

Employers' views on an ILO Agenda for the Hemisphere May 2006, Brasilia, Brazil

This document provides the Employers' views on the proposal of the ILO Office to promote a **Hemispheric Agenda to promote Decent Work**. The document is composed of two main parts, the first one indicates the values and principles the Employers consider essential to social and economic development; and second, the specific priorities and concerns with regards to the ILO proposal for a Hemisphere Agenda to promote Decent Work.

In this context, it is important to recall that the most representative employer organizations of the region have been closely collaborating with the Organization of American States (OAS) through the Business Technical Advisory Committee on Labor Matters, (CEATAL).

CEATAL has acknowledged the role of the OAS in the labor context of the Americas, in particular with regard to decision-making, coordination and implementation of the initiatives approved by the OAS. However, it must be underlined that the contribution made by the International Labour Organization (ILO) with regards to the analysis of the socio-labour dimension of integration processes in the Americas, as well as to all the objectives established by the decisions of the Inter-American Conference of Ministers of Labour.

The ILO, with its unique tripartite structure of governments (who have a major interest in employment and in developing and implementing appropriate policies), employers (who, given the right conditions, provide the jobs), and workers (who are direct beneficiaries of job growth) can play an important role in framing and adopting policies that promote job growth. Employment generation is one of the strategic objectives of the ILO. The tripartite character of the ILO should enable it to develop and promote policies which can be agreed among governments, employers and workers, and which are therefore easier to implement than policies developed by government alone, without participation by employers and workers.

The ILO is the only international organization with the mandate to seek to improve worldwide working conditions through standard-setting, technical cooperation, dialogue and dissemination of experiences and examples. As one of the ILO's tripartite constituents, employers' organizations in the region have contributed actively to these efforts, including through support for its tripartite supervisory machinery.

Cooperation between the OAS and the ILO should be strengthened to ensure that consensus with respect to employment creation, rights at work and social protection reached by social partners at the regional and/or international level are duly taken into account in the American integration process. In this regard, duplication of ILO functions should be avoided at a regional level, through the possible creation of another organization with the same objectives, as it would not be making optimal use of time and resources, and could create confusion.

I. VALUES AND PRINCIPLES ESSENTIAL TO SOCIAL AND ECONOMIC DEVELOPMENT

1. The challenge facing the American region is to grow with employment. This requires considerable improvement of the physical and social structure, fostering productivity to achieve competitiveness and, as a logical consequence, income distribution that guarantees social cohesion, creates the necessary conditions to achieve a balance between production and labor leading to true sustainable development within a regional and global integration framework.
2. To achieve this, the strengthening of democracy and respect of ethical principles and values, economic growth, education, employment and integration are essential to meet the needs throughout the region. Political instability, corruption, a decline both in economic growth and competitiveness, unemployment and a mismatch between education and the needs of the labour market are responsible for the swings from times of economic prosperity to long periods of economic depression and social crisis.
3. As employers, we uphold that the free initiative model can only exist where there is political freedom and a sound institutional framework. Good governance, transparency and governmental management that encourage domestic savings and investments are essential factors that can boost economic growth and, with it, will shorten the path to well-being and progress.
4. The result from appropriate policies is what makes and will make globalization sustainable. Otherwise, globalization would be merely a fact instead of a real process. Therefore, evaluating its impact requires certain hypotheses and calculations. Of priority is the question of values. There can be no free economy, no international society without values. What are these values? Solidarity, equality, justice and respect for the law are unquestionably the real starting points for addressing each of the other claims at both the international and national level.
5. Another key issue is the presence and role of the State. In this respect, some discussions are futile because it is inconceivable to have either a lack of State or a total State. The State must be present because no organized society or balanced international relations can exist without a State that guarantees respect of the law and places the welfare of the people before that of the individual, while at the same time guaranteeing respect for individual rights.
6. This implies an analysis at two levels: at the global institutional level and at the regional (or local) institutional level. There can be no talk of global institutions if there is not a solid structure at the national level - a precondition of which is legal security and respect for the law that makes investment and technological development possible, in addition to fair and transparent regulations for free trade (since there can be no "free trade" without "fair trading rules"). Obviously, their provisions will vary depending on the circumstances but, with these principles and values in mind, it is essential to give priority to the following:
 - ✓ Respect for human dignity, justice, equality and solidarity, in order to adjust to the new realities;

- ✓ An institutional framework that permits global governance;
 - ✓ State presence (an adequate physical and social infrastructure to encourage private investment and growth with employment);
 - ✓ The co-existence of not only international but also local and regional policies that encourage a more inclusive process (local governance);
 - ✓ Investment, technology and fair trading rules;
 - ✓ Acknowledgement there is no unique sustainable growth formula or exclusive viability model for an integration process (no "one-size-fits-all" response).
7. Globalization takes place in the market but it does not end there: freedom to undertake must be exercised responsibly. This is the root of good governance within the enterprise ("Corporate Governance"). In today's global economy, business can play its relevant role in society, provided it acts in a responsible way.
8. For this to be possible, there must be recognition of the "10 fundamental pillars" sustaining enterprise development and the creation of a favorable investment climate, namely:
- i. Democracy and the Rule of Law (supremacy of the law and division of powers);
 - ii. Reasonable fiscal schemes and an efficient administration of public expenditure;
 - iii. Investment policies, access to technology, encouragement of private initiative and enterprise development;
 - iv. Clear and investment-friendly regulatory frameworks, particularly in relation to small and medium sized enterprises;
 - v. Respect of fundamental human rights, particularly those relating to labour: Freedom of association and recognition of the right to bargain collectively; No discrimination; No forced labor; and the elimination of the worst forms of child labor.
 - vi. Protection of property rights;
 - vii. Employment creation as the basis of sustainable development;
 - viii. Efficient social security nets that do not impair competitiveness;
 - ix. An inclusive and modern education and vocational training system;
 - x. Social dialogue.

II. SPECIFIC BUSINESS PRIORITIES AND CONCERNS WITH REGARDS TO THE ILO PROPOSAL FOR A HEMISPHERE AGENDA TO PROMOTE DECENT WORK

As a priority, the DWA should:

Involve and strengthen social partners. In line with the 2002 Resolution concerning Tripartism and Social Dialogue, adopted by the International Labour Conference, any action taken by the ILO to implement the DWA should strengthen tripartism and social dialogue. This would also be in line with the ILO Strategic Objective on this matter. This constitutes the ILO unique comparative advantage and is therefore an essential element in achieving the Decent Work Agenda. This should be viewed as the core policy and operational framework underpinning the Decent Work Country Programmes. The DWA should promote policies at the national level to encourage the participation of employers' and workers' organizations in the process of designing and implementing social and labor policies. This would require a minimum floor of capacities of labour administrations and social partners to produce acceptable and measurable levels of impact of ILO technical cooperation programmes. That is why it is so important for the DWA to primarily focus on strengthening the capacities of social partners and labour administrations at national level.

Recognize the important role of private enterprises in society. The DWA should acknowledge the positive contribution of private enterprises in social development and economic growth. This implies also expressly recognizing the importance of respect of private property rights and the promotion of a free market economy.

Creation and sustainable development of enterprises. One of the main challenges for the region is poverty reduction and finding an appropriate response to the formalization of the informal economy. This challenges should be addressed through economic growth and social and labor polices that give priority to the establishment of an enabling business environment. Therefore, the establishment of such environment should be at the top of any ILO agenda. The World Bank's Report on Doing Business should be a reference for the DWA.

Place strong emphasis on the creation of productive and sustainable employment. The DWA should place strong emphasis on issues concerning the creation of productive and sustainable employment. In particular, youth employment and the promotion of SMEs. Concerning youth employment, focus should be placed on better education (connection between schools and labor market requirements), improved employment services, and the promotion of entrepreneurship. With regards to SMEs, focus should be placed on promoting policies to create an enabling environment for the creation, development, sustainability and success of SMEs.

Seek to enhance productivity in the workplace. One of the main objectives of the DWA should be to significantly improve the competitiveness not only of national economies, but also of national enterprises. Therefore, the DWA should focus ILO efforts and resources towards enhancing productivity in the workplace, not only through a rights-based approach, but rather through the employability of individuals through education and professional training. One possibility could be to propose tax incentives for enterprises that invest in professional training.

Pursue its objectives through the ILO National Decent Work Country Programs. The DWA should use as its main vehicle to deliver its objectives the "National Decent Work Country Programs, in which the strengthening of social partners as well as the national labor administrations should be a key element. This will ensure that policies being proposed by the ILO are sustainable in the long term and more importantly adjusted to national needs and circumstances.

Encompass all the Americas. The DWA should be a proposal for the whole continent and not only for Latin-America. The DWA should ensure that the proposals being put forward also address the Caribbean needs and requirements for the achievement of social and labor development goals.

Focus on the promotion of Fundamental Principles at Work. Concerning fundamental principles and rights at work, the DWA should address the most serious shortcomings in the fulfillment of these principles, i.e. worst forms of child labor. Sufficient resources should be directed to tackle those problems through consultation with national social partners.

Maintain the ILO’s mandate focused in the world of work. The DWA should be compatible with the more general goals of poverty reduction and promotion of democracy throughout the continent. However, it should not lose sight of the ILO’s core mandate: the World of Work.

Respect and be based on the consensus and agreements reached during ILC discussions. For example, regarding social security, the DWA should allow for social security systems to be sufficiently flexibility. In terms of gender equality issues, the Social Security (Minimum Standards) Convention, 1952 (No. 102), is considered to be outdated as it is based on the male breadwinner/female homemaker model which does not take adequate account of women’s labor market participation. Such a model no longer provides an efficient basis for the distribution of benefits.

Set realistic goals. Proposals and goals set by the DWA should be realistic and based on available resources to avoid creating false expectations that, if not achieved, could hamper the credibility of the ILO.

The DWA should not:

Promote an international definition of Decent Work nor suggest the establishment of Decent Work indicators. The concept of Decent Work cannot be defined at the international level. To the extent that any tangible aspect of decent work can be identified, this is only through labor statistics at national level. The DWA could promote carrying out case studies to apply lessons learned in one context to other contexts. It is important to ensure that such an exercise does not slip into the development of indicators for decent work that would make value judgments to compare the performance of one country against another.

Mislead the general public regarding the ILO core conventions. “Decent Work” does not equals to ratifying all ILO conventions, but rather promoting -at national level- the application of those ILO conventions that a given ILO member state has ratified, within the specificities and particularities of its own national circumstances. When referring to the ILO fundamental conventions, the DWA should refrain from making reference to other ILO conventions which have not been qualified by the Governing Body as such, i.e C.169. The DWA should not promote the ratification of Conventions that have been deemed to contain outdated provisions. For example, when addressing the issue of migrant workers, the new Multilateral Non-binding Framework for International Labour Migration should be the point of reference, not C. 97 and 143 which the Committee of Experts in 1999 have already indicated contain legal lacunae and outdated provisions.

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