



FIFTH ITEM ON THE AGENDA

**Report and conclusions of the
Fifteenth American Regional Meeting
(Lima, 10-13 December 2002)****Contents**

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Introduction

1. The Fifteenth American Regional Meeting of the ILO was held in Lima, Peru, from 10 to 13 December 2002.
2. The Meeting was attended by 159 delegates and advisers from 22 countries. They included 76 Government representatives, including 14 Ministers, 37 Employer representatives and 46 Worker representatives. The Meeting was also attended by representatives of international organizations, intergovernmental and non-governmental organizations.
3. The Meeting unanimously elected Mr. Fernando Villarán de la Puente, Minister of Labour and Social Mobility of Peru, as Chairperson, and Ms. Noemí Rial, Secretary of State for Labour of Argentina, Mr. Bingen de Arbeloa (Employer, Venezuela) and Mr. Leroy Trotman (Worker, Barbados) as Vice-Chairpersons.
4. Before opening the discussion, the Director-General of the ILO, Mr. Juan Somavia, welcomed Mr. Alejandro Toledo, President of the Republic of Peru, to the Fifteenth American Regional Meeting, which was honoured by his presence, in particular because it represented a coming together of Peruvian society with democracy and freedom. The issues that President Toledo presented to the world were growth, labour, equity and integration; not easy issues but ones that were being tackled with the firm determination to confront them.
5. President Toledo welcomed the delegates and pointed out the common concern of Peru and the ILO with the challenge facing the continent: to create decent and productive work in order to eliminate poverty. Investment was required to create employment, particularly productive investment, because that created work, income and consumption. The problem was that the challenge was taking place in a difficult world economic context. Latin America was facing a dilemma: following the failure of the import-substitution policy and 30 years of consecutive structural adjustments to the economies of the Americas, people were still asking where their jobs were.
6. The difficult times had led to a split between Wall Street and ordinary people. The latter were still asking where their jobs were and where were the incomes that guaranteed them a decent living. Poverty had not decreased, living conditions had not improved and the challenge was how to manage the economy responsibly without falling into easy populism, and therefore into fiscal deficits and hyperinflation.
7. He emphasized that the challenge was how to manage the economy with a social approach. How might more and better jobs be created and what could be achieved with what the Peruvians had pledged with the ILO: that employers might have clear standards and legal and political stability in order to be able to invest and that workers might have full guarantees that their labour rights would be respected.
8. In the framework of the ILO, workers, employers and States had together developed the art of social dialogue and the search for consensus, which were to be seen in the implementation of the National Labour Council and the National Agreement with its 29 state policies and its four objectives: democracy and the rule of law, equity and social justice, competitiveness at the country level and an efficient, transparent and decentralized State.
9. President Toledo pointed out that poverty could only be confronted through decent and productive work, investments in health and education and justice for the poor. Countries had only one enemy: poverty.

- 10.** One way of creating decent and productive work was through international trade. Now was the time to build a fairer two-way trade highway. However, the issue of work was not purely economic; it was not just an issue of wages and production but one of dignity and self-esteem. Work was a right and it was necessary to fight for that right. He declared that he shared much of the philosophy of the ILO, an organization that provided a good counterbalance to Wall Street. Together they would be able to resolve the dilemma of the split between Wall Street and ordinary people.
- 11.** The Director-General of the ILO said that the President of Peru had defined the direction that the Meeting would take, presenting in clear and simple terms the key priority issues for the ILO.
- 12.** He reviewed the commitments made at the Fourteenth American Regional Meeting. One of the first commitments was to promote the ratification of the Worst Forms of Child Labour Convention, 1999 (No. 182). To date, almost all countries in the region had ratified that Convention, and he invited those countries now to undertake concrete action. He asked each country to make that commitment during the Fifteenth Meeting and to set a deadline for the elimination of the worst forms of child labour, making the Americas a region free of child labour.
- 13.** Another commitment was the acceptance of international tripartite responsibility to tackle the social dimension of globalization through dialogue. The World Commission on the Social Dimension of Globalization, established by the ILO, was working assiduously in the region. ILO support to the Inter-American Conference of Ministers of Labour had increased; the signing of the Ottawa Declaration in Canada had been an important step for the development of the social dimension of inter-American cooperation.
- 14.** The third commitment to promote decent work in the region had put the ILO in touch with the great ambition of society. National programmes that included the creation of decent work as a goal in growth and investment policies were being supported.
- 15.** However, many countries were facing difficult times. There was a feeling of popular dissatisfaction in the region, with a sense of frustration with globalization. Some 93 million workers had low-quality jobs or were without jobs and without social protection. The business world also had its uncertainties. Small and medium-sized enterprises were facing great difficulties, and fluctuation in the markets and lack of fair trade were giving rise to major problems. That insecurity was undermining the credibility and acceptance of the globalization process. The average urban unemployment rate was 9.2 per cent in the first three quarters of 2002, the highest since reliable statistics first became available 22 years ago. Unemployment was now even greater than during previous periods of widespread recession. This measure of the performance of economies was based on indicators from the world of work. The ILO's mission was to respond to what people felt about economic conditions that affected workers and their families. It was necessary to give the globalization process a social dimension with opportunities for decent work and through respect for democratic freedoms, individual and collective rights and fundamental labour rights.
- 16.** Mr. Somavia stated that it was necessary to consolidate and expand the positive aspects of globalization, but also that courage was needed to change the process in order to have a different form of globalization, one capable of dissipating uncertainty, increasing fairness and boosting growth; one that would encourage solidarity and prevent exclusion or marginalization.
- 17.** There were positive factors contributing to carrying out that task, such as attitudes of confronting adversity decisively and using the crisis as a new opportunity for growth and

improvement. Democracy existed, and States were prepared to respect human and labour rights. Democratic clauses included in regional agreements were collective safeguards against dictatorships. However, democracy was at risk if there were no equal opportunities and no tangible results. According to a regional survey conducted by *Latino Barómetro*, support for democracy in Latin America had fallen from 61 per cent in 1996 to 56 per cent in 2002.

18. The region had achieved basic consensus, with the principle stakeholders aiming to maintain fundamental macroeconomic stability. Governments had controlled their fiscal deficits. A growing entrepreneurial capacity was being developed, progress was being made in efforts to increase labour productivity, and the employment and income gap between women and men was narrowing, although the desired level of gender equality was still far from being achieved.
19. However, economic policies were credible and socially legitimate only if they contributed positively to equity and innovation: by promoting both competitiveness and productivity on the one hand and human security and social justice on the other. It was fundamental to understand that beyond the major aspect of macroeconomic equilibrium there was the institutional equilibrium between State, market and society. That would be the modern-day challenge: to integrate economic and social policies in conditions of democracy and participation.
20. In the light of that prospect, greater work opportunities needed first to be created, becoming the central axis for all national and international policies. For this, a positive solution was needed that would allow more and better jobs to be created through more and better enterprises.
21. Second, there must be intensive and sustained growth to allow job creation. The region must grow by an average of at least 4 per cent per year to avoid increasing unemployment and loss of social protection, and by approximately 6 per cent in order to reduce them in the future.
22. Third, there was a need for sound macroeconomic policies that gave priority to increasing demand. The international financial bodies must understand this need and cooperate in making it reality.
23. Fourth, greater importance had to be given to the microeconomics, as economic policy was not limited just to the macro level. It was therefore necessary to promote technological innovation, access to credit, better training, new systems of management and especially the development of harmonious labour relations that involved employers and the workers in the enterprise's success.
24. Fifth, the right balance must be achieved between the global and local levels, paying the necessary attention to urban and rural medium-sized, small and micro-enterprises which generated the majority of new jobs. The informal economy contained unexplored productive and employment-generating possibilities.
25. Sixth, and lastly, inevitable adjustment costs associated with the crisis should be met. The social protection networks in place were insufficient for this purpose and their creation and expansion should go hand in hand with the creation of new jobs.
26. The Director-General indicated that the proposals were not universal; each country should opt for the path it wanted to take, but the shared objective of the ILO's four strategic objectives, as a foundation of decent work, should help to specify which policies to adopt. In this connection, the ILO itself was assuming a number of very important

responsibilities: (i) to contribute to shaping the new direction to be taken by globalization and promoting social dialogue and tripartism as a more efficient way of gearing the globalization process to benefit workers, families and society; and (ii) to make constituents' views known to the bodies responsible for economic policy decisions.

27. The Director-General advocated that those present at the Meeting should commit themselves to concluding national agreements in order to tackle in a unified manner, as nations, and also at the enterprise level, the challenges inherent in the need to make the process of globalization an equitable one. Stable agreements on basic issues of economic and global coexistence were imperative. Unity was crucial to globalization. The role of national States in the dynamics of international life should be strengthened in order to promote the well-being of the poorest and most vulnerable and to defend national interests around the world. Likewise, it was essential to strengthen social dialogue for the sake of national unity, in order to build democracies to ensure that men and women in Latin America and the Caribbean were part of the globalization process.
28. Tripartism was facing that challenge and needed to harness its creative energy to influence the external factors that had an impact on developments. The national divisions and lack of regional unity that led to international dependence needed to be addressed.
29. The Chairperson then proceeded with the appointment of the members of the Credentials Committee and the Conclusions Committee.

I. General discussion

30. Mr. Alfredo Morales, Minister of Labour and Social Security of the Republic of Cuba, referring to the Report of the Director-General of the ILO, indicated that rather than being an account of events since the Fourteenth American Regional Meeting, it constituted a call for reflection and awareness of the crucial issues that had aggravated the situation for the various social groups in their countries. From the Report he concluded, most importantly, the failure of the neoliberal model; he described the process of globalization as irreversible, unjust and cruel as an economic order, and considered that, instead of solving problems, it added to them, making the rich richer and the poor even poorer. Free trade that did not take into account the imbalances of markets and levels of development did not provide solutions to either economic or social problems.
31. He referred to the consequences of the embargo imposed on his country and described some of the resulting damage. He said that isolation had not prevented the global crisis from affecting his country and noted that, despite the reduction in resources, much could still be done.
32. The Chairperson of the Employers' group, Mr. Daniel Funes de Rioja, highlighted social dialogue, both as the philosophical basis of the ILO and as a mechanism for reflection and for analysing and proposing economic issues. He suggested that in order to build a Latin America that was integrated, free and democratic within a competitive economic system, and to make viable a common objective of sustainable development, the current difficulties should be seen as a challenge.
33. The various disasters of different types that had affected and were still affecting the region should not lead to an abandonment of principles. He endorsed democratic ideals and the rejection of protectionist measures that delayed the development of peoples in the region. Globalization and integration constituted a real possibility for the growth of countries, as long as they were based on equity and mutual respect and were free from discrimination. He linked the generation of conditions for the creation of enterprises, employment and

competitiveness to the implementation of the principles inherent in good governance at the national level and also at the global level. He proposed respect between nations and equity in the rules and promotion of sustainable development as the supreme objective of the process to combat any form of terrorism or threats to life, liberty of expression and ownership.

- 34.** Despite its diversity, the Americas had a common belief in freedom and developed countries and emerging economies lived side by side in the region. Globalization should combine freedom with growth, growth with the creation of enterprises and employment with social development for all. He emphasized that the severity of some crises could compromise genuine democracy, that where there was divergence the employers would make proposals, and that the discussion should help to identify the means and envisage the actions that would make it possible to achieve peace, justice and respect for fundamental rights, in a context of investment for sustained progress.
- 35.** Mr. Carlos Rodríguez, Chairperson of the Workers' group, congratulated the Minister of Labour of Peru on his election as Chairperson of the Meeting, and also the Director-General on the Report he had submitted as a basis for discussion. He said that the Meeting was taking place at a time of economic, social and political crisis on the continent as a consequence of economic liberalization being undertaken without taking political factors into account; this had caused far-reaching imbalances that were detrimental to the labour and social sectors. The high rates of growth and the current model of globalization had not benefited the workers but had had adverse consequences, according to the trade union movement. The case of Argentina was a case in point, but it was not the only one in which unsustainable and non-viable policies had met with growing social resistance. It was only capital that had had any cause for optimism.
- 36.** There was increasing insecurity in view of the neoliberal reforms that had been carried out within the system. The fact remained, as stated by the ILO and as contained in the Declaration of Human Rights, that social security was a human right and could not be considered as a service subject to the whims of the free market. It was necessary to establish regional social protection policies linked to social funds as part of a strategy for the creation of decent employment. Funds of that type had been indispensable in the integration processes of other continents.
- 37.** The trade union organizations faced organizational challenges and were endeavouring to meet them; there were, however, repressive factors. The application of labour standards went beyond the ratification of Conventions, as the fundamental rights and principles had to be respected as a starting point for compliance. The "decent work deficit" was closely linked to the serious deficit of respect for fundamental rights. Labour rights were an integral part of human rights. In that connection, he denounced the situation of comrades in Colombia and other countries.
- 38.** Labour rights had to be guaranteed by a number of mechanisms in the framework of the United Nations as well as regional mechanisms such as the San Salvador Protocol, the MERCOSUR Declaration and the Simón Rodríguez Charter.
- 39.** The Secretary of State for Labour of the Dominican Republic underlined the progress made by his country in ratifying the fundamental Conventions, in social protection and in eliminating the worst forms of child labour, among other issues. Globalization of the economy affected the poorest people, and stronger structures needed to be created to include social objectives in economic policies. Democratization and modernization of institutions was essential to achieve development and decent work, the most cherished aspiration of the population.

40. The Government delegate of Brazil indicated that the process of integrating Latin America into the world economy had intensified during the 1990s and, as the Director-General had pointed out in his Report, there were some specific factors in this, such as the growing freedom of speculative capital flows and the unequal distribution of profits among countries. The lack of control over speculative capital flows, trade barriers to exports of agricultural products from developing countries and subsidies for agricultural products in developed countries meant significant social costs. He described the successes achieved by Brazil in recent years, especially the greater capacity to create employment and the reduction of child labour. Continued efforts were needed to promote decent work resolutely and with conviction.
41. The Employers' delegate of Costa Rica highlighted the unanimity of those participating in the Meeting to make the elimination of poverty a central theme. Globalization, despite its defects, provided opportunities that they should take advantage of, but, to do so, a social pact was needed. There was no doubt that ILO support was necessary to emphasize bipartite dialogue, and he stressed that it was the responsibility of governments to manage public finances, develop infrastructure and implement programmes encouraging employment and social assistance, among other things.
42. The Employers' delegate of the United States observed that, for countries to make the most of the benefits of globalization, governments, workers and employers needed to look to their own political, economic and social systems. Before putting the blame on the globalization process, countries should establish the political, economic and social structures necessary to take part successfully in the process. Institutions and policies should be developed that guaranteed transparent, fair and coherent governance at both local and national levels. It would be easier to profit from globalization and achieve decent work if policies that promoted the free market and internal investment were adopted. She emphasized the importance of social policies and programmes, particularly education. International standards did not hinder the development of enterprises; rather they created positive conditions for investment. There was more than one road to achieving decent work, and one of those roads was to have democratic and politically stable countries, with open markets, open to investment and with policies supporting employers and workers. While cooperation between ministries of finance and labour, and between the ILO and the Bretton Woods institutions, was important, that cooperation had to be reciprocal.
43. The Employers' delegate of Bolivia shared the vision of the Director-General's Report according to which the region had the ability to find a positive solution with decent work and to reverse the current severe crisis through significant adjustments to economic policy, maintaining fiscal discipline. He also agreed that they needed to find ways to ensure that enterprises had flexibility and that workers had security. Globalization of the economy was not a choice but a reality, an economic fact that must be tackled in integration agreements, with equitable conditions. He supported the four strategic objectives of the ILO and was pleased that a greater percentage of ILO activities in 2001 had been directed towards employment. Finally, he reiterated the commitment of the employers to the Declaration on Fundamental Principles and Rights at Work as a guarantee of the mandate of the ILO, emphasizing that it incorporated standards that were clearly different from those regulating international trade. Efforts needed to be intensified so that the Conventions were widely applied, in a framework of social dialogue and tripartite agreement.
44. The Workers' delegate of Colombia referred to the Report of the Director-General and its reference to the problem of foreign debt. He doubted that countries would be able to invest in social objectives if they had to meet their payment obligations. He asked the ILO to look at the issue in the context of creating employment and proposed that foreign debt be converted to investment in social and productive objectives, with the ILO's participation. He emphasized that the Report of the Director-General dealt with the process of integration

and he drew attention to the damaging aspects of the FTAA. Although he emphasized the importance of the fundamental principles of the ILO for workers, he wondered whether the ILO should continue to adopt Conventions without taking into account the gap between ratification and reality. He showed concern for the effects that some policies of the World Trade Organization might have on collective bargaining and labour relations.

45. The Workers' delegate of Mexico referred to the impact of the economic crisis that, through government action, had affected workers and was reflected in increased unemployment and underemployment. He emphasized the need for greater participation in decision-making through social dialogue to ensure the sustained economic and social progress that created employment. He underlined the need to strengthen the role of the ILO, and was confident that the Organization would continue to contribute to the integrated development of countries and the promotion of decent work.
46. He insisted on the obligation of all countries to boost social protection and improve workers' standard of living. Labour rights, full recognition of trade unions and job creation should be made priorities. In that context, he emphasized the importance of education and training in increasing competitiveness. He proposed that workers in the informal sector should be helped to organize and join the ranks of formal workers, and that the human rights of migrant workers should be respected.
47. The Workers' delegate of Chile agreed with the criticism made by previous delegates with regard to the model of globalization that was being imposed on them, and the need for that model to acquire a social and cultural dimension. The definition of decent work supported by the Director-General of the ILO was a basis from which to promote stable work, social security, the right to collective bargaining and association and, particularly, respect for the dignity of workers.
48. The Workers' delegate of Bolivia reiterated what had previously been said, criticizing the way in which tripartism and social dialogue took place in his country, and insisting on the need to strengthen the workers' movement to build a just society. He asked for ILO technical support to do that. He also agreed with those rejecting the current model of the FTAA, and called for a genuine Latin American integration policy. Decent work needed to take account of the spirit of democracy that was expressed through social dialogue and consultation. It would only exist when there was respect for the fundamental rights of workers.
49. The Workers' delegate of Brazil considered the Report of the Director-General very relevant as it had clearly identified the employment and income deficits in the region, as well as and the growth of the informal economy, poor social protection and labour discrimination. On the other hand, the conclusions reached could have been more bleak, given that the Report did not examine the economic model applied in the region during the 1990s, which was vital in explaining the destruction of jobs and the vulnerability of the economy. On that basis, he also rejected the FTAA as an extension of that model, and called on the ILO to make a study of its impact on the labour market. The economic model needed to be changed radically, giving the State a fundamental role in regulating the labour market and in promoting economic development, with the emphasis on creating employment. Those policies should be linked to the international reform processes of multilateral financial institutions.
50. The Workers' delegate of Cuba said that Cuban workers welcomed the Report of the Director-General, but resolute action and solidarity among peoples were needed to promote social dialogue. He also warned of the drawbacks of the FTAA. He referred to a number of the problems that had become prominent in recent years, such as unemployment, inequality, loss of social protection, and foreign debt, and noted the

contradiction between the supposed benefits of globalization and the agricultural subsidies provided by the developed countries. He roundly condemned any form of terrorism and war as a way of resolving international disputes. Social dialogue was very important, and he called for national and international unity for building a world in which wealth was distributed fairly. In conclusion, he drew attention to the importance of promoting unconditional respect for the Declaration on Fundamental Principles and Rights at Work and eliminating gender discrimination.

- 51.** The Minister of Labour and Social Security of Costa Rica agreed with the idea expressed in the Report of the Director-General concerning the need to pursue a different kind of globalization, a controlled globalization, with decent work for all, in a context of unconditional respect for democratic freedoms and individual and collective rights. He considered the ILO had been wise to establish the World Commission on the Social Dimension of Globalization in order to analyse the impact of globalization on employment, poverty reduction, economic growth and human development.
- 52.** The Minister of Labour of Belize advocated national and international dialogue to shape globalization and generate decent work, underlining the value of decent work as a means of ensuring human dignity and the progress of democracy. He recognized that human resources were central to economic development and competitiveness, and noted the importance of occupational health and safety, making special reference to the Occupational Safety Plan adopted by his country.
- 53.** The Employers' delegate of Peru shared the views of other Employers' delegates on the issue of globalization. He stressed the lack of employment as one of the region's principal problems, and said that the employers and workers of Peru were participating actively in dialogue for the purpose of establishing state policies. With regard to the Report of the Director-General of the ILO, he was not in agreement with the idea of expansionary policies, and did not consider it appropriate to imply a relationship between globalization and poverty, or to maintain that productivity generated unemployment. Privatization was necessary to attract investment, allowing governments to concentrate on social issues. He noted that the Report made no mention of the causes behind the informal economy. In addition, he suggested that each time the ILO referred to decent work it should also refer to the idea of investing in new enterprises.
- 54.** The Employers' delegate of Honduras expressed his satisfaction with the Report of the Director-General. He considered that while there was no automatic relationship between decent work and productivity, decent work did have a key role to play in achieving it. There were a multitude of causes for the region's economic and social problems, many of which preceded globalization. The unemployment situation was one of the worst problems in the region, and to resolve it strategies must be found to encourage the massive generation of jobs in the short term, a step that must be accompanied by further longer term policies involving investment in infrastructure, education and occupational training, and health.
- 55.** The Chairperson of the Employers' group also stressed that socio-economic problems had causes that resulted from structural problems that had preceded the globalization process. He pointed out the need for an international effort to solve the migration problem, which was being aggravated by the economic crisis and political instability. He reiterated the Employers' support for the ILO Declaration on Fundamental Principles and Rights at Work, stressing the need for technical assistance to achieve the objective of decent work. Indicating his concern at the increase in informal work, he highlighted the importance of bringing enterprises into the formal sector and facilitating their market access. He emphasized that improving productivity did not necessarily imply a reduction in jobs,

noting that an efficient State equated to competitive enterprises and productive employment. Achieving those goals was the challenge facing a large part of the region.

- 56.** The Workers' delegate of Argentina noted that the region should take the generation of decent work as a starting point in the struggle against poverty and for the social inclusion of those marginalized by the neoliberal model. The demand by citizens for social protection to be provided by the State was a legitimate one. Work should be an objective, not a consequence, of the economic and social policies of States, in the context of macroeconomic stability, which was imperative to reduce unemployment in the region. In view of the economic crisis facing Argentina, he urged the Bretton Woods institutions once again to work towards the harmonious development of nations, and called for a far-reaching change in the policies of the International Monetary Fund and the World Bank. Associating himself with previous speakers from the Workers' group, he rejected the FTAA model. Lastly, he voiced his concern at the increasing violence in the region.
- 57.** The representative of the World Confederation of Labour defined the characteristics and extent of decent work as relating to all the ILO Conventions, not just the fundamental ones. The deficits in the region had their origin in the structural adjustment programmes imposed by the financial institutions and accepted by governments. To ensure that the proposals in the Report reached all members of society, he suggested that governments and economic and financial institutions should commit themselves to achieving sustainable human development. He expressed some doubt as to whether the establishment of a free trade area in the Americas would be able to generate far-reaching and sustainable development. He stressed that social dialogue and tripartism were key mechanisms for ensuring the participation of workers as long as they took place in a context of freedom of association.
- 58.** The Workers' delegate of the United States supported the ILO's call to revise the economic policies that had led to high levels of unemployment, the stagnation of wages and the weakening of labour rights in the region. He indicated that labour market adjustments could do little to reduce the decent work deficits, and suggested that the Report should have established a more explicit link between the decent work deficit and the labour rights deficit. The Report made only a very brief reference to the marked decline in trade union membership and the coverage of collective bargaining, without underscoring its impact on decent work. Referring to the weakening of collective bargaining owing to the use of subcontracting in the Americas, he pointed to the fact that restrictions on the right of organization and collective bargaining contributed to the decent work deficit. He also expressed his concern at the situation of migrant workers in the Americas.
- 59.** The representative of the International Transport Workers' Federation indicated that the most valued workers' rights were freedom of association, and collective bargaining and referred to individual cases of violations in certain countries in the region.
- 60.** The Government delegate of Peru emphasized the need to seek productive development strategies focusing on small, medium-sized and micro-enterprises. The latter had greater difficulties in becoming part of dynamic productive chains with other enterprises and therefore required the support of state policies. Social dialogue should be broadly based and required legislative proposals that took into account the economic limitations of micro-enterprises and the need to provide micro-enterprise workers with citizens' cards and employment contracts.
- 61.** The Government delegate of Barbados agreed with the Director-General's proposal to work towards managed globalization that did not aggravate social exclusion and provided decent work for all, a proposal that his country was addressing. The Caribbean needed special consideration as it comprised small economies that were vulnerable to economic crises. His Government was satisfied with the work of the ILO in the region, but urgent

assistance was needed from the Organization to strengthen the ministries of labour so that they could meet the new challenges of globalization.

- 62.** The Government delegate of Venezuela highlighted the correlations between the Constitutional Charter of his Government and the strategic programme of the ILO, listing the successes his country had had. It was imperative to strengthen MERCOSUR, the Andean Community and CARICOM, and to seek continent-wide agreement on policies to deal with the FTAA.
- 63.** The Government delegate of Bolivia maintained that to confront the serious problems of Latin America, such as unemployment, poverty and exclusion, it was necessary to introduce policies that attacked the roots of those problems through state action. The Bolivian Government proposed to invest in infrastructure and support national industry with the aim of creating sources of productive work in permanent employment. He indicated that tripartism was included on the agenda of the Third Social Dialogue for 2003, and highlighted the recent ratification by Bolivia of the Worst Forms of Child Labour Convention, 1999 (No. 182), and its implementation through the National Programme for the Progressive Elimination of Child Labour. The Forced Labour Convention, 1930 (No. 29), would be ratified shortly.
- 64.** The Government delegate of Ecuador stated that the Director-General's Report was extremely valuable, called for reflection and identified the major issues requiring discussion in the region. Countries needed to create the internal conditions for decent work by strengthening entrepreneurial capacity with special emphasis on micro-enterprises. He supported permanent dialogue between the industrialized countries and Latin America in order to create more fair and equitable international conditions, and urged that contributions to globalization be made from the perspective of the region.
- 65.** The Government delegate of El Salvador acknowledged the negative effects of the changing world context on productive and labour relations, particularly for the most vulnerable groups. He undertook to build labour conditions appropriate to human dignity. His country was facing two major labour challenges: that of creating the conditions needed to create decent jobs; and the challenge of raising the standard of living of the population. To do that, his Government had included in its Government Plan a National Employment Plan with the participation of the social partners. There was also a National Policy for Women and commitments to eliminate the worst forms of child labour and to encourage social dialogue through the Superior Council of Labour.
- 66.** The Government delegate of Uruguay said that the Report of the Director-General set out certain conclusions and established clear guidelines for action. With regard to globalization, he listed the directions that those might take according to the Report., although the Report did not sufficiently examine microfinance, nor did it give examples of direct job creation in social programmes, of making the best use of enterprise capacities, including those of NGOs, of unemployment benefit programmes or of ways to fight long-term unemployment. A new international economic and financial architecture was urgently needed within which the Bretton Woods agreements could be revised. A type of Uruguay Round should be convened to discuss the creation of enterprises and employment, and the ILO should lead that initiative, calling on those who might contribute creative ideas. He emphasized the regulatory role of the State, while noting its budgetary constraints. He emphasized that the Meeting should yield a positive expression of the will of the countries of the region to achieve progress accompanied by a strong call for justice.
- 67.** The Government delegate of the United States cited various bilateral and regional agreements that his country had negotiated with countries in the Americas, Asia and Europe. He maintained that reducing trade barriers and promoting better international

economic relations would allow more countries to participate in the globalized economy. He emphasized the support of his Government for the promotion of the ILO Declaration on Fundamental Principles and Rights at Work, and acknowledged the link between expanding trade and the rights of workers. He announced the signing of a free-trade agreement between Chile and the United States, which included institutionalizing labour cooperation mechanisms with a view to promoting respect for the Declaration and for Convention No. 182. Opening up trade led to an improvement in living standards and respect for labour rights. He emphasized the importance of fighting corruption, investing in social programmes and education, and strengthening democracy and the rule of law. He referred to the document submitted to the Governing Body Working Party on the Social Dimension of Globalization, and said that suppressing fundamental labour standards could discourage foreign direct investment. He concluded by acknowledging the importance of balancing the global vision and the local vision of trade and development.

- 68.** The Government delegate of Argentina recalled the serious crisis confronting his country but hoped that the worst had already passed. However, the burden of poverty persisted and his Government had implemented support and social assistance programmes for that. Although unemployment was high, it was contained and the demand for labour was slowly picking up. On the other hand, the prevailing model of globalization did not satisfy people's expectations, as the Director-General had pointed out in his report, because it had produced an increase in unemployment, a fall in wages, an increase in employment instability and poverty and a reduction in social security cover. Nevertheless, international lending organizations persisted with criteria that prevented countries from moving out of recession, while international trade in agricultural products was governed by rules that were unfair to those who were truly competitive. He emphasized that the ILO should extend its activities to examine and discuss those contingent issues and on that basis reverse the decent work deficit.
- 69.** The Government delegate of Chile shared President Toledo's view, given in his inaugural speech, of the need to fight for fair international trade for a continent at peace, where the main struggle was against poverty. He linked that focus with the Director-General's Report: the promotion of decent work and employment was central to modern-day policies. In that framework, it was urgently necessary to balance the speed of financial transfers with measures for protection and inclusion in globalization. He was optimistic about the globalization process in that the exchange of knowledge and cultures could be central to human progress and the strengthening of democracy. However, modernizing the State, raising education levels, having policies that encouraged small and medium-sized enterprises and improving productive practices in a climate of social dialogue were fundamental requirements. He also emphasized that respect for the fundamental principles and rights at work should be at the centre of all trade development, in an integrated regional climate in which there was better distribution of income in all countries. The ILO should contribute to dispelling the doubts of both workers and employers with regard to FTAA negotiations, ensuring that there was a balance between capital movements and policies to support the most disadvantaged. In that context, ILO activities, given their tripartite character, should be more closely linked to world trade and financial organizations. He considered that they should concentrate on promoting employment policies and improving the decent work indicators leading to its promotion. Finally, he emphasized the need to strengthen political institutions that would guide globalization and increase opportunities in an equitable manner.
- 70.** The Government delegate of Guatemala drew attention to the importance, in the context of globalization, of developing active policies to protect workers (especially the most vulnerable groups) and create jobs with a view to eradicating poverty. He particularly stressed the importance of policies of training for employment for young people, women and disabled people. Such policies were also of fundamental importance in increasing the

quality and efficiency of the labour force, which was increasingly a priority under globalization. He emphasized the importance of activities to prevent and eliminate child labour (especially its worst forms), and to protect working adolescents, for which Guatemala had set up a national commission. It was also vital to improve the level of worker participation and conditions of work for women in the “*maquilador*” industry, and a national tripartite body had been established in Guatemala to deal with this problem. He recognized the importance of social dialogue as a means of raising productivity and allowing employers and workers to exercise their rights, as defined in the ILO’s Declaration on Fundamental Principles and Rights at Work. He expressed appreciation for the programmes and projects developed by the ILO in Central America in areas including employment, social dialogue, modernization of labour relations and, above all, in the eradication of the worst forms of child labour.

- 71.** The Government delegate of Colombia said that her country was not immune from the general trends in the region, and the Director-General’s diagnosis reflected the general situation there with regard to labour conditions and social protection. She supported globalization, but wanted it guided by the principle of decent work for all. The model needed to include mechanisms for social integration for those lacking protection, and the decent work concept had to be applied in development policies. In addition, the ILO’s dialogue with the international financial and economic institutions needed strengthening, and coordination between labour and finance ministries needed to be enhanced. She described some of the social and administrative reforms undertaken by the Colombian Government, and stressed the need to strengthen freedom of association based on respect for fundamental rights, and to reinforce the social organizations that exercise these rights. She expressed appreciation for the ILO’s role in the region during the period 1999-2002, especially with regard to efforts to strengthen social dialogue, the process of consultation on wages and labour policies and the elimination of child labour; this suggested the need for a general project coordinator, especially for the ILO’s Special Programme of Cooperation.
- 72.** The Employers’ delegate of Ecuador said that the Director-General’s Report set out a number of concepts that were useful and relevant. The concept of decent work embodied all the efforts directed at improving the social and working conditions of workers. It was a strategic objective not only for the ILO but for all the ILO’s constituents. Economic globalization, on the other hand, presented both an opportunity and a potential threat to an already fragile social situation. He was surprised to note that the Report left out the two developed countries in the north of the region. He pointed out that that it was important to develop balanced formulas to allow producers, workers and consumers to enjoy the benefits of an expanded market, and that it was vital to safeguard the social advances that had been made, which were based on non-negotiable community values. He endorsed the Director-General’s proposal to promote dialogue at the enterprise level, where those directly affected by any changes could determine what was important. He said that the ILO’s role should not be reduced to monitoring the application of international Conventions, but should instead involve making innovative proposals to adapt legislation to current conditions. Lastly, he said that implementation of the ILO Declaration could make it possible to reconcile the continued processes of opening up trade and integration with the need to protect social values.
- 73.** The Employers’ delegate of Guatemala acknowledged the Director-General’s commitment to maintaining open and free economies and to promoting integration in the region. He expressed concern at the growth of the informal sector and the various proposals and incentives aimed at integrating this sector, which might have negative consequences. He endorsed the idea of setting up modern enterprises, with more flexibility in terms of regulations and adequate protection of workers. The region’s chronic poverty was caused

by many different factors, not by globalization, and the most important challenge was to bring about decent work.

74. The Employers' delegate of Chile proposed that, in order to meet the challenge of globalization, it was necessary, first, to implement development and social protection policies relating to health care, education, social security and housing, and second, to establish honest and effective public institutions, including labour administration and justice. He drew attention to a number of social indicators which showed the progress made by Chile. In conclusion, he emphasized that it was important to face the challenge of globalization by uniting and strengthening the countries of the region, and called for the abolition of farming subsidies in the developed countries.
75. The Employers' delegate of Uruguay said that it was necessary to establish a system of trade relations at global level which would be fair for all and guarantee adequate access to markets for the countries of the Americas. The countries of the region also needed to complete the process of state restructuring, since an efficient state administration was a precondition for a competitive private sector. Lastly, he said that the best strategy for combating poverty and unemployment was to encourage investment and the creation of formal sector undertakings, and to formalize those in the informal sector, and he called for greater cooperation in this area from the international organizations.
76. The Employers' delegate of Mexico, referring to the Report of the Director-General, said that it described a general crisis caused by internal and external factors, and criticism of globalization alone would not solve the problem. It was necessary to promote increased productivity which would lead to greater competitiveness, on the assumption that both employers and workers would undergo training in order to enter the better jobs which the new technologies were creating. He referred to the sections of the Report which acknowledged that jobs were created by micro-, small and medium-sized enterprises, and emphasized that while the protection of workers was unquestionably important, the employer was of crucial importance in creating jobs. Micro-, small and medium-sized enterprises which came into the formal sector for the first time had no culture of association and faced onerous obligations. With that in mind, he asked the ILO to examine the mechanisms needed to strengthen these enterprises and bring about the creation of sustainable jobs. He agreed with the Director-General in giving prominence to the discussion on labour reforms in Latin America, which were of crucial importance in meeting the challenges of globalization and meant that legislation in the countries concerned needed to be updated.
77. The Employers' delegate of Brazil said that the change of government in Brazil meant that a major commitment had been made to resolving the country's serious social problems and transform the current economic model. Surveying the situation of poverty in the world, he drew attention to the task entrusted to the ILO, among other organizations, by the United Nations General Assembly in connection with the Millennium Development Goals, of reducing world poverty by half by the year 2015. The challenge was not merely to create more than 1 billion jobs but to create productive and decent jobs. In conclusion, he supported the abolition of tariff barriers and subsidies for farm produce in the developed countries.
78. The Employers' delegate of Cuba was critical of globalization and the FTAA in terms similar to those used by some other speakers. He suggested that employers' and workers' organizations should petition their governments to assume responsibility for improving education and health care, for which the ILO's assistance would be needed.
79. The Employers' delegate of Venezuela endorsed the comments on the Director-General's Report made by previous speakers from the Employers' group, especially with regard to

the importance of respecting ILO principles in areas such as promotion of social dialogue and tripartism, and called on the ILO to provide assistance to the constituents when they requested it. He added that, to achieve the goal of decent work, it was necessary to decide first what commitments were acceptable.

- 80.** The Workers' delegate of Uruguay referred to the section of the Director-General's Report which argued that the crisis in Uruguay had been precipitated by the crisis in Argentina. While it was true that the crisis in Argentina had affected Uruguay, the current situation there was due to the application of a neoliberal economic model that concentrated wealth in the hands of a few and excluded many. One fundamental difference between Uruguay and Argentina was the fact that the Uruguayan workers and people were actively opposed to privatizations. He also denounced the harassment of workers in Uruguay and the violations of their rights, and rejected the FTAA model.
- 81.** The Workers' delegate of Costa Rica endorsed the remarks made by previous speakers in the Workers' group concerning poverty and unemployment and expressing rejection of the FTAA. He proposed a Latin American community of nations as a possible alternative model, which would promote fair trade based on socio-economic policies that were integrated in a labour perspective; the inclusion of the informal sector in a universal social security system based on solidarity; training and access to finance, including for the agriculture sector; social dialogue without exclusion, and full compliance with the Conventions on freedom of association and collective bargaining.
- 82.** The Workers' delegate of Colombia again denounced the attacks on the life and physical integrity of Colombian trade unionists, which had cost the lives of 148 union leaders in the past year, despite the efforts of national and international organizations to protect human rights. For these reasons he requested the ILO to continue its technical cooperation and, in particular, to appoint a representative of the Director-General in Colombia to deal with complaints of violations of freedom of association and the right to collective bargaining and to provide the information needed to resume discussions on the relevance of the Commission of Inquiry next year.
- 83.** The Workers' delegate of Guatemala drew attention to the dangers of globalization for small domestic capital enterprises and the informal economy. He called on the ILO to monitor poverty trends closely, and pointed out the need to promote social dialogue processes with inclusive policies involving government and the social partners.
- 84.** The Workers' delegate of Peru referred to the negative impact of inequality and exclusion, which had been exacerbated by globalization and neoliberalism. He expressed rejection of both the underlying principles and the implementation of the FTAA, and proposed instead genuine Latin American integration. It was time to put an end to the problem of foreign debt, and it was impossible to aspire to decent work and at the same time pay the cost of debt. In this context, he highlighted the role of trade unionism as the channel through which workers and citizens could put forward their demands, and called for a narrowing of the gap between Conventions and reality. He rejected a proposal by the Government of Peru to formalize small and medium-sized enterprises (SMEs), which would create second-class workers, and criticized the restrictions on freedom of association in current legislation. He pointed out the need to propose changes in economic policies, including renegotiation of foreign debt, and to issue tripartite statements on the foreseeable negative impact of the FTAA on the peoples of Latin America.
- 85.** The Workers' delegate of Canada questioned the conventional wisdom that there was only one road to globalization and that that road inevitably led to development. This notion was motivated by competition, greed and a neoliberal free market agenda. He highlighted certain aspects of multi- and bilateral trade agreements. Only the major multinational

corporations stood to benefit from the corporate rights set forth in these agreements; the guarantees of investors' rights applied only to major companies and the rich; these agreements jeopardized public services and undermined the authority of the State, and placed outside the law the very practices that had been critical to the development of today's industrialized countries. Referring to the Director-General's address at the 17th World Congress of the International Confederation of Free Trade Unions (ICFTU) in Durban, he agreed that there was nothing inevitable about globalization. He concluded by calling for a Decent Work Agenda that would fight poverty, promote development and encourage policies balancing the exigencies of trade with the interests of working women and men and local communities. He suggested that institutions such as the ILO should support such goals, but doubted that countries had the political will to work towards these objectives.

- 86.** The Workers' delegate of Ecuador reiterated the views expressed by previous speakers with regard to globalization. He emphasized the need to adopt a new development model by consensus through social dialogue.
- 87.** The Workers' delegate of Venezuela proposed an alternative development model based on integrated policies and concerted, transparent and equitable participation of the tripartite social partners. She mentioned the need to forge alliances both at the SME level and at regional level, but not along the lines of the FTAA. She referred to the progress achieved in her country as a result of social dialogue. She rejected the imposition of labour flexibility and privatization of state enterprises. As part of the Decent Work Agenda, she emphasized the importance of promoting good governance.
- 88.** The Workers' delegate of the Dominican Republic read out the proposed conclusions adopted by the subregional trade union meeting held to follow up on the Santo Domingo Agreement. He cited the conclusions to the effect that the imposition of structural adjustment policies and structural and institutional reforms by the international trade and financial institutions had not improved levels of development but, on the contrary, had led to a deterioration in the economic and social conditions in which people lived, as reflected in poverty and growing decent work deficits. He pointed out that giving preference to macroeconomic stability in response to economic imbalances with the aim of overcoming underdevelopment had been a failure because specific conditions in each country had not been taken into account. He emphasized that the ILO should urge the international trade and financial institutions to respect the economic and social rights of peoples. In addition, it should promote full respect of fundamental rights and the enhancement of social dialogue to facilitate consensus as a viable means of finding solutions to the problems that had arisen.
- 89.** The General Coordinator of the Permanent Congress of Trade Union Unity of Latin American Workers (CPUSTAL) also expressed opposition to the FTAA and spoke in favour of integration of Latin America and the Caribbean. He pointed out that there was no room for concerted action to prevent structural adjustment policies and privatization, or to avoid foreign debt repayment. He deplored chronic unemployment and current glaring inequalities, as well as terrorism. In conclusion, he expressed his organization's commitment to promoting decent work, along the lines indicated in the Report of the Director-General.
- 90.** The Regional Secretary of Union Network International (UNI) Americas explained the reasons for the significant drop in union membership. In his view, multinational corporations failed to respect fundamental standards of the ILO, especially on freedom of association and collective bargaining. He therefore advocated strict compliance with standards by multinational corporations and suggested the negotiation of international working conditions with these enterprises. He stated that social protection was a

fundamental element of the struggle of peoples and working women and men. He criticized the forced privatization of social protection, which had neither increased coverage nor secured decent protection in old age. In this context, he called on the ILO to appoint a group of experts to evaluate the results of the Chilean pensions model. In conclusion, he agreed with the Director-General that in order to achieve genuine regional integration it was essential first to ensure national integration in the form of tripartism, which was fundamental to democracy.

- 91.** The Secretary-General of the Inter-American Regional Organization of Workers (ORIT), of the ICFTU, said that fundamental rights at work were still being violated in the region. He considered that the ILO should be firmer in the case of Colombia and asked why it had not been possible to establish a Commission of Inquiry. With regard to Venezuela, he suggested that the ILO should proceed with the application of article 33 of its Constitution. Furthermore, he felt that the ILO's standards monitoring mechanisms should be strengthened to make its decisions binding on member States, and he called on the ILO's field offices and Multidisciplinary Advisory Teams to increase their assistance in order to achieve the effective application of fundamental labour standards. Concerning decent work, he asked that the ILO promote effective decent work plans in all countries, paying particular attention to the sectors and geographical areas most affected by globalization. The ILO should also increase dialogue with the international institutions. In the region, the ILO should maintain and strengthen its cooperation with OAS, ECLAC and IDB. Likewise, he urged the ministers of labour to introduce decent work campaigns, as workers and employers should assume the commitments proposed by the ILO to generate decent work. He stressed the need to increase social protection and congratulated the ILO on working together with the Pan American Health Organization to extend social protection in the health sphere in the region, as well as on its programme for immediate response to crisis situations, as in the case of Argentina. At the same time, the ILO should undertake a regional campaign on social security, similar to the campaign for the Declaration on Fundamental Principles and Rights at Work. With regard to ILO technical cooperation, the Report of the Director-General clearly indicated a significant reduction in the use of funds to meet the needs of the three constituents and the Social Dialogue Sector and called for corrective measures. In that connection, he praised the resolution concerning tripartism and social dialogue adopted by the International Labour Conference in June 2002, the decision by the Governing Body to establish the principle of tripartism as an internal auditing criterion, and the strengthening of the Bureau for Employers' Activities and the Bureau for Workers' Activities.
- 92.** The Deputy Secretary-General of the Latin American Central of Workers (CLAT) said that there was clear consensus with respect to the negative impact of globalization in the region. According to the World Bank and the International Monetary Fund the contraction of the region's economies would continue in 2003. He considered that in the current development model there was no possibility of generating decent jobs, achieving a fair distribution of wealth, slowing privatization or guaranteeing a more humane and just form of social protection. It was necessary to think up a new development model centred on human needs and human labour, that responded to the needs of the region's peoples. He doubted that the FTAA could be humanized or that it could assume a social dimension. In that connection, he congratulated the people and organizations of Brazil for having conducted a referendum on the FTAA. He agreed with the idea of creating a Latin American community of nations, which could establish an alternative development model and generate decent jobs. He stressed that the meeting for Latin American dialogue convened by the World Commission on the Social Dimension of Globalization reaffirmed the idea of a Latin America for Latin Americans and encouraged the Director-General to pursue and develop this initiative. Thought should be given to putting together a tripartite team which, without diminishing the function of the various bodies of the ILO, could intervene immediately in the event of serious disputes, to promote conciliation between the

parties to the dispute and respect for fundamental rights. He supported the efforts that the Director-General was making in the framework of the United Nations to ensure that the rich potential of tripartism would have an impact on the decisions of the other bodies in the system.

- 93.** The representative of the World Federation of Trade Unions welcomed the Report of the Director-General of the ILO, which took up the pressing issues that had arisen as a result of neoliberal globalization and indicated the need to identify the causes of those problems and define the most effective ways to improve the lives of workers and the poor. Among the causes of unemployment and poverty he highlighted the unjust payment of foreign debt and the concentration and restructuring of large enterprises. In the interests of justice, the debt should be cancelled, and corresponding amounts should be redirected to productive investment for the creation of jobs and the development of the region. He indicated that the ILO's call for decent work was not matched by the international financial bodies or the multinationals that controlled world trade. The major social and employment problems would be solved only through major structural changes. The open-trade policies had meant the collapse of national industries and agriculture owing to the control of world trade by the multinationals and the subsidies and protectionist policies applied by the wealthy countries. The FTAA would only make the situation worse, as it would mean the economic and political annexation of the Latin American countries to the largest world power. What was needed was a process for the political, economic and cultural integration of the Latin American countries focusing on the promotion of development. Another world was possible, a world in which human beings took priority.
- 94.** The Government delegate of Argentina, speaking on behalf of the Government group, presented a draft resolution on globalization, decent work, international trade barriers and subsidies, in particular for agricultural produce, and ILO activities. The draft resolution was discussed in plenary and was endorsed by the Workers' group and a number of Government delegates, including those of Uruguay, Cuba and Bolivia. The Employers' group and the Government delegates of Canada and the United States opposed the draft resolution. The Government delegate of Argentina expressed appreciation for the support given by the Workers' group and some Governments. For all those who opposed the draft resolution on the grounds that it went beyond the ILO's mandate, he recalled a passage in a speech by Robert Reich in which he had said that agricultural policies could not be divorced from social policies. In conclusion he said that throughout the Meeting, there had been a broad consensus among all the participants and groups which had been a source of great satisfaction. Therefore, in the interests of maintaining that consensus, while still emphasizing the importance of the resolution, he requested its withdrawal and its inclusion as a Declaration (see Appendix II)
- 95.** Mr. Daniel Funes de Rioja, Chairperson of the Employers' group, read the Declaration of the employers' (IOE) and workers' (ORIT/ICFTU) delegates to the Fifteenth American Regional Meeting, on the processes of regional integration and the role of the social partners (see Appendix III).
- 96.** Ms. Amanda Villatoro, Secretary of Trade Union Policy and Education at the Central American office of the ORIT, read the Declaration of the delegates of ORIT/ICFTU and the IOE to the Fifteenth American Regional Meeting, on the situation in Venezuela, made in Lima on 9 December 2002 (see Appendix IV).

II. Adoption of the report and conclusions of the Meeting

97. The Fifteenth American Regional Meeting unanimously adopted its conclusions (Appendix V) and draft report.

98. *The Governing Body may consider it appropriate to request the Director-General:*

- (a) to draw to the attention of Governments of member States in the Americas and, through them, to the attention of national organizations of employers and workers, 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 the member States and, through them, to national organizations of employers and workers;*
 - (ii) to interested international organizations, including international non-governmental organizations with consultative status.*

Geneva, 17 February 2003.

Point for decision: Paragraph 98.

Appendix I

Special Session Crisis and globalization: Possible answers

1. Mr. Agustín Muñoz, Regional Director of the ILO for the Americas, opened the Special Session by referring to the concerns expressed by Mr. Somavia and President Toledo regarding the repercussions of the economic crisis on the lives of working men and women in Latin America. He stressed that the purpose of the Special Session was to analyse and discuss ways of promoting a different type of globalization, one with a “human face”, capable of creating decent work, and based on unconditional respect for human and labour rights and freedoms. He then outlined the methodology of the Session.
2. Mr. Carlos Abascal, Secretary of State for Labour and Social Security, Mexico, spoke on the theme “Social dialogue and globalization: The tripartite response”, which set out a vision of what the Mexican Department of Labour and Social Security could and should do in response to globalization. He said that he preferred the term “*mundialización*” in Spanish, because it reflected his own view of all the world’s societies as forming one single humanity seeking the common good for all its members. The challenge now faced by governments, employers and workers was to devise national and international public policies, in both rich and poor countries, which would allow the full development of people, families and society as a whole.
3. Despite the risks of globalization, other, more positive aspects that favoured solidarity within and between nations had also emerged: the growing awareness of the dignity and the rights of the individual; the affirmation of freedom; the primacy of society over the State; the awareness that the legitimacy of political power depended on its serving the common good; the trend towards more enterprises organized as genuine communities for production based on human values which acknowledged their social responsibility. The natural vehicle for solidarity was social dialogue, through which ideas and plans could be worked out, and where all the social actors, especially workers, employers and governments, could enter into reciprocal commitments on the basis of shared responsibility.
4. Figures showing the existence of inequalities had been published by organizations such as the United Nations and the World Bank and were well known. In Mexico, it was not enough to rely on the supposed laws of the marketplace to achieve human and economic development; something else was also needed – a basic sense of justice, and supporting institutions that could heal the divisions within and between countries. Action was urgently needed to reduce the asymmetries in differing standards of living between countries and individuals.
5. Social policy in Mexico had shifted its focus. Instead of the old “welfare” ethos, social policy had become transformed into one based on solidarity and subsidiarity. Labour policy was based on solidarity between employers and workers and the principle of subsidiarity. This meant unqualified respect for the autonomy of trade unions and enterprises, and the adoption of a new labour culture that sought to promote the dignity of the worker and the employer. It also meant efforts to boost education, training and skills development; greater participation by workers in production processes; and safer and healthier working conditions. This in turn would lead to better productivity by improving competitiveness, creating wealth and raising standards of living for workers.
6. Social dialogue found expression in the Mexican labour sector in a number of specific tripartite mechanisms. Actually putting social dialogue into practice was a major challenge because it implied not only changes in laws and institutions, but also, and above all, changes in culture. Government, workers and employers needed to develop a global vision.
7. In his Report for the present Regional Meeting, the ILO’s Director-General had said that social progress should not continue to be seen as a consequence of economic development, and the integration of economic and social objectives therefore required “in each country, greater and more productive dialogue between the State and society and, as far as the government is concerned, between economic and social ministries”.
8. There was an urgent need to discuss the problem of increasing global migration. Increasing migrant flows had brought with them a deterioration in the conditions in which migrants lived and worked.

There was a clear need, within the legal framework of each country, to ensure that their human and labour rights were protected.

9. All these challenges had to be addressed through national and international social dialogue. This shared responsibility required a new model of international cooperation based on ethical principles, solidarity and universal values. The world of work was one of the areas most favourable to social dialogue. In Juan Somavia's words, "work lies at the heart of any political considerations".
10. In order to contribute to an international dialogue that will promote the development of policies based on solidarity, it was necessary to identify and share national and international policies to remove those factors that stood in the way of full respect for human dignity and human rights in the world of work. That might be achieved by the establishment of a hemisphere forum for the purpose of discussing and examining the fundamental Conventions, with a view to achieving ratification of those instruments by all the countries of the Americas.
11. Given that work lay at the heart of politics, we would need to work together on devising a model of the market economy based on social responsibility and capable of making the benefits of development accessible to the poorest people. That was not just the job of economics ministers; ministers of labour also needed to be involved, since it was their responsibility to consolidate a culture of social dialogue.
12. At the same time, it was important to justify these changes and involve everyone, by forging new alliances between broad sectors of world society in a fair and equitable manner. Latin America needed to acknowledge and consolidate its real unity, and each country needed to establish its own formula for social dialogue, for which exchanges of experience would be very useful. The ILO was the main forum where such exchanges could take place.
13. Labour ministers faced the challenge of humanizing their departments while giving social ministries more of a labour focus. Serious efforts were needed to identify and share universal values and the ethical principles which could guide globalization and act as a counterweight to excessive individualism, materialism and violence. Purely economic agreements, although important, would have to give way to agreements giving greater emphasis to solidarity.
14. Mr. José Antonio Ocampo, Executive Secretary of the Economic Commission for Latin America and the Caribbean (ECLAC), referred to the successes and difficulties experienced by the region in the wake of restructuring, globalization and economic liberalization. Integration into the international economy had been relatively successful. That was reflected in the growth of exports and in the capacity to attract foreign direct investment. However, the growth in exports had not led to rapid economic growth. There was insufficient capacity to allow diversification of productive structures into areas of rapid growth, and production chains had been broken up. Higher public spending and greater provision in education had not been reflected in real social improvements. The "Achilles heel" was the shortage of jobs, especially high-quality jobs, increased open unemployment, increased informal sector activity and the ever-widening income gaps between skilled workers and the rest. That was all happening in a highly unstable macroeconomic climate.
15. He presented a proposal for national agendas based on three main pillars. First, adoption of a broader view of macroeconomic stability. It was not enough to bring inflation under control; real stability needed to be achieved through economic growth and stability of external accounts. Stability was multidimensional and required greater margins for anti-cyclical policies and the avoidance of currency overvaluation, which acted as a tax on employment. Second, strategies for productive development in open economies based on three priorities: promotion of innovation, complementarities (production chains) and reduction of heterogeneities between dynamic enterprises and informal sector activities. Third, efforts to strengthen the linkages between education, employment and social protection. Institutions were needed that would recognize the fact that economic and social policies formed an integrated whole and gave greater prominence to the social effects of economic policy.
16. He indicated that efforts were needed to tackle problems relating to the general international inequalities and three fundamental asymmetries. The first of these was a financial and macroeconomic asymmetry which was reflected in the stark division in financial markets between "high-risk" and "low-risk" countries. That asymmetry called for international financial institutions that could correct it. Second, there was a technological asymmetry: some countries and sectors had a near-monopoly on the new technologies which were associated with commercial and intellectual property systems; those new technologies had to be transferred to other countries and sectors at a reasonable cost. Third, there were unequal levels of mobility with regard to production factors.

While capital mobility had increased, the mobility of labour was highly restricted. Migration policies tended to favour skilled workers, increasing distributive tensions, especially in developing countries. The issue called for discussion at international forums.

17. Social cohesion was the responsibility of States. Progress had been made with regard to fundamental rights at work (with the ILO's 1998 Declaration) and civil rights, but much remained to be done, and the global system would have to respect the diversity of States.
18. Mr. Daniel Funes de Rioja, spokesperson for the Employers' group, focused on the role of employers' organizations in responding to the crisis by creating jobs. The ILO was the right place for such a discussion, since employment was one of its major goals and social dialogue and tripartism were among its main tools.
19. Globalization was not the cause of the crisis, but nevertheless had to be made more inclusive. He was concerned at the national crises and thought it was important to emulate countries that had benefited from globalization. As Kofi Annan had said, globalization had to be inclusive and for everyone.
20. With regard to strategies for overcoming the crisis, he suggested that one answer at the national level was greater efficiency in public spending and ensuring that governments adhered to the principle of sound local governance. In order to ensure competitiveness, spending needed to be directed towards the social infrastructure in areas such as health and housing. Promoting competition meant not simply lower costs but improving social conditions.
21. Informal working was a form of unfair competition and was not consistent with the goal of sustainable development. It was rooted in the lack of adequate social infrastructure and administrative and fiscal pressures which stifled enterprise development.
22. The State also had to develop the educational infrastructure and human resource training, as well as supporting small and medium-sized enterprises (SMEs). SMEs had relatively greater job-creation capacity and, in view of the segmentation of the production process, allowed linkages to be created in a context of production outsourcing.
23. This also meant reaffirming criteria of social efficiency by seeking to create a labour system that would be responsive to the necessities of production. This would mean negotiating flexibility with workers, while safeguarding social protection and workforce training. The State had to underwrite social stability in order to avert threats to political institutions and markets that would deter investment. He emphasized that economic solutions without political freedom had failed, although it was also important to respect the values of societies. Macroeconomic equilibrium needed to be matched by sustainable social development, and respect for rights and for dialogue had to be promoted as part of a collaborative process based on cooperation between workers and employers.
24. He proposed a high-level technical meeting to analyse experiences and solutions aimed at achieving more inclusive integration under globalization. An initial bipartite meeting could be held with a view to discussions on the effects of globalization, another meeting being organized at a later date with the participation of governments.
25. Mr. Luis Anderson, Secretary-General of the Inter-American Regional Organisation of Workers (ORIT/ICFTU), said that it was workers who were bearing the brunt of the crisis, which posed a threat to democracy and social stability.
26. Describing the effects of the crisis in the region, he said that child labour perpetuated the cycle of poverty; unemployment was approaching 10 per cent of the economically active population; and there were high levels of informal work, while wages and levels of education were falling. Latin America was also the region with the greatest levels of inequality in the world. According to the WHO/PAHO, 105 million people had no access to health-care services, and this affected above all workers and their families.
27. With regard to social dialogue, the margin for negotiation had been reduced and, in order to widen it, the organizations involved needed to be representative and independent, as well as having the necessary technical capacity and access to information, in a general climate of respect for freedom of association and collective bargaining.
28. He drew attention to the importance of strengthening democracy respecting fundamental rights at work, preventing child labour and discrimination against women in employment, allowing trade unions and eliminating blacklists and forced labour. It was also vital to safeguard universal social security based on solidarity.

29. A response was also needed to the problem of debt, in view of the way the conditions imposed on countries by the international financial institutions affected workers and employers.
30. With regard to international trade, this needed to be both free and fair, and trade integration had to be understood as a process by which existing asymmetries could be overcome – as a process of understanding, rather than annexation.
31. Turning to the suggestion by the previous speaker that a high-level meeting should be held, he said that this was implicitly understood in the Declaration signed the previous day by the International Organisation of Employers (IOE) and the ORIT. Its purpose would be to take up the challenges of globalization and, for this, the ILO would be asked to help.
32. Mr. Ruben Cortina, Government member, Argentina, noted that globalization was a complex issue. Seen from the Southern Cone, it was difficult to believe that it was creating opportunities. It was, however, changing the world of production, and adversely affecting the world of work and labour relations. Argentina was the perfect example of this. In the macroeconomic sphere it had undertaken major reforms but at the cost of massive job losses, weaker protection for workers and worse labour relations, the destruction of small and medium-sized enterprises, and the collapse of regional economies.
33. The capacity of technological progress to generate well-being had been overestimated. Societies had joined in the modernization process without regard to the particular characteristics of each country and without allowing time to avert the problems that could arise when a country became part of the globalized economy. This was shown by the absence of mechanisms needed to manage change, the retreat by the State from its traditional roles and its failure now to control the effects of globalization.
34. Globalization was an irreversible process, but one that could be optimized. For example, regionalization and regional integration were effective mechanisms for dealing with this change in direction. MERCOSUR had established an original form of social integration supported by the ILO, which should be developed as an example of tripartite social modernization.
35. It was important to identify a focal point for development for each of the integration processes on the continent and develop them along tripartite lines.
36. Mr. Dagoberto Godoy Lima said that he distanced himself both from those who saw globalization only as a threat and from those who saw it as a perfect opportunity to improve competitiveness and develop the global market. A position somewhere between these extreme views provided a more balanced view of the potential benefits.
37. In each country, the participation of the social actors was essential. Political and economic institutions had to be strengthened to make the market economy more viable, and to strengthen the rule of law and human rights in areas such as free enterprise, property and contracts. A robust, regulated financial system, a political system free of corruption and reliable macroeconomic control, with disciplined public finances and no fiscal deficits, were essential. Savings in public expenditure should be invested in social, health care, education and training infrastructures, based on information and communication technologies.
38. At the international level, a system of minimal governance should ensure that free trade rules were observed and lead to the removal of tariff barriers in the developed countries. The elimination of subsidies and unfair competition should be enforced and speculative capital flows brought under control.
39. Lastly, the developed countries needed to come up with an effective response to the problem of inequality and poverty, in order to demonstrate solidarity and reduce growing pressures on their own security. The vast and growing divide between the so-called first and third worlds was bound to lead to serious tensions if the developed countries failed to set in motion a genuine process of transferring resources to the poorest countries.
40. Mr. Rodolfo Daer, Worker representative of Argentina, said that the statements of previous speakers suggested that something had gone wrong. Both Central America and Latin America as a whole had in common democracies that did not function as they were intended to. Globalization had to be a vehicle for solving problems on a level playing field. Other regions had to make it easier to import competitive products from the region.
41. With regard to the issue of governance, it was impossible to ignore the importance of institutions like the International Monetary Fund and the World Bank, which had a critical influence on

- countries' self-determination. The general philosophy of these institutions had to change because they were stifling growth in the region.
42. Bipartite dialogue facilitated agreements. That process depended on strong organizations of workers and employers which could create social economic councils, along the lines of those in the European Union.
 43. Mr. Ovisio Pacheco, Government delegate of Costa Rica, said that globalization was a phenomenon created to suit the demands of the rich countries and big companies. The crisis had widened the divide between the rich and poor countries and between small and large companies, and it was only by strengthening the small and medium-sized companies that we would be able to deal successfully with the phenomenon. The international organizations should help with this and, if they did not, the rich countries would simply become the employers, while the poor countries became the workers. He suggested adopting the proposal of the governments of the region for greater support for SMEs with the ILO's assistance. Just as the Director-General of the ILO had proposed a programme to promote compliance with Convention No. 182, he suggested that a formal commitment between countries was needed to strengthen SMEs.
 44. Mr. Carlos Calvo, Employers' delegate of Bolivia, said that responses to the crisis and globalization were being sought. Finding appropriate responses to globalization depended on first finding answers to questions about the cause and nature of the crisis. Latin America had abandoned the collectivist model in favour of a neoliberal one, and the results were disappointing. ECLAC had indicated that growth in the region over the past decade, at 2.6 per cent, had been inadequate. Unemployment and informal work had resulted in the exclusion of huge sections of the population. But this crisis of inadequate growth and a shortage of jobs had also been aggravated by an acute crisis of values. However, there was no turning back now, even though the future did not appear very encouraging. This posed a challenge to the ILO's constituents.
 45. The forum developed during the Fifteenth American Regional Meeting was therefore of great importance as a means of analysing how best to respond to the crisis of low levels of growth, employment, production and competitiveness, and above all to the crisis of values. Hence the initiative of organizing a meeting with the help of the ILO to discuss the issue, given that the region was obliged to adopt pro-cyclic measures to alleviate the recession.
 46. Mr. Leroy Trotman, Workers' delegate of Barbados, pointed out that, despite the best intentions and efforts of governments and of employers' and workers' organizations, more people had been made hungry and marginalized by the crisis and by the measures taken to deal with it.
 47. As long as globalization was seen as a process that shaped decision-making, the State in itself could not be in full control of the process. He suggested that governments should strengthen the workers to bring about a change and invited employers to put forward new ideas.
 48. Citing successful experiences in the African region, he encouraged the Group of Latin American and Caribbean States (GRULAC), with support from the United States and Canada, to initiate tripartite discussions in order to formulate a meaningful response to globalization.
 49. He considered that good governance and sound employers' and workers' organizations were crucial to shaping the process of creating well-being and ensuring that investors looked beyond the price tag. Foreign direct investors should be persuaded to do more than just remit profits, and he called on them to add value in the countries where they operated. If GRULAC were to embrace a tripartite vision for a positive impact on socio-economic well-being in the region in order to stand up to globalization, the desired change could take place.
 50. Referring to the current international financial system, which required developing countries to maintain minimum foreign exchange reserves, he proposed that these countries be allowed to invest a percentage of their foreign exchange reserves in a regional social fund, which could then be used as a new resource to finance social development.
 51. In his view, the trade unions should work to boost employment and cooperate with other bodies in creating spaces for growth of developing countries, thus enabling change to happen in these countries – many of which had small, vulnerable economies in which it was difficult to diversify. He advocated technical assistance in areas where human and trade union values were at risk.
 52. Lastly, he recommended that the parties which were genuinely committed be willing to take a stand against anti-democratic challenges and those who would sideline employers' and workers'

organizations. They should promote peace and tolerance of different opinions and visions, and protect migrant workers and minorities.

53. Mr. Pérez del Castillo, Minister of Labour and Social Security of Uruguay, referring to the previous speaker, said that, over and above his area of responsibility, there was a range of interests and problems common to all the countries of the region. He emphasized the need to develop a joint approach both within the United Nations and among the countries and interest groups of the region.
54. He pointed out that at the national level, there was less of a dichotomy than before between labour and social affairs ministries on the one hand and finance ministries on the other. There was a need for an integrated approach to these issues in the countries of the region, and they were now of necessity increasingly working together on these issues, which could no longer be addressed in isolation today, given the spread of poverty.
55. The current crisis was the product of economic mismanagement, but also of the existing system, which did not have appropriate mechanisms for sustainable development. There was no "international central bank" to take account of the needs of social justice.
56. There had been an outcry in favour of more equitable globalization, although the subsidies maintained in some countries precluded international trade on fair terms.
57. Mr. Alexis Garrido, Employers' delegate of Venezuela, pointed out how difficult it was to redefine the role of employers' and workers' organizations which had been firmly established in the ILO since its foundation. The difference lay in increased political responsibility and a higher degree of social awareness. The employers could not give up their active and intelligent participation in tripartite or bipartite social dialogue. Such participation was essential to the process of labour law reform.
58. Employers shared with the workers responsibility for designing development policies and creating new businesses, as well as generating decent employment, as laid down in the bipartite declaration signed by the workers and employers of the Americas the day before, which stressed the need to increase efforts to ensure that integration processes created decent work and combated and eliminated poverty.
59. He welcomed the active involvement of the Office, to which were now added the efforts undertaken by the Organization of American States (OAS) in the areas of training and development of workers and modernization of labour ministries and public administration in general. He thanked the Minister of Labour of Canada for the logistical support provided at the last two sittings of the XII Inter-American Conference of Ministers of Labour.
60. He commended the participation of the employers in international forums such as the Business Technical Advisory Committee on Labour Matters, the International Organisation of Employers (IOE), the Governing Body of the International Labour Office, the Committee on Freedom of Association and the Committee on the Application of Standards of the International Labour Conference.
61. He stressed that in Venezuela the democratic tradition, free enterprise, freedom of association and the right to organize were being jeopardized and unemployment and hunger were worsening. He urged increased attention to poverty, marginalization, unemployment, democracy and the promotion of economic development in the face of the emergence of "non-values" that imperilled democracy.
62. In each country, employers and workers should spearhead the fight against corruption and for the elimination of child labour, the improvement of social security, training for workers, labour stability, fair wages and personal security. In conclusion, he stated that the crisis had brought the sides of industry closer together and was still doing so, and had forced them to be creative in their efforts towards improved inter-American cooperation.
63. Mr. Marius, Deputy Secretary-General of the Latin American Central of Workers (CLAT), said that the crisis had a very serious threefold impact: on decent employment and work; on social and distributive justice; and on universal social protection based on solidarity. These three groups of issues could not be tackled in isolation. Nevertheless, the situation should not be blamed entirely on globalization itself, but rather on its proponents and agents for having promised positive and balanced development which ultimately benefited only a few, both at home and abroad, even outside Latin America.
64. He pointed out that social policies that were separate from or additional to economic policies did not solve the problems he had mentioned, nor did they overcome poverty. Such policies were the

ambulances collecting the victims injured by economic policies that were often far removed from national realities.

65. He emphasized the need to devise, promote and encourage alternative development models centred on human beings and human labour.
66. On behalf of the CLAT, he proposed two possible avenues. First, serious and responsible social dialogue and consultation, at all levels and without exclusion. One example of this was Latin American dialogue in the World Commission on the Social Dimension of Globalization. Second, giving priority to developing a Latin American community of nations before promoting the Free Trade Area of the Americas (FTAA).
67. Mr. Carlos Abascal, in his final intervention, highlighted the importance of government action. Social dialogue should be given first consideration in implementing solutions to the crisis. Attention should also be given to the development of policies to promote enterprise, to participation and to fostering a sense of urgency. At the same time, integration of Latin American labour ministries was essential to identify regional labour issues, as had been rightly emphasized at the Conference of Ministers in Ottawa.
68. Referring to the current vision of social policy, he pointed out that there could be no way out of the quagmire until social policy was placed at the centre of national policies. He remarked on what had been said by the Secretary of ORIT, to the effect that international commitments should be explicit. There were no mechanisms to make them politically and judicially binding, as appropriate, hence the need for national bodies to ensure compliance with these international commitments at the national level.
69. Mr. Daniel Funes de Rioja emphasized that enterprise and job creation should take place in a sustainable framework and according to each country's needs. He pointed out the need for a strong State, with pro-investment fiscal policies, and means for promoting an effective social protection system. It was necessary to achieve integration between the economic and policy spheres (migration was one example of an issue that needed to be addressed in a manner integrating both areas). He concluded that all such action should be firmly grounded in social dialogue, as the essential embodiment of participation and legitimacy of any solution.
70. Mr. Luis Anderson stressed the importance of a number of points relating to different aspects of globalization. Education for Latin American boys and girls was essential. They needed to go to school and carry out the normal activities required for their full development instead of working, in order to secure the future of the region. He also referred to the subsidies maintained in certain countries, which were detrimental to free international trade. Fair trade, rather than free trade, should be the aim.
71. With regard to the informal economy, in which over 50 per cent of the population of the continent was making a living, efforts should be made to ensure that social protection was also extended to this group. Gender equity should be taken into account in all economic and social activity aimed at progress.
72. There was a risk that decent work would remain a dead letter and not become a reality, for instance in *maquiladora* enterprises, unless decisive action and policy decisions were taken.
73. Strengthening democracy was fundamental to economic and social development, and the promotion of unity of Latin America and the Caribbean was an essential prerequisite for its development.

Appendix II

Declaration of the Latin America and Caribbean Government Group on the ILO's activities in the Americas in relation to the impact on employment and decent work of globalization and international trade

The Latin America and Caribbean Government Group (GRULAC) at the American Regional Meeting of the International Labour Organization, convened in Lima by the Governing Body of the International Labour Office and holding its Fifteenth Meeting in that city on 10 December 2002,

Noting the principles contained in the Declaration of Philadelphia,

Recalling that according to that Declaration, the International Labour Organization, having considered all relevant economic and financial factors, may include in its decisions and recommendations any provisions which it considers appropriate,

Recalling also that the Declaration states specifically that the fuller and broader utilization of the world's productive resources necessary for the achievement of the objectives set forth in this Declaration can be secured by effective international and national action, including measures to expand production and consumption, to avoid severe economic fluctuations to promote the economic and social advancement of the less developed regions of the world, to assure greater stability in world prices of primary products, and to promote a high and steady volume of international trade,

Recognizing the necessity of developing the discussion on the basis of a rigorous analysis of the links between trade distortions – including subsidies and tariffs applied to agricultural products – and the employment and decent work deficits in our region,

Requests the International Labour Office to:

- (a) examine the question of the link between distortions in international trade and the employment and decent work deficits in the countries of the Americas and, to that end, to commission systematic and in-depth studies on the impact of such trade practices, including agricultural tariffs and subsidies;
- (b) ask the Director-General to pursue dialogue with other international organizations with a view to enhancing support for actions intended to promote decent work in the countries of the Americas.

Appendix III

Declaration of the Employers' (IOE) and Workers' (ORIT/ICFTU) delegates on the processes of regional integration and the role of the social partners

During the Fifteenth American Regional Meeting, held in Lima, Peru, the employers and workers of the Americas, grouped under the International Organisation Of Employers (IOE) and the Inter-American Regional Organization of Workers of the International Confederation of Free Trade Unions (ORIT/ICFTU) met to discuss the regional integration processes and the role of the social partners, and agreed on the following.

Declaration

Regional economic and social progress that will lead to sustainable development and, as a result, contribute to reducing poverty can only be achieved by strengthening democracies, their institutions and the transparency of their processes, where the conditions for economic growth, balance and social cohesion are created and where respect for human rights is expressly guaranteed, based on the application of the principles contained in the ILO Declaration on Fundamental Principles and Rights at Work.

In order to promote a process of integration among the countries of the continent, the governments of the region must strengthen the necessary institutional structures and guarantee respect for human rights and fundamental labour rights, and must create or facilitate openings for effective participation by employers' and workers' organizations. The agreements achieved in the framework of regional integration should take into account the consensus achieved through social dialogue between the social partners with regard to enterprise and job creation, rights at work and social protection, and consultative institutions should be established to strengthen tripartism. We also urge the ILO to continue its tripartite collaboration in the work undertaken by the OAS, WHO-PAHO and IDB, with a view to developing and applying such mechanisms of participation.

Social dialogue and tripartism are fundamental to progress in the search for appropriate and lasting solutions to the challenges of integration. Faced with the current challenges and opportunities in the world of work, it is necessary to strengthen institutions and the capacity of employers' and workers organizations to participate in social dialogue in order to promote decent work based on the principles of freedom, equality, security and human dignity at the national, regional and international levels. In this respect, the employers' and workers' organizations of the Americas reiterate their commitment to the resolution concerning tripartism and social dialogue, adopted at the 90th Session of the International Labour Conference in 2002, and to the programme of action to implement it, and recall once again the tripartite structure of the ILO. They reaffirm the fundamental role that employers' and workers' organizations must play in the democratization and economic and social development of the countries of the continent.

The integration processes are an excellent opportunity for the economic and social development of nations. However, there are a number of problems, situations and restrictions that must be overcome at the national level before everyone can benefit from it. They include:

- the lack of effective application in some countries of legal guarantees, in particular the respect for fundamental rights at work, which weakens democracy and the rule of law;
- macroeconomic policies that do not encourage sustainable economic and social development;
- corruption in all areas which weakens governments' capacity to guarantee respect for human rights and the application of policies to promote economic growth and social progress;
- the lack of an adequate education system and of training programmes for workers;
- the lack of adequate social protection systems and programmes;
- the lack of policies that promote small and medium-sized enterprises and their management capacity as a strategy for taking full advantage of the benefits that can come from the integration processes.

The employers' and workers' organizations in the American region reiterate their resolve and their commitment to make efforts to ensure that the processes of integration generate decent work and combat and eliminate poverty. We call upon the ILO to take this Declaration into account, to provide support and technical assistance to the social partners at national and regional levels so that they can participate effectively and contribute fully to the process of integration in the American region.

Daniel Funes de Rioja,
Executive Vice-President,
IOE.

Luis Anderson,
Secretary-General,
ORIT/ICFTU.

Appendix IV

Declaration of the Workers' (ORIT/ICFTU) and the Employers' (IOE) delegates on the situation in Venezuela

The delegates of the Inter-American Regional Organization of Workers of the ICFTU and the International Organisation of Employers (IOE) to the Fifteenth American Regional Meeting of the International Labour Organization (ILO), assembled in Lima, Peru, on 9 December 2002,

Concerned at the escalating levels of violence in Venezuela,

Deplore the killing of peaceful demonstrators;

Applaud the efforts of the Secretary-General of the Organization of American States, Mr. Gaviria, to promote dialogue in search of a peaceful means of resolving the conflict;

Recognize the necessity of the Government and opposition entering into a dialogue in search of a peaceful means of resolving the conflict;

Support the commitment of the Venezuelan people to maintaining and consolidating genuine democracy in order to resolve the serious problems of poverty and social exclusion in Venezuela;

Recall the Government's responsibility for ensuring respect for human rights and fundamental labour rights;

Condemn the use of force against peaceful demonstrators and hold accountable to justice the persons responsible for the assaults, which resulted in the deaths of some demonstrators and the injury of many others;

Urge all parties to the conflict to seek non-violent, negotiated means of resolving their differences;

Pledge their firm support to the efforts of Secretary-General Gaviria to find a peaceful and democratic solution to the present conflict;

Call on the Government to immediately implement the repeated recommendations of the ILO Committee on Freedom of Association and the Committee of Experts on the Application of Conventions and Recommendations regarding Venezuela.

Appendix V

Conclusions of the Fifteenth American Regional Meeting (Lima, 10-13 December 2002)

1. As participants at this Fifteenth American Regional Meeting, we wish to express our appreciation to the Office and the Director-General for the report submitted to the Meeting. The ideas, suggestions and reflections on the current situation contained in the report have been discussed in depth by the three groups and in plenary. Likewise, we note with satisfaction the various activities that the ILO has carried out in the region since the Fourteenth Regional Meeting, and urge the Office and the Director-General to continue their efforts to promote social development in the Americas and to ensure the effective implementation of activities arising from these conclusions.
2. We are aware of the crisis prevailing in the region and of the need to take effective and appropriate measures to overcome it. We are not seeking an uneven, unfair or exclusive globalization, but rather an inclusive globalization that is balanced and widely extends its benefits. This requires the implementation of sound macroeconomic policies and the reduction of foreign debt in order to bring down the high levels of unemployment and improve real wages throughout the region. For this reason, we especially appreciate the work of the World Commission on the Social Dimension of Globalization. It is our hope that the ILO will help to promote the integration of social development objectives in the formulation of economic policies; we endorse the ILO's decent work strategy as a means of helping its constituents to deal with current social and labour challenges, and reaffirm our conviction that such actions are necessary in order to secure genuine social justice.
3. The corruption that has plagued many countries in the region has represented and continues to represent an obstacle to investment, social progress and democratic stability. Within the framework of its mandate, the ILO must encourage and promote the efforts of governments and the social partners to eliminate this very serious problem.
4. We consider that a positive solution to the crisis that also aims at social progress requires a strengthening of the institutions and mechanisms that underpin democratic systems and respect for human rights and fundamental rights at work. In this sense, it is essential to assist and strengthen the organizations of employers and workers throughout the region, as pillars of any decent work policy, and to develop fully their capacity to meet the needs of their members and to participate effectively in the process of social dialogue.
5. In this connection, we believe that social dialogue, through the active participation of the social partners, is an especially useful means of promoting the process of integration and dealing with the challenges of globalization. The existence of genuine democratic and pluralistic societies in the Americas depends on social dialogue as a means of reconciling divergent interests in the formulation of social and economic policy options. This dialogue will make it possible to reach basic consensus on economic, social and labour policies, and will provide both a framework and institutions to promote integration and the social dimension of globalization. For this reason, we call for a strengthening of the tripartism advocated by the ILO through appropriate programmes and projects. The social partners must be strengthened to enable them to participate in defining solutions that legitimize policies and promote the broadest access to the benefits of growth. For this reason, we request the Office's cooperation in promoting the full application of the Conference resolution on tripartism and social dialogue, and of other regional bipartite and tripartite initiatives on dialogue.
6. We reiterate the need to promote the Declaration on Fundamental Principles and Rights at Work, adopted by the International Labour Conference in 1998, and to take measures to ensure its effective application. We urge the ILO to promote social dialogue at the national and regional level as regards the promotion of human dignity the respect for human rights at work, so that the fundamental Conventions may be ratified by all the countries of our region. These instruments represent the social foundation for economic growth, and foster the social balance and cohesion needed to ensure full respect for human rights, the consolidation of democracy, and regional integration.
7. We urge the Office to intensify cooperation and technical assistance aimed at facilitating the effective application of ratified Conventions and of the principles contained in the Declaration on

Fundamental Principles and Rights at Work, and at monitoring compliance with the pertinent observations, direct requests and recommendations of the ILO's supervisory bodies.

8. We recognize the ILO's special efforts in the region to eliminate child labour, especially its worst forms, as well as the achievements of its technical cooperation programmes. That is why we, the governments, employers and workers of the region, pledge to undertake the necessary action to eliminate child labour as soon as possible, beginning with its worst forms, as our capacities and opportunities permit. We also see a need for new programmes of assistance that will help to abolish forced labour and discrimination, enhance freedom of association and guarantee full collective bargaining rights.
9. We are confident that, with the ILO's assistance, we will achieve a culture of dialogue and negotiation that will enable us to develop equitable and harmonious labour relations and effective systems for the settlement of disputes. That culture should be based on freedom of association, mutual respect, ongoing vocational training, collective bargaining and other forms of dialogue, improvements in the conditions of work, and effective information and consultation machinery that can be used to define appropriate methods and forms of work and create conditions for decent jobs.
10. We pledge to design, through participative and responsible social dialogue, vocational training and ongoing education policies that are conducive to the full development of persons, not only with a view to improving incomes, but also to open up employment opportunities without discrimination, and to raise productivity which generates competitiveness, stability, growth and decent work.
11. It is in this spirit that we consider that it is necessary to establish programmes to strengthen labour administrations so that they may provide effective services to users, lend support to agreements between organizations of workers and employers, and effectively apply social policies and labour legislation. In the same context, because we believe that a safe working environment breeds confidence and boosts productivity, we consider it indispensable to establish occupational safety and health policies that protect the lives and health of workers by preventing occupational accidents and diseases. We attach special importance to active prevention policies to deal with HIV/AIDS, and request the Office to develop specific programmes to deal with this pandemic.
12. Likewise, we consider appropriate national social security systems and programmes to be indispensable, and request the ILO to provide technical assistance to help expand and modernize existing systems, and develop such new systems as may be needed to strengthen the capacity of States to safeguard the right of their populations to social security, and the rights of the workers of such institutions, in accordance with the economic capacities of each country. Special attention should be given to the development of unemployment protection schemes to assist the jobless and help them to find work and meet the needs of their families while they are looking for work.
13. We are convinced that without rising levels of domestic and foreign investment there will be no growth, and therefore no job creation. This will require macroeconomic stability, more equitable rules in international trade, the guarantee of democratic freedoms, legal safeguards, and national and regional policies for development and full employment. This will contribute to a climate of social peace that will stimulate such investment. Because of its well-deserved worldwide reputation, the ILO must, within the scope of its mandate and resources, make determined efforts to help achieve these objectives.
14. Sustained increases in productivity must be sought through investments in technology, improved enterprise management, ongoing training, harmonious labour relations, and an appropriate legal framework, resulting from social dialogue, that promotes competitiveness. Increases in productivity and a wider access to the ensuing benefits will have a positive impact on economic growth, job creation and the reduction of poverty. We request the ILO to deepen its research into productivity and intensify its technical cooperation in this area. We also consider it timely and advisable for the Office to set up a system to monitor employment policies throughout the world, and to convene bipartite and tripartite meetings to identify solutions to the dilemmas facing the region in this connection.
15. We must develop decent work policies and programmes that target vulnerable groups.
16. As regards young people, above and beyond current government actions in this area, training programmes should instil a spirit of entrepreneurship, and thereby contribute to the creation of more and better enterprises.
17. Special attention should be given to policies aimed at promoting micro-, small and medium-sized enterprises, and improving their management as part of a strategy to generate decent work and tap

opportunities afforded by integration processes. That is why we endorse the Office's proposal to promote the creation of more and better jobs through the creation of more and better enterprises, and urge it to increase its activities in this area.

18. We are aware that a positive solution to the crisis will benefit everyone in the short term. However, persons in extreme poverty require immediate assistance, and we therefore urge the ILO to work with its member States in the design and implementation of active job creation policies that are consistent with fundamental rights at work and lead to decent jobs.
19. We recognize the efforts of several governments, the social partners and the ILO to modernize production units in the informal economy and bring them into the economic mainstream. We request the Office to evaluate the policies and strategies that have been introduced in the region, and to promote horizontal cooperation aimed at adapting and capitalizing on successful experiences.
20. We commend the ILO's efforts to establish constructive relations with the international financial and economic institutions, especially those engaged in integration processes, as requested by the Regional Meeting held in 1999, and reiterate the importance of the ILO's dialogue with the IDB. We therefore urge the Office to intensify its efforts to develop an integrated approach to the various dimensions of the process of globalization.
21. We consider it indispensable to promote equality of opportunity and treatment in employment, while respecting diversity, in order to achieve social progress. In this sense, we request the Office to devote special attention to the design and mainstreaming of a full range of cross-cutting policies to fight discrimination based on gender, race, nationality, age, disability or any other grounds. Likewise, we urge the ILO to devote special attention to the defence of the human rights of migrant workers.
22. We recognize the difficulties that the various integration processes face as a result of the economic crisis that is affecting the region. Nevertheless, we remain convinced of the benefits of integration and pledge our continued support for such processes. We also consider that integration processes should take into account not only commercial questions, but social and labour issues as well. In this sense, we urge the Office to continue cooperating with these processes, and to promote a greater participation of the social partners in them.
23. We commend very highly the Office's efforts to develop instruments to measure and analyse labour conditions in the region. We urge the Office to cooperate with the countries in the region in an ongoing effort to develop and modernize these instruments, and to provide the necessary training to organizations of employers and workers so that they may use and benefit from these instruments.
24. Recalling that the Declaration of Quito of Ministers of Trade recognizes the progress made by the Inter-American Conference of Ministers of Labour (IACML) in implementing the Ottawa Declaration, we request the ILO to continue its cooperation with the IACML, in keeping with the joint CEATAL and COSATE declaration presented in Ottawa. We also recall that the Twelfth Inter-American Conference of Ministers of Labour decided to hold its Thirteenth Conference in Rio de Janeiro, Brazil, in 2003; in this connection, we urge governments to lend their full support to preparations for this Conference, especially as regards the High-Level Technical Meeting to be held in Brasilia in July 2003.
25. We attach great importance to the Office's participation in responding to situations of crisis arising from economic conditions, natural disasters or other causes, and urge it to maintain and strengthen this policy, which addresses the most urgent social problems while contributing to the reconstruction of the productive apparatus.
26. In view of the current negotiations on the Free Trade Area of the Americas (FTAA) and the scope of the issues under discussion, the social partners request the ILO to lend its support to all efforts aimed at affording employers and workers a fuller understanding of these issues.