



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



XIII INTER-AMERICAN CONFERENCE OF
MINISTERS OF LABOR
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Salvador, Bahia, Brazil

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SALVADOR PLAN OF ACTION

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1. We, the Ministers of Labor of the Americas, gathered in the city of Salvador, State of Bahia, Federal Republic of Brazil, on September 24, 25 and 26, 2003, on the occasion of the Thirteenth Conference of Ministers of Labor of the Organization of American States (OAS), commit ourselves to implement the following Plan of Action:

A. IMPLEMENTATION OF THE PLAN OF ACTION: ORGANIZATION

2. The Chair *Pro Tempore* of the Thirteenth Inter-American Conference of Ministers of Labor (Brazil) in collaboration with the former Chair (Canada) and the future Chair (Mexico), with the support of the Technical Secretariat of the OAS and in consultation with the representatives of the Trade Union Technical Advisory Council (COSATE), the Business Technical Advisory Committee on Labor Matters (CEATAL), and the Permanent Technical Committee on Labor Matters (COTPAL), will be responsible for promoting the implementation of the Plan of Action and for improving collaboration and cooperation with the social and labor forums constituted in the various trade liberalization and integration initiatives in the Americas, and with the relevant regional and international organizations, such as the Organization of American States (OAS), International Labor Organization (ILO), Economic Commission for Latin America and the Caribbean (ECLAC), Pan American Health Organization (PAHO), Inter-American Development Bank (IDB), Caribbean Development Bank (CDB), the Corporación Andina de Fomento (CAF), the Central American Bank of Economic Integration (CABEI), and the World Bank.

B. IMPLEMENTATION OF THE PLAN OF ACTION: RESOURCES

3. Member states should devote the available economic, technical, and logistical resources to implement the Plan of Action and to encourage the participation of COSATE and CEATAL. In addition, the Chair *Pro Tempore* will invite the relevant regional and international organizations to make voluntary contributions to support activities and projects included in this plan, and to facilitate the participation of said worker and employer organizations.

C. IMPLEMENTATION OF THE PLAN OF ACTION: WORKING GROUPS

4. Participation in the Working Groups will be open to all Member states, as well as COSATE and CEATAL. The Chair *Pro Tempore* will seek the means to ensure the active participation of all the member states and the social partners (i.e. the most representative employers' and workers' organizations) in the implementation of the Plan of Action.

WORKING GROUP 1: *LABOR DIMENSIONS OF THE SUMMIT OF THE AMERICAS PROCESS*

5. The Working Group will continue examining the topic of globalization in relation to employment and labor, to follow up on those issues that have been already identified as requiring major effort on behalf of the member states and intensifying collaboration and hemispheric cooperation in the search for better shared solutions, with strong emphasis on the integration of economic and social policies in the national, regional, and subregional spheres.

6. In particular, the Working Group will undertake the following activities:

- a) Based on the work accomplished by the XI and XII IACML on different regional agreements and institutions addressing labor standards in the context of integration, and the continued

- study of labor provisions in emerging free trade agreements, elaborate options emphasizing cooperation, to allow for a better implementation of labor commitments, laws and policies, including through an increase in the capacity of Labor Ministries;
- b) Conduct further enquiry into the effects of economic integration on labor markets and labor policy, the necessary methods for studying these topics and the means to enable Labor Ministries in smaller economies to undertake such analyses.
 - c) Develop the institutional means to structure coordination and collaboration to strengthen Labor Ministries' capacity to carry out their functions. To this end, commission a feasibility study, with recommendations to be brought forward for the consideration of the XIV IACML;
 - d) To analyze conditions for creating a mechanism to promote decent work and training to help reduce differences between regions and improve conditions for competitiveness in our countries.
 - e) Extend invitations to senior officials from relevant ministries, as appropriate, to attend the IACML seminars, workshops, and Working Group meetings when agenda items address topics of cross-cutting nature. Ministries of Trade and Ministries of Education were identified in this regard by the Working Group;
 - f) Continue to encourage the active participation of CEATAL, COSATE and key international organizations in the work of the Conference regarding the labor dimensions of the Summit of the Americas process; and
 - g) Convey the contents of this report to Trade Ministers in response to the request in their Quito Declaration of November 2002.
7. The Working Group will consider, as a basis for the development of its mission, the knowledge, results and recommendations that arose from the activities carried out by its predecessors, as well as studies and information that can contribute to the accomplishment of its objectives. In that regard, the group will be attentive, *inter alia*, to the work and recommendations that may arise from the ILO's World Commission on the Social Dimensions of Globalization. The Working Group will prepare a report containing recommendations for consideration at the XIV Conference. These activities will serve as a basis for the adoption of policies and programs intended to reduce or eliminate the decent work deficit in the countries of the Hemisphere.

WORKING GROUP 2: *BUILDING CAPACITIES OF LABOR MINISTRIES*

8. Working Group 2 will follow-up on the efforts of its predecessors in the development of new mechanisms to increase the capacity of the Ministries of Labor, with a particular focus on responding to the challenges of globalization and integration and free trade processes, as well as increasing the efficiency of the policies and actions directed to the promotion of decent work, the improvement of working conditions, and promotion of the labor principles embodied in the ILO Declaration on Fundamental Principles and Rights at Work. The central objective of this group is to develop tools to support ministries of labor -- structure, legal framework, functions, administration, interaction with the surrounding environment --- for the execution of an active role in the contemporary world and in the future. In this regard, we grant special importance to the continuation and deepening of the regional programs for development, strengthening and modernization of labor administrations, that the ILO, OAS and other organizations design and implement in the hemispheric area.

9. The Working Group should consider, in their activities, the input offered by its predecessors. The cooperation and collaboration among the Ministries of Labor, the OAS, ILO, ECLAC, PAHO, IDB, CDB, CAF, CABEI and the World Bank have a strategic significance for obtaining the desired effects, in particular, in developing the capacity of smaller economies and their institutions. As such, the Working Group will build on the work of its predecessors to achieve improved collaboration and coordination, especially in the following fields: by exploring the development of institutional means to structure their efforts to achieve these objectives, by continuing to exchange best practices, by maintaining an inventory of technical assistance and cooperation projects and resources and making it available to IACML members, and by identifying, on the basis of experience, the enabling conditions for sustainable strengthening of institutional capacity.
10. The Working Group should also give special attention to the Horizontal Cooperation Project in the area of Labor, being carried out by the Unit for Social Development and Education (UDSE) of the OAS, based on the critical transfer of consolidated programs and implemented in collaboration with the Inter-American Agency for Cooperation and Development (IACD) and other appropriate units of the OAS General Secretariat. Additionally, the Working Group should consider the results from the USDOL/ILO Project on "Labor Principles and Rights in the context of the XII IACML".
11. The Working Group, in coordination with the ILO, will work to ensure that IACML members are informed of best practices and available resources to raise public awareness of the ILO Declaration about Fundamental Principles and Rights of Work and its follow-up, to communicate and evaluate experiences in the various countries of the Americas with initiatives to eliminate child labor; and to develop within individual countries indicators of fundamental rights as an aspect of decent work, to provide benchmarks for reviewing progress, identifying best practices in those areas, and effectively targeting the resources required to achieve those objectives.

D. IMPLEMENTATION OF THE PLAN OF ACTION: ROLE OF THE MINISTRIES OF LABOR

I – AREAS OF ACTION

12. The Ministries of Labor can play an important role in the generation of opportunities for decent work, the promotion of productive employment, and improvement of working and living conditions, including:
 - a) the promotion of the elaboration, revision and updating of labor legislation, promotion of compliance with labor legislation, collective agreements, and international labor standards, particularly those identified in the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up;
 - b) the creation of decent work, integration of economic, social and labor policies for the creation and expansion of productive employment and income opportunities; integration of labor, education, culture, welfare, and leisure policies; management of public funds for sectors that are more sensitive to the investment-employment relationship, such as the micro and small enterprises, self-employment, cooperatives; employment programs aimed at vulnerable groups such as women, adolescents, persons with disabilities, ethnic minorities; programs for public credit, microfinance, etc;

- c) the existence of efficient social protection systems, monitoring of health and safety conditions in the workplace; stimulating the formalization of non-standard and unprotected work; expanding social security coverage; complying with programs to abolish child labor, sexual exploitation of children and adolescents, and forced and compulsory labor; developing programs to promote equitable treatment in employment and in the workplace;
- d) the promotion of social dialogue: creation and compliance with statutory provisions for strengthening free and autonomous organizations of employers, workers and other social actors; incentives for collective negotiation; institutionalization of spaces for social dialogue and the participation of civil society in decision-making on labor and development matters.

13. The functions and areas constitute the guidelines of the Plan of Action.

II – LEVELS OF ACTION

14. The role of the Ministries of Labor should be carried out at the national, regional and hemispheric levels, which complement one other:
- a) at the national level, as described in the previous section and other corollaries, comprising the actual and immediate environment for action for the governmental institutions;
 - b) at the subregional and regional levels comprising the actions that correspond to commitments or intentions resulting from agreements on the formation of free trade areas or integration projects;
 - c) at the hemispheric level, covering those actions derived from treaties and agreements of the Americas or identified with the architecture of shared and common projects;

E. IMPLEMENTATION OF THE PLAN OF ACTION: STUDIES, MEETINGS AND SEMINARS

15. By December 2003, the past, present and future Chair *pro tempore* and the Working Groups will jointly develop a calendar of events, in consultation with the Member states, COSATE and CEATAL, as well as the participating regional and international institutions.
16. The Working Groups will schedule three seminars on the theme of integration of the economic and social objectives into national, subregional and regional development policies, the processes of integration and free trade, as well as on the responses of Ministers of Labor to the challenges of promoting decent work in those contexts. These seminars will focus on aspects of this theme, for example, the formulation of a shared vision, the public management of integration, or the creation of institutional means for integration. The preferences, priorities, and interests of the countries and regions of the Hemisphere should be considered in the organization of these seminars.
17. The Working Groups will develop, with technical and financial support from regional and international institutions acting in the social and labor area, a comprehensive study on the topic of promotion of decent work, in its various dimensions, in subregional and regional integration and free trade processes. The study will take into account the social and labor aspects, including those of health and safety, of the subregional experiences of integration and should provide the Ministries of Labor with the theoretical and practical elements necessary for their affirmative participation in the process of negotiation and implementation of this enterprise.

18. The past, present and future IACML Chairs *pro tempore* will direct the development of a feasibility study, in consultation with the Chairs and Vice-Chairs of the two Working Groups, for an "Inter-American Cooperation Mechanism for Professional Labour Administration" with the objective of deepening international collaboration and coordination to modernize labour administrations and support the IACML in its mandate to strengthen the capacity of the Ministries of Labour in the Hemisphere. The study will be administered by the Unit for Social Development and Education of the OAS and will consider the experiences and the resources available within Member states and the regional and international organizations, especially the OAS and ILO that seek to support the strengthening of administrative capacity of the Ministries of Labor. The feasibility study will present a set of specific options and recommendation to the IACML Ministers by the end of July 2004. An interim progress report will be presented to the Working Groups during their first meetings. If member states conclude that the mechanism is feasible, the leadership of the IACML and of the Working Groups will propose measures for its implementation. The terms of reference for the feasibility study have been included as an appendix to this Plan of Action.
19. The Working Groups will evaluate the activities and the advances made by the Information System on Labor Markets (SISMEL) in the production, harmonization and dissemination of labor statistics and documents in Member states. Based on that evaluation, the Working Groups will decide, by December 31, 2003, on advisability of maintaining the SISMEL in its present format or of integrating it into other projects, considering the contribution that this system can offer for the improvement of national statistics, mainly in the smaller economies, and the production of comparable indicators on the labor market of the Hemisphere. In any of the hypotheses, the Ministries of Labor will have to designate the national coordinators of the SISMEL that will be in charge of the feeding and updating of the database and documents, as well as of their dissemination.
20. The Working Groups will consider the opportune means to develop the relationship between the Ministries of Labor and the government bodies with competence in the negotiations. In this regard, maximum efforts will be undertaken, within the framework of existing national and institutional competencies, to establish a comprehensive productive and regular dialogue with the Ministries of Trade, as well as with the Ministries of Education, Health, Social Development and the authorities that are charged with combating poverty, and other ministers involved in the negotiations of the FTAA, to consider the impact of the economic and commercial policies on the local and regional labor markets. In that respect, we note that the Ministers of Trade of the Hemisphere have declared, in the Ministerial Declaration of Quito, their interest in knowing the results of the activities of the Working Group relative to the Labor Dimensions of the Summit of the Americas Process.

F. IMPLEMENTATION OF THE PLAN OF ACTION: DIRECTIVES FOR THE FUNCTIONING OF THE WORKING GROUPS

Coordination

21. The Working Groups will meet at least twice before the XIV Inter-American Conference of Ministers of Labor, at dates and locations that will be determined by what is said in paragraph 15.
22. The Working Groups will be coordinated by the following Ministers of Labor, elected by this conference, who can perform the functions assigned directly, or through a representative:

WG 1: Minister of Labor of Argentina (Chair *pro tempore*) and Minister of Labor of the United States (Vice Chair);

WG 2: Minister of Labor of El Salvador (Chair *pro tempore*) and Minister of Labor of Canada (Vice Chair).

Methodology

23. The Plan of Action addresses a large number of complex themes reflecting the grave challenges before the Ministers of Labor in global economy. In contrast, most Ministries are faced with serious limitations to adequately perform their function. For this reason, it is indispensable that the Working Groups continue the efforts to improve their methods of work, in order to achieve synergies, maximize efficiencies and disseminate results.
24. The Working Groups should coordinate their work in view of the complimentary nature and interdependence of their plans. Ongoing communication and exchange of knowledge, experience, and results will provide reciprocal benefits.
25. It is fundamental that the Working Groups deepen the actions developed in the prior plans and find the means that will allow for internalization, in the various areas and levels of intervention, the initiatives and recommendations derived from those plans. Furthermore, they should develop systems for monitoring and evaluating the obtained effects in their areas of action.

**FEASIBILITY STUDY FOR AN
INTER-AMERICAN COOPERATION MECHANISM FOR
PROFESSIONAL LABOR ADMINISTRATION**

XIII INTER-AMERICAN CONFERENCE OF MINISTERS OF LABOR (IACML)

Feasibility Study for an Inter-American Cooperation Mechanism for Professional Labor Administration

A. BACKGROUND

In the Quebec Declaration of the Third Summit of the Americas, the Heads of State and Government established the following mandate:

“In order to advance our commitment to create greater employment opportunities, improve the skills of workers and improve working conditions throughout the Hemisphere, we recognize the need to address, in the relevant hemispheric and international fora, issues of globalization related to employment and labor. We instruct the Inter-American Conference of Ministers of Labor to continue their consideration of issues related to globalization which affect employment and labor.”

In the Plan of Action of the Third Summit of the Americas, the Heads of State and Government also established that, as regards labor and employment,

“direct Ministers to build upon the *Viña del Mar Declaration* which focused on the social dimensions of globalization and the modernization of Labor Ministries”, “create a process for improved collaboration and coordination on the labor dimensions of the Summit of the Americas process” and “develop new mechanisms to increase the effectiveness of projects and other technical assistance designed to build the capacity of smaller economies and their institutions”.

In turn, the Hemisphere’s Ministers of Labor reiterated these mandates in the Ottawa Declaration of the XII Inter-American Conference of Ministers of Labor.

B. NEED FOR AN INTER-AMERICAN COOPERATION MECHANISM FOR PROFESSIONAL LABOR ADMINISTRATION

Following up on the mandates set down by Heads of States at the Third Summit of the Americas, in the Ottawa Action Plan of the XII IACML, Ministers undertook to: (1) strengthen the capacity of ministries of labor to develop and implement labor and labor market policies; (2) develop new mechanisms to increase the effectiveness of projects and other technical assistance to build the capacity of labor ministries of smaller economies; and (3) create a process for improved collaboration and coordination with key international institutions within the Americas that have a critical role to play in the improvement of labor conditions;

Labor administration plays a vital role in the more integrated and technologically advanced economy, to which the Americas are looking forward;

Ministries of Labor have a vital and multi-faceted role in providing the necessary foundations to achieve the broad goals of the Summit of the Americas:

- Promoting and protecting the basic principles and rights of workers, as embodied in the ILO Declaration on Fundamental Principles and Rights at Work;
- Preparing workers to succeed in a dynamic integrated economy by providing them with the requisite skills;

- Improving the functioning of labor markets and promoting employment growth by providing workers with training during unemployment and access to employment services to assist in the transition to new employment;

(Not all labor ministries have sufficient resources to provide workers with increased economic security during unemployment. For example, Mexico has training programs and certain grants for unemployed workers, but does not have unemployment insurance.)

- Fostering the comprehensive development of individuals and the productive potential of workplaces;
- Deepening the understanding of the labor impacts of integration, including through social dialogue; and
- Participating actively in key economic and social policy debates;

Meeting these challenges calls for modernized, professional labor policy making, connectivity, and advanced information, management, social dialogue, alternative dispute resolution, and compliance systems;

Many labor ministries, particularly in the smaller economies, would benefit from capacity strengthening towards these ends;

Technical assistance and horizontal cooperation have a key role to play in strengthening the capacity of labor ministries;

There is a need for further and sustained collaboration and coordination with respect to building the capacity of labor ministries, among governments, social partners and key international organizations in the Hemisphere, building on and complementing existing programs and initiatives such as those of the International Labor Organization, the Organization of American States, and the Inter-American Development Bank;

In particular there is a need to coordinate the information and expertise required for effective horizontal cooperation programs, to situate such programs within overall capacity strengthening strategies likely to yield sustainable results, and for analysis that supports continuous improvement of capacity strengthening initiatives;

C. TERMS OF REFERENCE

1. Purpose

The study will examine feasibility of options for establishing a mechanism, under the auspices of the IACML, designed to serve the following purposes:

MODERNIZATION OF LABOR ADMINISTRATION

Efforts in support of this may include:

- developing and strengthening of a cadre of trained career professionals at the operational (including inspection), policy analysis and administrative levels, and within the mandate of labor ministries at the level of labor adjudication;

- classifying and disseminating information on good practices;
- incorporating modern information technologies to strengthen efficiency in operations and quality of policy analysis;
- modernizing and improving labor ministries as service providers: developing human capital; promoting employment growth; and facilitating the efficient operation of labor markets;
- increasing the effectiveness of strategies;
- implementing management systems to ensure accountability and continuous improvement.

GREATER INTERNATIONAL COLLABORATION AND COORDINATION

Efforts in support of this may include:

- providing a single window through which information on available resources and best practices can be accessed, based on the classification of best practices in specific areas of cooperation;
- identifying and registering cooperation projects undertaken in the region among countries and groups of countries;
- matching needs with horizontal cooperation resources including experienced professionals and experts;
- supporting the development by national governments of comprehensive capacity strengthening programs drawing upon horizontal cooperation and the assistance of relevant international organizations;
- identifying institutional sources of financing to extend existing cooperation projects to other countries and groups of countries;
- researching, analyzing and disseminating information on successful approaches achieving sustainable results;
- identifying unmet needs;
- providing a training ground for young labor professionals.

2. Scope

The study will take into account the needs of OAS member states identified in the work of IACML Working Groups, and other relevant sources including the ILO, ways to maximize the use of communications technologies, available complementary resources, networking possibilities and strategic counterparts in academia within the Hemisphere.

3. Objectives

To deliver a series of specific options and recommendations to guide the Inter-American Conference of Ministers of Labor in the possible implementation of a cooperative mechanism with respect to the following matters:

i) Role

The mechanism should constitute a resource available on request to governments in the Americas to improve the state of labor administration, and to support the IACML in its mandate to strengthen the capacity of labor ministries in the Hemisphere, by furthering the ability of governments and the Conference to achieve the purposes identified in paragraph 1 above.

The mechanism should seek to build upon and complement the resources made available by key international organizations, particularly those of the International Labor Organization, and the

Organization of American States, including the OAS SISMEML project. It should avoid duplication of operations.

The study will explore possible functions, including but not limited to:

- *Coordination of International Cooperation*
 - creating a pool and managing a network of experienced professional labor administrators available to provide expert assistance to labor ministries, matching needs with available resources;
 - building a system of best practices in labor issues in the Hemisphere's countries, allowing IACML members permanent access through the internet and other means;
 - identifying and registering cooperation projects undertaken in the region among countries and groups of countries, with a view to increasing the effectiveness and regional reach of cooperation;
 - establishing coordination mechanisms with key international institutions in the Americas for the purpose of compiling data and/or links to information on best practices, resources for international cooperation, and needs assessments;
 - working with the Institute for Connectivity in the Americas to develop internet-based solutions;
 - partnering with SISMEML to promote the modernization of labor and labor market information systems;
 - directly assisting IACML member governments in devising comprehensive and sustainable action plans for capacity strengthening, employing the above resources and drawing upon the International Labor Organization and other agencies with appropriate expertise; and in accessing funding sources to support such plans;
- *Analysis*
 - creating a permanent forum for analysis, reflection and exchange of information through the internet;
 - providing periodic experienced-based analyses of conditions for sustainability and effectiveness of programming;
 - developing strategies and new approaches to address unmet needs and achieve sustainable results furthering the aims of the IACML.
- *Training*
 - providing labor ministries with a learning ground to train officials and junior staff.

The member states wish to note that the ILO is the appropriate international organization with the exclusive mandate to set international labor standards and to supervise their application through its tripartite supervisory bodies.

ii) Possible Partners

The study will identify organizations at the national and international level that could act as partners in achieving the purposes described in paragraph 1 (including multilateral organizations, universities, and non-governmental organizations whose purpose is educational or that can provide technical expertise).

iii) Financing

The study will identify resource implications of options presented, including potential sources of funding, suggestions for cost-effectiveness and resource cooperation.

iv) Organization and Accountability

The study will examine how any proposed mechanism could be directed most effectively and efficiently while ensuring that the interests of all stakeholders are considered. The study will consider, among other things: how to ensure that any organization or institution, if such is proposed, would be accountable through direct reporting to the IACML; and modalities for a general supervisory structure composed of a permanent, non-remunerated directive committee which should include the troika of past, present and future chairs pro tempore of the IACML, and should also consider the role of representatives of member states, COSATE and CEATAL, key international organizations, and funding organizations.

v) Administration

In the event that an institutional mechanism is proposed, the study will consider how it could be administered including where it should be hosted, human resource implications, anticipated administrative needs (e.g. office supplies, websites, translation services), and implications of the OAS language policy with respect to the collection and dissemination of materials. This may include recommendations for an administrative structure such as a liaison bureau, secretariat or other appropriate model. To keep costs at a minimum, the extensive use of information and communications technology will be considered, as will the possibility that each member State may designate a national administrator to operate through the internet.

vi) Networking

The study will examine the role of any mechanism as a networking focus for labor administration expertise in the Americas and sharing of best practices. The study should also consider the establishment of a virtual mechanism linking labor ministries among themselves as well as to universities, international organizations and other sources of technical expertise in labor administration, on-line training and capacity-building information.

4. Leadership of the Study

The study will be directed by the past, present and future chairs pro tempore of the IACML. It will be administered by the Unit for Social Development and Education of the OAS, drawing upon recognized experts as appropriate.

The study will be produced in consultation with the leadership of the Working Groups, established in the Action Plan of the XIII IACML, as well as with COSATE and CEATAL. The study will provide for an interim report on progress to the first meetings of the Working Groups.

5. Financing

Financing for the study will be provided as follows:

- The Labor Program of the Department of Human Resources Development Canada will provide support in an amount to be determined.
- An amount to be determined in accordance with the resolution adopted by this conference will be allocated from the OAS Summit of the Americas Reserve Sub-Fund, subject to any necessary approvals.

(Other contributors and amounts will be identified as appropriate.)

6. Timing

- ? Submission of outline. February 7, 2004
- ? Submission of preliminary draft
to chairs pro tempore and the OAS April 30, 2004
- ? Meeting of expert consultants with Working
Group leadership and report to Working
Group members First Working Group meetings
- ? Submission of final draft to IACML Ministers
for approval June 30, 2004