities affecting national development; (4) creating more and better jobs as the only decent way to make progress towards equality; (5) closing social gaps through a steady increase in social spending; (6) building social and fiscal pacts based on a new role of the State.
10. In order to build welfare societies and a long-term development vision in Latin America, ECLAC considered it necessary to promote equality, defined as ownership of rights, and to create a more redistributive fiscal pact, in order to redirect a share of earnings towards increased innovation and job security. Brazil, for example, had developed economic transfer policies that had provided additional incomes for households while boosting the national economy.
11. The labour market should be the ideal means of achieving such equality. To that end, higher tax collection rates were needed (the average figure of over 15 per cent for the region was due solely to the rate achieved by Brazil) and stronger support for SMEs, including the creation of value chains and green incentives. Intra-regional trade within Latin America and the Caribbean should be promoted, export services improved and public policies focused on stimulating reinvestment of export earnings in biotechnology and productive innovation with a high knowledge and education content.
12. The speaker emphasized that equality as ownership of rights, which was the cornerstone of that development agenda, should be aimed at the following objectives: productive and territorial convergence; access to education, health, employment and social security; and economic policies based on a specific long-term vision.
13. She stressed that equality needed growth and growth needed equality, and highlighted the recent experience of Brazil, where recovery had been driven by a domestic market that had been further strengthened by measures to promote greater equality. She also pointed out that equality should be achieved by enhancing skills and using the labour market as a key factor of social inclusion.
14. The speaker highlighted public governance challenges, pointing to the generally low rates of tax collection, reflected in a regressive tax structure, a low tax burden, high levels of evasion and widespread exemptions. She also emphasized the low redistributive impact of social spending and inadequate investment in development.
15. She stressed the need to close production gaps. To achieve productive convergence, it was essential to promote an export sector with high value added and knowledge content, as well as creating linkages between the export sector and the rest of the economy, and to explore the potential of intraregional trade and provide enhanced services to SMEs geared to exports in order to integrate them in export chains. A proactive industrial policy was needed, with a price structure that would shift investment and public investment patterns to strengthen more knowledge-intensive production chains.

16. The speaker pointed out that the creation of jobs with rights was crucial to a development agenda: promotion of labour markets with full rights for working men and women, access to training, voice, representation and social dialogue, the importance of minimum wage as a redistributive policy, and rights-based social protection. The labour market was the locus for fair redistribution of productivity gains. With regard to social protection, conditional cash transfers should not be abandoned, as several countries had succeeded in reducing inequalities through such measures.
17. For the first time, Latin America and the Caribbean had made progress in reducing inequality, although much still remained to be done in that regard. The speaker concluded by highlighting the urgent need for a fiscal pact with a clear road map for the State, a shared platform, a clear public agenda and a gradual reorientation of social spending towards education and knowledge. That required political consensus on an intergenerational social contract and a culture of collective development.
18. Mr Eduardo Brenta, Minister of Labour and Social Security of Uruguay, focused on the lessons learned in Latin America over the previous years, with special reference to the experience of Uruguay. Latin America had learned to value democracy. He pointed to a new, more efficient policy management role for the State. Another lesson learned was that growth could be achieved with distribution of the wealth produced, which in turn would feed into growth, with a simultaneous impact on both the social and economic spheres. Countries had also learned that macroeconomic policies were not an end in themselves, but should be used to stimulate sustained growth and investment processes.
19. Another important lesson related to fiscal reform which would lead to a tax system based on incomes rather than consumption and shift public spending towards social policies with a redistributive impact. He described his country's experience with health-care reform, the wage board and social dialogue as examples of successful policies for income redistribution, poverty reduction and strengthening democracy. Concerning the minimum wage, he pointed out that in the three years of the current administration it had increased by 65 per cent. Uruguay had also been investing in judicious policies aimed at formalizing enterprises and workers, extending training and skills enhancement, in particular to promote the inclusion of certain groups in the labour market such as women, young people and low-skilled workers. He highlighted the importance of improving unionization and collective bargaining. With their redistributive and poverty reduction impact, such measures supported the national development process and strengthened democracy.
20. Wage negotiations and the commitment to training and skills enhancement were among the issues that were being addressed through collective bargaining and social dialogue, contributing to more mature labour relations.
21. In response to the crisis, Uruguay had adopted active policies in the field of education and a comprehensive approach to education and health, as well as transitional employment programmes.
22. The speaker went on to describe state measures targeting two groups that were crucial to development: women and young people. The former included action to establish a national care system (for children and older adults) to facilitate better integration of women in the labour market; and the latter was especially targeted at the large share of the young population who were neither studying nor working, posing a major challenge to development and democracy. The Uruguayan Ministry of Labour had established the Youth Employment Unit to promote the integration of youth employment policies (including internships, subsidies and business incubators).
23. Lastly, he pointed out that the Uruguayan experience in recent years was entirely consistent with the development agenda outlined previously by the representative of ECLAC.

24. Mr Daniel Funes de Rioja, Employer Vice-Chairperson of the Governing Body of the International Labour Office, endorsed what had been said by the other panellists. In particular, he stated that employers, too, were seeking ways of creating more productive and quality jobs and hoped that the State would define viable regulatory frameworks that were respectful of workers' fundamental labour rights. Operating in a work environment with clear rules created confidence in socially responsible employers. In that regard, he stressed the need to reduce informality in Latin America; this required decent work and respect for workers' rights, in addition to public policies in the field of education and vocational training and more social dialogue. As a good example, he cited the ability of the ILO constituents to respond to the crisis, reflected in the Global Jobs Pact, which had been adopted at short notice. He stressed the importance of democracy and the need for the State to ensure that there was an effective system of labour relations in place which guaranteed social protection for workers. He emphasized the creation of more enterprises as the appropriate way out of the crisis and recalled that value chains applied to both large and small enterprises in a competitive market. The ILO Declaration on Fundamental Principles and Rights at Work of 1998 and international labour standards applied to all enterprises. He pointed to the importance of defining, through social dialogue, a common forward-looking economic and social agenda.
25. Sir Roy Trotman, Worker Vice-Chairperson of the Governing Body of the International Labour Office, said that it was important for the Meeting to achieve a medium- and long-term vision on labour and poverty reduction issues in Latin America and the Caribbean. However, the only effective way to reduce poverty throughout the region was through decent work and respect for workers' rights, as had been pointed out by the Ministry of Labour of Uruguay and the Executive Secretary of ECLAC. He stated that the practice of social dialogue had been an expression of freedom and democracy since the inception of the ILO in 1919, and that there were unfortunately situations in which those fundamental rights were still being denied. He pointed out that some governments were reducing rights, for example in regard to social protection, and that the Conventions of the ILO were a stronghold against poverty. He also emphasized the importance of the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), the Social Security (Minimum Standards) Convention, 1952 (No. 102), the Labour Relations (Public Service) Convention, 1978 (No. 151), and the Termination of Employment Convention, 1982 (No. 158). In that regard, he pointed to the precarious employment conditions of public servants affected by the crisis and stressed the need to preserve those jobs through training and skills development. He highlighted the importance of the following instruments for the deliberations of the American Regional Meeting: the ILO Declaration on Fundamental Principles and Rights at Work of 1998; the Declaration on Social Justice for a Fair Globalization of 2008 and the Global Jobs Pact of 2009.
26. Mr Juan Somavia, Director-General of the International Labour Office, expressed his satisfaction at the fact that there was a sense in Latin America that things could change, and that the solution to the region's problems lay in the people themselves.

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## Appendix II

### Letter from H.E. Mr Luiz Inácio Lula da Silva, President of the Federative Republic of Brazil, addressed to the Director-General of the ILO

Brasilia, 14 December 2010  
Mr Juan Somavia  
Director-General, International Labour Organization

Dear friend,

I wish to congratulate you for holding the 17th American Regional Meeting to discuss lessons learned from the international financial crisis and the challenges facing the world of labour.

During these times when we are experiencing the effects of the worst global recession in many decades, it is essential that the international community work together to find solutions. The ILO is a key interlocutor in the discussion of coordinated solutions to the impacts of this crisis that has affected all of us.

When so many paradigms collapsed, the ILO acted with speed and determination, introducing the Global Jobs Pact, which paved the way for the implementation of truly collaborative national and international actions that aim to create a new economic model that has less wealth concentration and more solidarity, civility and fairness.

Just over one month ago, at the G20 Summit in Seoul, Korea, Brazil reiterated its conviction that the priority should not be to save bankrupt financial institutions and banks, but rather to protect jobs. For this reason we insist that the world's major economies must implement the types of reforms that are needed to drive growth, modernization and development.

However, this objective cannot be attained at the cost of social benefits for workers. Some would seek to transfer the onus of the crisis to the weakest, revealing the cruel and masked side of globalization, causing xenophobia to rise and turning migrant workers into scapegoats.

The international community must not allow this to happen. We must direct our efforts toward developing a balanced set of fiscal and monetary policies that will ensure the growth of internal demand.

To build a labour market that is fair and decent for everyone also means combating all forms of discrimination. It was with this in mind that I, yesterday, sent over to the National Congress the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families.

This is yet another example of what my administration has sought to do on behalf of labour. I am pleased to say that we have made progress over the past eight years. Contrary to what conservative economic thinking would suggest, we have shown that large-scale public investments and social programmes can be compatible with macroeconomic balance.

From January 2003 to October 2010, 14.7 million formal jobs were created. The unemployment rate, which in 2003 was at 12.36 per cent, dropped more than six percentage points in Brazil's six major metropolitan areas. The informal job market also

shrank. By 2009, 53.6 per cent of Brazil's workers were registered, compared with 46.4 per cent in 2003.

These positive figures that reflect growth in the formal jobs market were accompanied by an increase in income for Brazil's workers. The minimum wage recovery policy, which was developed with the participation of union leadership, raised the minimum wage from 200 reais per month in 2002, to 510 reais per month in 2010, which reflects real wage growth of 67.4 per cent (from December 2002 to August 2010), discounting for inflation over that period.

The federal Government sought to expand the job market with special lines of credit for micro-enterprises and enterprises that do not have access to traditional financing. Monitoring activities were intensified and working relationships were made more transparent. As of 2003, alternative models for job and income creation began to receive official assistance through the creation of the National Secretariat for Economic Solidarity. This was an important stimulus for programmes that combine the principles of self-management and solidarity in the production, commercialization and financing of goods and services.

Somavia, my good friend, I have always believed that solidarity is the pathway to social development. Brazil wishes to share its successful experiences because we believe in South-South cooperation, in partnership among those of us who face similar circumstances.

With the support of the ILO, we are strengthening our cooperation with Latin American, Caribbean and African countries in the area of social protection. There are no strings attached to these initiatives that seek to build the capacities of beneficiary nations to self-manage project outcomes.

I trust fully that President Dilma Rousseff will be able to continue to count on the ILO in this endeavour. As I near the end of my term in office, I want to thank you for the vote of confidence the ILO has deposited in Brazil.

I wish you great success in your efforts.

*(Signed)* Luiz Inácio Lula da Silva  
President of the Federative Republic of Brazil



## Appendix III

### Conclusions of the Regional Meeting

1. We, the tripartite delegations of the Americas present at the 17th American Regional Meeting of the International Labour Organization, appreciate and value the Report of the Director-General, entitled *The Decent Work Decade in the Americas: 2006–15 – Agenda for the Hemisphere: Initial assessment and perspectives*.
2. We consider that the Report contains a valuable analysis of the developments that have occurred in our region with regard to decent work during the period under review. We underline the progress made on the Agenda, despite the consequences of the international financial crisis, which in some cases has had a temporary negative impact in certain areas. The tripartite delegations stress that the rapid recovery experienced by the countries of the region was based on sound macroeconomic fundamentals, as well as a set of counter cyclical public policies aimed at safeguarding employment and at the sustainability of enterprises. Many of these policies were implemented through social dialogue.
3. We note that the Report reflects the progress and deficit in the implementation of the Decent Work Agenda for the Hemisphere, providing a social and political overview that is necessarily framed by reference to the financial and economic crisis which has led to an employment crisis, with a global impact since 2008. Challenges remain with regard to the consolidation of democracy, the reduction of inequalities, and the strengthening of rights and of mechanisms of participation.
4. During the Meeting, it was reaffirmed that freedom of association and the effective recognition of the right to collective bargaining are crucial to achieving the decent work goals set out in the Agenda for the Hemisphere. These rights have been universally recognized as fundamental rights, and are enshrined in ILO Conventions Nos 87 and 98. It was likewise recalled at the Meeting that the right to freedom of association applied equally to employers and to workers.
5. We stress that the Dialogues held highlighted the fact that severe inequality persists in the region, despite the economic progress made. Moreover, it was underscored that economic progress alone was not sufficient to reduce inequality and to create quality jobs. There was thus a need for private and public policies that placed employment at the centre of development strategies.
6. The Dialogues also drew attention to the fact that social protection has been a decisive policy in tackling the crisis and not an adjustment variable as in previous crises. In the current decade, recovery of the real minimum wage had largely been achieved in the region, though at levels that were still insufficient. South–South cooperation over the period constituted a demonstration of solidarity between developing countries, as well as a strategy to achieve the goals of the Decent Work Agenda for the Hemisphere.
7. We consider that the Decent Work Agenda for the Hemisphere should be revised and updated, in the light of the fact that, since the last Regional Meeting, the ILO has adopted the tripartite resolution concerning the promotion of sustainable enterprises (June 2007), the ILO Declaration on Social Justice for a Fair Globalization (June 2008) and the Global Jobs Pact (June 2009), as well as of the progress and challenges presented in the Reports of the ILO Director-General of the International Labour Office to the 17th American Regional Meeting.
8. We further recognize that the areas calling for progress and in-depth review through more effective social dialogue include the following:
  - the creation of new decent and productive work opportunities through the promotion and development of sustainable enterprises;

- enhanced respect for freedom of association and collective bargaining;
  - promotion of ratification of the Social Security (Minimum Standards) Convention, 1952 (No. 102);
  - the promotion of economic competitiveness together with social cohesion, preserving and respecting the fundamental rights at work enshrined in the Declaration of 1998; and
  - the strengthening of labour market institutions.
9. In the light of the above, we call upon the Office for its support through technical cooperation to develop regional programmes relating to:
- strengthening the campaign for respect for freedom of association and the promotion of collective bargaining;
  - promoting an environment conducive to the development of sustainable enterprise; and
  - strengthening ministries of labour to meet the new challenges of the world of work.
10. The representatives of governments and of the employers' and workers' organizations participating in the 17th American Regional Meeting of the International Labour Organization extend their gratitude to the Government of Chile for hosting the Meeting and for the hospitality offered to those attending it. This, together with the efficient organization of the Meeting, contributed to its success.

## Appendix IV

### Report of the Credentials Committee

1. The Credentials Committee, which was appointed by the 17th American Regional Meeting at its first sitting, met on 14, 15 and 16 December 2010, in conformity with article 9 of the Rules for Regional Meetings, to examine the credentials of the delegates and technical advisers accredited to the Meeting, as well as objections concerning their credentials and other communications.
2. The Committee was composed as follows:
 

*Chairperson:* Mr Nelson Loustaunau (Government delegate, Uruguay)

*Vice-Chairpersons:* Mr Juan Mailhos (Employers' delegate, Uruguay)  
Mr Gabriel Del Río (Workers' delegate, Dominican Republic)
3. Credentials that have been received in respect of the members of the delegations have been submitted in the form of official instruments, official letters, and facsimiles. Scanned copies of such documents sent by electronic mail have been considered as equivalent to facsimiles.
4. The Committee draws the attention of the governments to the importance of respecting article 1, paragraph 3, of the abovementioned Rules, according to which credentials must be deposited at least 15 days before the opening of a meeting (i.e. 29 November 2010, for this Meeting). The Committee was concerned that credentials from only nine of 35 member States invited were received within that time limit. Furthermore, some Members filed their credentials just before and during the Meeting, such a late filing meaning that 66.66 per cent of the delegations that had been accredited by the end of the Meeting did not appear on the first preliminary list of delegations made available online by the Office on 6 December 2010. Since this list provides advance information that may serve as the basis for objections to the credentials of delegates or their advisers, the absence of full information before the beginning of the Meeting was of concern to the Committee.

### Composition of the Meeting

5. By the time of the adoption of this report, and as reflected in the table in Annex A, out of the 35 member States invited to attend the Meeting, 27 had sent credentials. In addition, of the three member States responsible for the external relations of non-metropolitan territories located in the region, one had sent credentials. The Meeting was composed of 50 Government delegates, 23 Employers' delegates and 24 Workers' delegates, i.e. 97 accredited delegates in all. In addition, the Meeting comprised 51 Government advisers, 39 Employers' advisers and 50 Workers' advisers, amounting to a total of 140 advisers. Persons appointed as both substitute delegates and advisers have been included among the advisers. The total number of accredited delegates and advisers thus amounted to 237.<sup>1</sup>
6. Regarding the number of delegates and advisers having registered, there were 45 Government delegates, 20 Employers' delegates and 20 Workers' delegates, making a total of 85 delegates. The total number of advisers amounted to 111, of whom 44 were Government advisers, 25 Employers' advisers and 42 Workers' advisers. Annex B to this

<sup>1</sup> In 2006, at the 16th American Regional Meeting, the total number of accredited delegates and advisers was 177 (86 delegates and 91 advisers).

report contains more detailed information on the number of delegates and advisers registered for the Meeting, amounting to a total of 196.<sup>2</sup>

7. The Committee noted that the delegation of three member States represented at the Meeting (Bahamas, Belize and Guatemala) was exclusively governmental. In addition, the delegation of Mexico comprised the Workers' delegate, and not the Employers' delegate.
8. With regard to the resolutions concerning the participation of women in ILO meetings, adopted by the International Labour Conference at its 67th and 78th Sessions (June 1981 and June 1991), the Committee noted that 23 of the 97 delegates and 35 of the 140 advisers who were accredited to the Meeting were women. Women represent therefore 24.5 per cent of the total delegates and advisers accredited, as compared to 21.8 per cent at the last American Regional Meeting.<sup>3</sup> The Committee noted that five delegations contained no women delegates or advisers (Bahamas, Belize, Dominican Republic, Paraguay, Uruguay). The Committee wishes to recall that the United Nations set a target of increasing the proportion of women in decision- and policy-making bodies to at least 30 per cent which was referred to by the Director-General in the letter of convocation sent to the Members. The Committee calls upon the constituents to strive to meet this target of representation of women in delegations to the Regional Meetings.
9. Twenty Ministers and Vice-Ministers of the 26 registered member States of the region attended the Meeting.
10. Two Officers of the Governing Body attended the meeting.
11. Nine member States of the region (Cuba, Dominica, Grenada, Guyana, Haiti, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines) and two member States responsible for the external relations of non-metropolitan territories located in the region (Netherlands and United Kingdom) were not represented in this Meeting (two less in total than in the prior Regional Meeting). In this connection, the Committee hoped that all member States would in future participate in Regional Meetings and that appropriate steps would be taken to this effect.

### ***Representatives of member States from a different region***

12. In accordance with article 1, paragraph 6, of the Rules for Regional Meetings, the following member States from a different region were invited to be represented by an observer delegation at the Regional Meeting:
  - Portugal;
  - Spain.

### ***Representatives of official international organizations***

13. Of the official international organizations invited to attend the Meeting, in conformity with article 1, paragraph 8, of the Rules for Regional Meetings and in accordance with the relevant agreements or decisions of the Governing Body, the following were represented:
  - Economic Commission for Latin America and the Caribbean
  - United Nations Educational, Scientific and Cultural Organization

<sup>2</sup> In 2006, at the 16th American Regional Meeting, the total number of registered delegates and advisers was 142 (70 delegates and 72 advisers).

<sup>3</sup> Some 23.7 per cent of the delegates and 25 per cent of the advisers, as compared to 18.6 per cent and 24.7 per cent, respectively, at the 16th American Regional Meeting.

- Andean Development Corporation
- Organization of American States

### ***Representatives of non-governmental international organizations***

14. Of the non-governmental international organizations invited to attend the Meeting, in conformity with article 1, paragraph 8, of the Rules for Regional Meetings and in accordance with the relevant agreements or decisions of the Governing Body, the following were represented:
- International Trade Union Confederation
  - International Organisation of Employers
  - World Federation of Trade Unions

### ***Objection regarding the designation of the Employers' delegation from the Bolivarian Republic of Venezuela***

15. The Committee received an objection from the Employers' group concerning the designation of the Employers' delegation from the Bolivarian Republic of Venezuela. The objection alleged that the Government had included in Venezuela's Employers' delegation the following technical advisers, who should never have been considered to be representatives of organizations that represent employers under the criteria recognized by the ILO, that is, free, independent and not the object of government influence: Mr Miguel Pérez Abad and Mr Miguel Valderrama, of the Federación de Cámaras y Asociaciones de Artesanos, Micros, Pequeñas y Medianas Industrias y Empresas de Venezuela (FEDEINDUSTRIA); Mr Alfredo Cabrera of the Confederación Nacional de Agricultores y Ganaderos de Venezuela (CONFAGAN); Ms Keila De La Rosa, Mr Elmer Villamizar and Mr Orlando Cabrera of Empresarios por Venezuela (EMPREVEN); Ms Fanny Suárez, Mr Alberto Cudemus, Ms Carla Cedeño and Mr Mario Vasallo, of the Consejo Bolivariano de Industriales Empresarios y Microempresarios (COBOEIM). According to the Employers' group, these organizations barely had an enterprise base and received financial support and enjoyed the favouritism of the Government, as has been made known in complaints filed in the past with the Committee on Freedom of Association and the International Labour Conference. The Employers' group also indicated that the Government, in addition to changing the composition of the Employers' delegation that had been proposed by FEDECAMARAS, the most representative among all employer organizations, funded the participation of the technical advisers mentioned above, but only defrayed expenses for two of the members proposed by FEDECAMARAS (Mr Noel Álvarez and Ms Albis Muñoz).
16. In a written communication addressed to the Committee, at its request, the Government stated that the country had never had a sole employer organization and rejected the unilateral consideration that FEDECAMARAS was the most representative, to the exclusion of the other organizations. The Government also highlighted the large number of small and medium-sized enterprises – the business segment that encompassed the majority of the country's employers – affiliated with FEDEINDUSTRIA, which was founded almost 40 years ago. The Government further stated that the most representative organizations at present, without ranking them, were the following: CONFAGAN, EMPREVEN, FEDECAMARAS, FEDEINDUSTRIA and COBOEIM. The Government underscored that these organizations had been mutually accepted and recognized as being the most representative, as revealed by the outcomes of meetings in which they participated, showing tolerance and respect. The Government stated that none of these organizations had been registered with the People's Ministry for Labour and Social Security, which explained why it did not have any documentation on the alleged numbers

of their affiliate organizations. Therefore, the Government had invited them to participate in a consultative process, and held a meeting with them on 23 November 2010 at the Ministry. In the meeting, FEDECAMARAS demonstrated that it was the most representative organization and approved its proposed delegation, which was composed exclusively of its own representatives and communicated by letter on 15 November. The other organizations proposed their own representatives as delegates, claiming their right to participate in ILO meetings. The Government stated that there was no rotation system for designating the Employers' delegation, and that in recent years FEDECAMARAS had presented itself as the organization that designated the Employers' delegation, despite the displeasure expressed by the other organizations, which were most representative and requested to have a rotation system. This fact notwithstanding, the Government appointed FEDECAMARAS to be the delegate, despite the absence of data that would have objectively accredited it as being the most representative organization. The Government then proceeded to accredit all technical advisers that had been nominated by each employer organization, for the sake of pluralism, democracy, equality, participation and inclusion. As for the allegations of financial support and favouritism, the Government indicated that it has established institutions and programmes to promote small and medium-sized enterprises, individual producers and cooperatives. The Government alleged that it was not acting with favouritism toward or interfering with any corporate organization and, in keeping with its neutral stance, stated that it favoured the inclusion and participation of all social actors, while incorporating sectors that were formerly excluded. Likewise, the Government contended that, in line with the 1922 Advisory Opinion of the Permanent Court of International Justice (PCIJ), several organizations may be considered the most representative in one country and that the ILO Constitution did not require that all organizations reach an agreement with the most representative organization nor that the latter be the only one represented. The Government stated that all designated delegates and advisers came from important and renowned organizations corresponding to core economic sectors. Regarding the payment of travel and subsistence expenses, the Government declared that it had fulfilled the obligation established in the *Rules for Regional Meetings* to pay for its tripartite delegation's travel and subsistence expenses. In accordance with its usual practice, the Government paid for the expenses incurred by the Workers' delegate and one of the advisers from each of the organizations.

17. *The Committee took note of the historical recognition of FEDECAMARAS as the most representative organization, a condition which is not questioned by the Government and which has been recognized by the ILO's supervisory bodies. Moreover, the Committee believes that it does not have objective information in order to determine whether the other organizations can be considered to be legitimate, independent and most representative, nor sufficient objective evidence to decide on the allegations concerning the non-representative nature of the challenged organizations.*
18. *The Committee recalls, as already stated by the Credentials Committee of the International Labour Conference that, in the absence of an agreement between organizations for the nomination of an Employers' delegation to be in accordance with article 1, paragraph 2, of the Rules for Regional Meetings, it is crucial that the Government establish and apply objective and verifiable criteria and adequate means to objectively determine the most representative nature of the organizations concerned. Likewise, the Committee recalls that the Government's application of the participatory democracy principle does not correspond to criteria for consultation drawn from principles established in the ILO Constitution. The root of the problem does not lie, as stated by the Government, in clarifying whether only one or more organizations can be considered to be the most representative, since this question was addressed by the PCIJ in its advisory opinion No. 1 in 1922, as recalled by the Credentials Committee at the last meeting of the Conference. Conversely, the issue is that there is currently no mechanism in place to assess representativeness.*

19. *The Committee regrets that the situation concerning the establishment and implementation of representativeness criteria has once again not materially changed with respect to prior years and that the Government has not approached the Office to discuss the possibility of receiving such technical assistance in that respect, as recommended on several occasions by the Credentials Committee of the Conference. Taking into account all of the above, the Committee once again recommends that the Government avail itself of the technical assistance that the Office may offer in order to advance in the establishment of objective and verifiable criteria for representativeness.*

### **Objection concerning the nomination of the Workers' delegation of the Bolivarian Republic of Venezuela**

20. The Committee received an objection concerning the nomination of the Workers' delegation of the Bolivarian Republic of Venezuela submitted by Mr Manuel Cova, Secretary-General of the Confederación de Trabajadores de Venezuela (CTV). Mr Cova alleged that, in breach of the ILO Constitution, the Rules for Regional Meetings, and prior committee conclusions, the Government had nominated the Workers' delegation without agreement by the CTV, the most representative trade union organization, and disregarding the request to nominate its Secretary-General as Workers' delegate formulated for the latter and for two additional confederations – Confederación de Sindicatos Autónomos (CODESA) and Confederación General de Trabajadores (CGT). Consultative meetings were held by the Government on 18 and 22 November 2010, in which the following workers' organizations participated: CODESA, CGT, the CTV, the Confederación Unitaria de Trabajadores de Venezuela (CUTV), and the Unión Nacional de Trabajadores (UNETE). No agreement was reached between the workers' organizations invited. In spite of this, and ignoring a CODESA request, the CGT and CTV nominated the delegate proposed by the CUTV and the UNETE. The Government, by letter of 1 December 2010, informed Mr Cova that he had been nominated as technical adviser. Mr Cova refused this designation by letter of 6 December. In a letter that same day, the Government stated that it was impossible to accept his resignation since the deadline for the submission of credentials had expired on 29 November 2010 and urged Mr Cova to reconsider his decision. The CTV, by letter of 7 December, rejected the Government's arguments, stating that notification of the designation itself had been executed after the aforementioned deadline had expired. Mr Cova also alleged before the Commission that the CTV had suggested institution of a rotation mechanism freely established by the trade unions, indicating that the Government had not taken this suggestion into account. The CTV requested invalidation of the Workers' delegate credentials.
21. In a written communication addressed to the Committee at its request, the Government stated, in response to the objection, that the UNETE, CGT, CODESA, CTV and CUTV were highly representative Venezuelan workers' organizations, a condition these organizations acknowledged reciprocally. The Government explained that the workers' organization process had been strengthened substantially in recent years and, in that context, 5,387 new workers' organizations had been registered between 1999 and 2010, compared to 2,872 organizations registered between 1989 and 1998. Over the last three years, 50 per cent of the new organizations registered had affiliated to the UNETE, while the remaining 50 per cent did not belong to any other national confederation (CUTV, CGT, CTV or CODESA). In addition, according to the Government, the three largest worker federations that together have a total 128,000 members are affiliated to the UNETE, which features 252 registered union organizations (federations and trade unions) as opposed to 122 affiliated to the CTV. The Government declared that consultative meetings had been held on 18, 22 and 24 November 2010 – the first two of which were attended by the five aforementioned organizations and the third attended by the CUTV and the UNETE. The five organizations reached no agreement regarding nomination of the Workers' delegate; while the CTV, the CODESA and the CGT selected Mr Cova, the CUTV and the UNETE

considered that a member of the UNETE should be nominated. The Government reported that a rotation system was in force between 2003 and 2007 and since it no longer applied, the Government had resorted to an inclusive dialogue method for election of delegations. Based on the data above, the Government determined that the UNETE was the majoritarian organization and appointed its representative as the Workers' delegate. Notwithstanding, in order to encourage inclusion of the other trade unions, the Government accredited all technical advisers requested by the same. The Government deposited its credentials for the delegation of Venezuela on 29 November 2010, the last day of the deadline for presentation of the same, notifying the members of the delegation regarding their nominations on 1 December. With regard to the rejection of Mr Cova, the Government reported that it had brought the nomination process and CTV resignations to the attention of the International Labour Office. However, with regard to a question by the Office as to whether this meant withdrawal of CTV credentials, the Government clarified that it was not making any change to the delegation, in virtue of its policy favouring greater inclusion and participation of all organizations and trusting that the CTV representatives would reconsider their position and participation as members of the Venezuelan delegation.

22. *The Committee observes that, as it has done in past meetings of the International Labour Conference, the CTV has filed an objection concerning the designation of the Workers' delegate and that once again the Government has accredited Mr Cova, despite the fact that Mr Cova refused this accreditation in writing. As for the Government's response given to Mr Cova, that it could not accede to his request because the refusal was received after the deadline for introducing credentials, it is unacceptable given that at a later time the Government had ample margin to modify the credentials and in fact turned down the opportunity to do so.*
23. *The Committee recalls that, in the absence of a rotation agreement, the existence and application of objective and verifiable criteria for determining the representativeness of trade organizations is critical when designating Workers' delegations. The Committee takes note of the fact that the Government chose the five organizations it considered to be most representative, and that the Government provided some information about the representativeness of those organizations. However, and bearing in mind the short duration of the Regional Meeting, the Committee observes that the information provided does not allow conclusions to be drawn about the combined representative force of the CUTV and the UNETE, as compared with the CGT, the CTV and the CODESA. In addition, the Committee does not have sufficient information to consider the allegations concerning representativeness presented by the CTV. Furthermore, the Committee recalls that the Rules for Regional Meetings do not provide for the consideration of requests for invalidation of credentials.*
24. *The Committee, expressing its concern over objections filed in regard to the Bolivarian Republic of Venezuela's Employers' and Workers' delegations, reiterates its recommendation that the Government avail itself of the technical assistance the Office can provide in this matter. The Committee regrets that, despite numerous recommendations the Government has received from the Credentials Committee, the Government has not availed itself of the advice that has been offered. The Committee hopes that the Government, with assistance from the Office, will ensure that the designation of the Workers' delegations to ILO Regional Meetings is conducted in agreement with the most representative industrial organizations in full compliance with article 1, paragraph 1, of the Rules for Regional Meetings.*



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## Communication concerning the Employers' delegation of the Republic of Panama

25. The Committee received from the National Council for Private Enterprise of Panama (CoNEP) a communication concerning the composition of the Employers' delegation. CoNEP complained that the tripartite national delegation was composed of three Government representatives, three Worker representatives and only one Employer representative, implying a disparity of representation prejudicial to the Employers' delegation. CoNEP indicated that it had initially received a communication from the Ministry of Labour and Social Development dated 18 October 2010 informing it that the Government had decided to participate in the Regional Meeting with a delegation composed of a Worker representative and an Employer representative, and requesting the employers to submit a shortlist of three candidates from which to choose the Employer representative who would attend the Meeting. CoNEP chose its representative from an internal shortlist of three in accordance with the indication in the Government's note that only one Employer representative was to be designated. By a ministerial resolution of 28 October 2010, the Government decided to choose three representatives from the worker sector, three Government representatives and only one representative from the employer sector. CoNEP states that, when questioned regarding this disparity, the Government alleged that the note had been badly drafted, and for this reason the employers' organization submitted a new list on 8 November 2010, increasing the Employer representation to three. This was not accepted by the Government
26. The Committee received a letter from the Employers' group supporting the CoNEP communication, recalling the importance of ensuring balanced representation in tripartite delegations accredited to Regional Meetings. The Employers' group expressed its regret regarding the lack of balance in the composition of the tripartite delegation of Panama, which was in its view prejudicial to tripartism, a guiding principle of the Organization.
27. In a written communication to the Committee, at its request, the Government of Panama indicated that after receiving the invitation from the ILO to be represented at the Regional Meeting by a tripartite delegation, the Ministry of Labour and Social Development had sent invitations to both the workers' and employers' organizations for them to submit the name of their participants for this tripartite event. The Government specified that, in CONATO's case, by virtue of article 1066 of the Labour Code, which was in force at the time of making the request, CONATO had been asked to send the shortlists of three for the choice of participants. The Government informed the Committee that this article, which was no longer in force, did not apply at that time to CoNEP, and that the organization was aware of this. The Government stated that both CONATO and CoNEP submitted the names of their delegates, and pointed out that the communication from CoNEP of 27 October 2010 contained no mention that the nomination had been made upon suggestion or adoption of any shortlist of three candidates. The Government stated that on receipt of the nominations of the social partners it had proceeded, without raising the least question, to appoint a national tripartite delegation to attend the Regional Meeting, in line with the indications received from the organizations concerned. The Government indicated that as was customary it had included in its delegation the Ambassador of Panama to the Government of the country hosting the Meeting. The Government stated that it had received a request from CoNEP to enlarge its representation, but that this had been received after the resolution designating the tripartite delegation had been finalized and published by the corresponding legal instances. The Government continued that as the budget for the current year had closed, it was impossible to obtain the resources to finance the other CoNEP members, and that its representatives had been duly informed of this. For these reasons, the Government regretted that, in consideration of the above facts, the composition of the Panamanian delegation to the Regional Meeting could not be balanced.

28. *The Committee observes that the communication from CoNEP cannot be considered an objection, as it does not call into question whether the Employers' delegation of Panama was nominated from the most representative professional organizations, nor can it be considered a complaint as it does not concern the payment of travel and subsistence expenses of the tripartite delegation.*
29. *The Committee, in view of the divergence in the information given by CoNEP and that from the Government, does not have sufficient elements to enable it to pronounce on CoNEP's allegations regarding the designation of the Employer representatives at the Regional Meeting. Likewise, the Government had not provided sufficient information to explain, in relation to the numeric limitations on the social partners' delegations, from one employer and one worker representative in its convocation letter to the possibility of including sectoral representatives as technical advisers. However, the Committee wishes to recall the general principle by virtue of which governments must send delegations which do not present a serious and manifest imbalance as between their three parts, so that they all have a comparable ability to actively participate in the work of Regional Meetings. This principle derives from the fundamental role of tripartism as the backbone of the ILO.*

### **Communication concerning incomplete delegations**

30. The Committee received two communications from the International Trade Union Confederation (ITUC) concerning the delegations of Bahamas and Belize. ITUC alleged that the Governments of Bahamas and Belize had not respected their obligation to designate complete tripartite delegations, pursuant to article 1, paragraph 1, of the Rules for Regional Meetings, in so far as they did not include workers and employers in their respective delegations.
31. *The Committee presented these communications to the Governments of interest, inviting them to comment if appropriate. No responses were received. The Committee wishes to recall the importance of designating complete delegations in order to safeguard the tripartite model, a fundamental pillar of the Organization, and in this regard refers to paragraph 32 below.*

\* \* \*

32. The Committee recalls that, by decision of the Governing Body adopted at its 183rd Session (June 1971) and modified at its 205th Session (March 1978), the Director-General is requested to carry out inquiries concerning the reasons for failure to send complete tripartite delegations, including to Regional Meetings, and to report to the Governing Body on the responses. The Committee wishes to encourage the Director-General to contact the Governments mentioned in paragraphs 7 and 11 above and to report to the Governing Body accordingly.
33. The Credentials Committee unanimously adopted this report, except for the conclusions related to the objection concerning the nomination of the Employers' delegation of the Bolivarian Republic of Venezuela which were adopted by majority with the abstention of the Chairperson of the Committee.
34. This report will be presented to the Meeting in order for the Meeting to request the Office to bring it to the attention of the Governing Body in conformity with article 9, paragraph 4, of the Rules for Regional Meetings.

Santiago de Chile, 16 December 2010

(Signed) Mr Nelson Loustaunau  
Chairperson

Mr Juan Mailhos

Mr Gabriel Del R o

## Annex A

### Accredited delegates and advisers (updated as of 2 p.m. on 16.12.2010)

	Government Delegates	Employers' Delegates	Workers' Delegates	Government Advisers	Employers' Advisers	Workers' Advisers
Antigua and Barbuda	1	1	1	-	-	-
Argentina	2	1	1	6	1	5
Bahamas	2	-	-	-	-	-
Barbados	2	1	1	-	-	-
Belize	2	-	-	-	-	-
Bolivia	2	1	1	-	-	2
Brazil	2	1	1	7	4	8
Canada	2	1	1	3	-	1
Chile	2	1	1	15	16	11
Colombia	2	1	1	3	-	7
Costa Rica	2	1	1	1	-	-
Cuba	-	-	-	-	-	-
Dominica	-	-	-	-	-	-
Dominican Republic	2	1	1	1	-	-
Ecuador	2	1	1	1	-	1
El Salvador	2	1	1	-	-	-
France	1	1	1	-	-	-
Grenada	-	-	-	-	-	-
Guatemala	1	-	-	-	-	-
Guyana	-	-	-	-	-	-
Haiti	-	-	-	-	-	-
Honduras	1	1	1	-	-	-
Jamaica	-	-	-	-	-	-
Mexico	2	-	1	5	-	2
Netherlands	-	-	-	-	-	-
Nicaragua	2	1	1	-	-	-
Panama	2	1	1	2	-	2
Paraguay	2	1	1	-	-	-
Peru	2	1	1	4	1	-
Saint Kitts and Nevis	-	-	-	-	-	-
Saint Lucia	-	-	-	-	-	-
Saint Vincent and the Grenadines	-	-	-	-	-	-
Suriname	2	1	1	-	-	-
Trinidad and Tobago	2	1	1	1	1	1
United Kingdom	-	-	-	-	-	-
United States	2	1	1	-	-	-
Uruguay	2	1	1	1	2	-
Venezuela (Bolivarian Rep.)	2	1	1	1	14	10
<b>Total</b>	<b>50</b>	<b>23</b>	<b>24</b>	<b>51</b>	<b>39</b>	<b>50</b>

## Annex B

Registered delegates and advisers  
(updated as of 2 p.m. on 16.12.2010)

	Government Delegates	Employers' Delegates	Workers' Delegates	Government Advisers	Employers' Advisers	Workers' Advisers
Antigua and Barbuda	1	1	1	-	-	-
Argentina	2	1	1	6	1	5
Bahamas	-	-	-	-	-	-
Barbados	2	1	1	-	-	-
Belize	2	-	-	-	-	-
Bolivia	1	1	-	-	-	2
Brazil	2	1	1	7	3	7
Canada	2	1	1	3	-	1
Chile	2	1	-	12	12	10
Colombia	2	-	1	3	-	5
Costa Rica	2	-	1	1	-	-
Cuba	-	-	-	-	-	-
Dominica	-	-	-	-	-	-
Dominican Republic	2	1	1	1	-	-
Ecuador	2	1	1	1	-	1
El Salvador	2	1	1	-	-	-
France	1	1	1	-	-	-
Grenada	-	-	-	-	-	-
Guatemala	1	-	-	-	-	-
Guyana	-	-	-	-	-	-
Haiti	-	-	-	-	-	-
Honduras	1	1	-	-	-	-
Jamaica	-	-	-	-	-	-
Mexico	2	-	1	3	-	2
Netherlands	-	-	-	-	-	-
Nicaragua	1	1	1	-	-	-
Panama	2	1	1	2	-	2
Paraguay	2	1	1	-	-	-
Peru	1	1	1	2	1	-
Saint Kitts and Nevis	-	-	-	-	-	-
Saint Lucia	-	-	-	-	-	-
Saint Vincent and the Grenadines	-	-	-	-	-	-
Suriname	2	-	1	-	-	-
Trinidad and Tobago	2	1	-	1	1	1
United Kingdom	-	-	-	-	-	-
United States	2	1	1	-	-	-
Uruguay	2	1	1	1	2	-
Venezuela (Bolivarian Rep.)	2	1	1	1	5	6
<b>Total</b>	<b>45</b>	<b>20</b>	<b>20</b>	<b>44</b>	<b>25</b>	<b>42</b>