

**A time of opportunity for decent work
in the Americas**

17th American Regional Meeting
Santiago, Chile, December 2010

A time of opportunity for decent work in the Americas

Report of the Director-General

INTERNATIONAL LABOUR OFFICE

ISBN 978-92-2-124261-1 (print)
ISBN 978-92-2-124262-8 (web pdf)

First published 2010

The designations employed in ILO publications, which are in conformity with United Nations practice, and the presentation of material therein do not imply the expression of any opinion whatsoever on the part of the International Labour Office concerning the legal status of any country, area or territory or of its authorities, or concerning the delimitation of its frontiers.

Reference to names of firms and commercial products and processes does not imply their endorsement by the International Labour Office, and any failure to mention a particular firm, commercial product or process is not a sign of disapproval.

ILO publications can be obtained through major booksellers or ILO local offices in many countries, or direct from ILO Publications, International Labour Office, CH-1211 Geneva 22, Switzerland. Catalogues or lists of new publications are available free of charge from the above address, or by email: pubvente@ilo.org.

Visit our web site: www.ilo.org/publns.

A time of opportunity for decent work in the Americas

1. Over the last two years, the world of work has suffered from the fallout of an international financial crisis whose effects will be long felt. Across the continents, problems have arisen in relation to increased unemployment or deteriorating working conditions. Now that the eye of the economic storm is receding, many are facing the reality that the recovery will be slow.

2. The Latin America and the Caribbean region, increasingly integrated into the global economy, is no exception. Concrete signs of an economic slowdown and problems in maintaining export flows began to appear in the second half of 2008, and these difficulties quickly spread to the employment sphere. At the time, many pessimistic prognoses were made, predicting a deep recession, while the statistics showed a growth in unemployment.

3. In fact, the bleakest prognoses concerning the crisis turned out to be inaccurate for the region.

4. We now know that the impact of the international financial crisis in this part of the world was less acute than predicted. From the second half of 2009, there started to be real signs of recovery. By 2010, most of the region's economies had got back on the track for economic growth, and there were indications of decreasing unemployment rates.

5. Various factors had an influence on the employment situation in Latin America and the Caribbean. The crisis struck the region as it was coming to the end of a five-year long positive cycle, which helped it cope better with the economic fluctuations. Another vital factor was the implementation of counter-cyclical measures based on public investment and focusing on the need to protect people's jobs and incomes. Moreover, employment policies were put into place and social dialogue bodies made it possible to deal with the issues at hand. In addition, social protection initiatives, aimed at reducing the impact of the crisis on families, were promoted.

6. There is no doubt that significant challenges remain and that there are many unresolved problems in the labour markets in the region, some of which were evident during the period in question, such as insufficient increases in productivity, a growth in informal activity and continued inequality, to name but a few.

7. Nevertheless, one lesson that must be learnt from the crisis is that it is possible to develop policies based on the promotion of decent work. Furthermore, these policies have proved to be effective in practice over the last few years.

8. This is an important point given the times in which we live, when the paradigms of development and progress are being totally reshaped as part of the international debate on the way forward. The aim of generating quality employment and decent work seems to have been strengthened by the crisis.

9. Throughout the crisis and even now, as the recovery continues, the ILO has argued that this shift in paradigms must include the creation of more and better jobs as a fundamental objective of the macroeconomic policy of the countries, with the aim of generating a virtuous circle, which will produce sustainable growth while generating employment, in order to build societies that are more prosperous, fair and equitable.

10. The current economic and political context has shaped a time of unprecedented opportunities with regard to making progress towards decent work in Latin America and the Caribbean.

11. The political challenge that we have before us consists of making the most of these opportunities and ensuring that the creation of more and better jobs becomes the basis of a new consensus on advancing towards a sustainable development that encompasses the economic, social and environmental dimensions.

12. The ILO presented a document in Brasilia four years ago entitled *Decent work in the Americas: An agenda for the Hemisphere, 2006–2015*. This was an initiative for action that proposed to the countries of the region a series of general and specific measures that could be used to design policies to promote the creation of decent work tailored to each country's needs and characteristics. The document also put forward a set of targets to be achieved in the course of a decade.

13. The Agenda for the Hemisphere, presented in 2006 at the Sixteenth American Regional Meeting of the ILO, was drawn up in the belief that, as we face the twenty-first century, the promotion of decent work is the best response to the demands currently being made and an irreplaceable tool in the fight against poverty; moreover, it makes it possible to strengthen democratic institutions, contributes directly to the development (both economic and social) of sustainable enterprises, helps address situations of inequality and is clearly key to continued growth. The workforce of the countries is an essential component for production and economic well-being.

14. Four years ago, the international financial crisis had not yet taken hold. However, the Agenda for the Hemisphere responded to a specific context: before the crisis, there were already other signs of turmoil on the horizon, in the shape of a global employment crisis the symptoms of which are still showing, hindering development and prosperity in the countries of the region. A number of issues had already arisen, such as: high levels of unemployment; large numbers of poor and informal workers; the fact that a significant proportion of the population lacked access to social protection; gender, ethnic and racial inequalities; the lack of decent work opportunities for the young; the continued existence of unacceptable forms of work, such as child and forced labour; the decent work deficit; job insecurity; low wages; the lack of social protection and failure to comply with rights at work, among other things.

15. The concept of decent work was formulated in 1999, when I took up office as Director-General of the ILO. Since then, it has been adopted by many Governments, as well as by the international community. The region of Latin America and the Caribbean is no exception, having repeatedly displayed the political will to treat decent work as a priority objective.

16. The recommendations of the Agenda for the Hemisphere were linked to targets set for 2015. Now that we have more or less reached the halfway point, we feel that it is appropriate to carry out a review to identify the objectives achieved, lessons learnt and the challenges which still face us, as well as to come up with new ideas that will allow us to improve this process.

17. The document drawn up for this Regional Meeting, *The Decent Work Decade in the Americas, 2006–15. Agenda for the Hemisphere: Initial assessment and perspectives*, covers some of the milestones in terms of the policies and results obtained in different countries in the region during the 2006–10 period.

18. A large portion of the period under review coincided with the crisis and the current recovery. The Report reflects the significant experiences and policies linked to the efforts to mitigate and prevent the effects of this international financial crisis.

19. Had the Latin American and Caribbean countries not taken measures to counteract the effects of the economic downturn, then the impact on employment would undoubtedly have been greater. Many of these measures coincide with the proposals included in the Agenda for the Hemisphere and are indicative of the region's commitment to decent work.

20. The economies of Latin America and the Caribbean are currently going through a process of recovery which is reflected in the main indicators of growth. Many countries in the region, including the main economies, have been displaying clear signs of recovery since the second half of 2009. Economic growth forecasts for 2010 are optimistic and have been improving since the beginning of this year.

21. The Economic Commission for Latin America and the Caribbean (ECLAC), which last December estimated that the rate of economic growth for 2010 might be in the order of 4.1 per cent, revised its prognosis upwards in July to 5.2 per cent.

22. Analysts state that an important factor in this trend is the dynamism of certain Asian economies whose demand for products is set to rise. It is estimated that exports from Latin America and the Caribbean will increase by more than 20 per cent this year. Furthermore, the signs of recovery, albeit gradual, shown by the economy of the United States have led to an increase in demand in that country.

23. Other contributing factors include the beneficial effects of the counter-cyclical fiscal and monetary policies implemented by several countries, the increase in domestic demand in some cases, the reduction of levels of debt, the improvements in fiscal accounts and the increases in international reserves, which allowed some countries to access the international capital market.

24. With regard to certain countries, this was made possible by the profits accumulated in the region during the positive cycle of sustained growth recorded during the five years preceding the international financial crisis.

25. Forecasts indicate that, in the wake of the recovery, the rate of growth for 2011 might well be more moderate.

26. The rate of urban unemployment has been falling throughout 2010, despite the fact that the region continues to face significant challenges regarding employment in the informal sector and labour productivity.

27. According to the data contained in the ILO *Labour Overview*, the rate of urban unemployment in Latin America and the Caribbean fell from 11.2 to 7.3 per cent between 2002 and 2008. This sustained decrease was driven by positive economic growth.

28. By the end of 2008, it was clear that this downward trend in the rate of urban unemployment would be reversed by the international financial crisis. However, the tendencies observed in 2009 demonstrated that the impact on the region had been more moderate, that there were positive adjustments in the labour market and that the measures implemented by the Governments achieved the objective of maintaining employment levels.

29. According to the third ECLAC/ILO bulletin, dated June of this year, the rate of urban unemployment rose by less than 1 percentage point, reaching 8.1 per cent.

30. At the time this document was finalized, the indicators collected by the ILO Labour Analysis and Information System for Latin America and the Caribbean (SIALC) were showing a downward trend in the urban unemployment rate, which stood at 7.9 per cent at the end of the first half of 2010, that is to say, lower than the figure of 8.6 per cent recorded in 2009 for the same period. This rate will probably fall even further when the information available for the second half of 2010 is taken into account.

31. The information available shows that the gender gap in the unemployment rate remains unaltered compared to last year, and that, therefore, female unemployment is 1.4 times higher than its male equivalent.

32. As to the rate of youth unemployment, a downward trend was observed in the six countries for which up to date information is available. However, young workers are still affected by the structural problem of unemployment rates that are on average three times higher than adult unemployment rates, which constitutes a pressing challenge for all our societies in terms of decent work.

33. Any moves to offer young people the possibility of accessing the world of work via a path leading to good-quality jobs would unlock significant economic potential. It is estimated that in 2015, the region will have the greatest number of young men and women between the ages of 15 and 24 in its history: 100 million people. This is a one-off demographic bonus; however, this opportunity could turn into a burden if our young people do not have the means to develop and progress in life.

34. The crisis had a greater effect on the United States and Canada than it did on the rest of the Americas. Its impact on employment was significant and it struck the middle- and low-income sectors of the United States with a good deal of force, as well those of Canada, although to a lesser extent.

35. The recovery in the United States is a slow process, and it is taking time to spread to the world of work. In August 2010, the unemployment rate was still high, at 9.6 per cent. Although this rate is lower than the record high of 10.1 per cent unemployment in October 2009, it is believed that the downward trend was influenced by the fact that around 1.2 million workers left the labour market. Indeed, the workforce participation rate has fallen considerably, dropping by 0.7 percentage points in one year, standing at 64.7 per cent in August 2010.

36. One of the reasons for the drop in the participation rate is the discouragement felt by jobseekers faced with the seemingly impossible task of finding employment.

37. The Government of the United States has suggested that job creation is an essential factor in seeking ways out of the recession and has taken measures to improve the labour market. Nonetheless, the current situation requires that stimulus measures continue to be implemented if sustainable recovery is to be achieved.

38. Canada implemented an economic stimulus package with good results. According to data available in August 2010, the country even recorded a 2.1 per cent increase in the employment rate over the period of one year.

39. Canada's unemployment rate (8.1 per cent in August 2010) was still around 2 percentage points higher than the levels recorded prior to the crisis. This persistently high level of unemployment was due in this case to an increase in the rate of labour market participation, one of the symptoms of economic recovery; this increase is a result of the rise in the number of people joining the workforce and seeking employment.

40. As to the Millennium Development Goals (MDGs), the latest assessment of the progress made concerning the targets set out within the framework of the MDGs shows that the region has the potential (although with varying levels of capacity) to achieve a large number of the goals, as long as the appropriate strategic decisions are taken.

41. According to the data collected, the number of persons living in extreme poverty in Latin America and the Caribbean fell from 97 to 71 million between 2002 and 2008. The total number of persons living in poverty in the region decreased by 41 million, from 221 to 180 million in the same period.

42. These are positive figures, although the assessment carried out by the United Nations (UN) indicates that levels of progress have varied from country to country and that the final results are influenced by the advances made by the major economies of the region.

43. MDG 1 is to eradicate extreme poverty and hunger. In 2008, a new target was incorporated into this goal, known as Target 1.B, which addresses the need to "Achieve full and productive employment and decent work for all, including women and young people". Thus, the fact that the offer of more and better jobs is fundamental in the fight against poverty gained international recognition.

44. As highlighted in the assessment of the achievement of the MDGs carried out by the United Nations, a positive trend was observed in Latin America and the Caribbean between 1990 and 2008 towards the achievement of Target 1.B.

45. However, the regional assessment showed that labour productivity (linked in this case to the rate of growth of GDP per employed person), which was on average 0.9 per cent during the period under review, has seen very low and volatile growth and that the gap has increased with regard to the developed countries.

46. The setbacks in terms of productivity are also due to the continued existence of the informal economy (a sector containing a large number of micro-enterprises and microbusinesses, run on a self-employed basis). This means that a significant proportion of the workforce is not contributing to wealth creation to the same extent as those workers working for formal enterprises (with greater productivity and employment generation capacity).

47. Although productivity levels vary from country to country, the reduced rate of average growth recorded in the region is a warning signal, given that it is a fundamental indicator of the capacity to create productive jobs and achieve a real increase in incomes, which are two elements central to decent work and the fight against poverty.

48. The need to generate better-quality jobs must be highlighted. Although some headway has been made, it is limited in nature and concentrated in a few countries. Moreover, the crisis has very probably slowed progress in this regard.

49. The UN/ECLAC regional report assessing the MDGs, entitled *Achieving the Millennium Development Goals with equality in Latin America and the Caribbean: Progress and challenges*, highlighted, for example, the fact that the proportion of workers living in indigence and in poverty fell from 39.9 to 26.3 per cent between 1990 and 2008. Although this trend is a positive one, progress over almost 20 years has been slow and the proportion is far too high, in particular if we take into account the fact that the figure includes employed persons who do not earn enough to lift both themselves and their families out of poverty.

50. The regional report also highlighted the number of persons considered as vulnerable workers, a category which includes own-account workers and unpaid family workers. Although the trend here is also a positive one, much remains to be done, given that between 1990 and 2008 there was only a small decrease in the proportion of workers classed as vulnerable, from 33 to 30.8 per cent.

51. Decent work as promoted by the ILO involves the generation of enough jobs to respond to the demands of the population, but it is also vital that these posts be productive and of a good quality, and that the workers filling them do so in conditions of freedom, equality, security and human dignity.

52. The current socio-political context is favourable to decent work, which both flourishes under and helps to strengthen democracy. The region is experiencing a process of democratic institution building that only a few years ago seemed a long way off.

53. This institutionalization of democracy coincides with an auspicious moment in the region's economic history and provides a launching pad for the policies, strategies and consensus needed to generate more and better jobs, which are the most effective tool in the fight against poverty and for the promotion of sustainable development, as has been recognized in various international forums.

54. In 2010, several Latin American countries began celebrations commemorating 200 years of independence. These dates sparked a process of examination and reflection regarding the way in which the countries of the region have evolved. Quite rightly, the citizens – women, men, young and elderly – of these modern democracies are asking whether their lives can be improved and are increasingly calling for their demands to be taken into account and for elected officials to fulfil their promises.

55. Decent work generation strategies should also be seen as a way to support social cohesion, peace and democratic governance. Persistent unemployment and poor working conditions can lead to doubts about the political system when it makes promises that it does not keep. This, in turn, can lead to instability, social tension and insecurity.

56. The political will to accept a new paradigm of development which seeks more directly to achieve the well-being and advancement of individuals is crucial in order to guarantee that democracy prevails and, at an international level, to find the means to achieve a fairer and more equitable globalization. It is for this reason that the issue of employment demands not only a technical response, but also a political response.

57. True to the spirit of the Declaration of Philadelphia, adopted in 1944, the ILO Declaration on Social Justice for a Fair Globalization, adopted on 10 June 2008, reaffirmed that “labour is not a commodity” and that “poverty everywhere constitutes a danger to prosperity everywhere”.

58. “The world must do better”. This conviction is expressed in the Global Jobs Pact, presented to the tripartite representatives of the ILO in June 2009, at the 98th Session of the International Labour Conference. This document, which contains a series of practical and tried and tested recommendations, was conceived as an urgent and far-reaching response to the crisis and to guarantee a viable recovery, that is to say, a recovery with employment.

59. Economies may improve their performance, but recovery will be neither real nor sustainable unless people have jobs and sufficient incomes.

60. It is striking to note that even before, but in particular during and after the international financial crisis, decent work and all that it implies led to labour issues occupying an increasingly important place in the debate on how to improve globalization and governance. This concept not only encompasses the expectations of the general population but also acts as a catalyst for public, economic and social policy.

61. The issue of employment was incorporated into the G20 discussions, in which the ILO, at the behest of the Governments of Latin America, participated, voicing the concerns of the real economy, that is to say, our tripartite constituents. Participants at the G20 Summit, held in Pittsburgh (United States) in September 2009, welcomed the Global Jobs Pact and highlighted the importance of building an employment-oriented framework for economic growth. At the time of the Summit it was suggested that strong, sustainable and balanced growth requires more inclusive labour markets, active labour market policies and quality education and vocational training programmes.

62. In September 2010, the Government of Norway, the International Monetary Fund (IMF) and the ILO organized a debate on “The challenges of growth, employment and social cohesion” in Oslo, with the aim of discussing ways of integrating employment and social policies with international and national macroeconomic policy strategies.

63. This debate was highly political in content given that, as the Managing Director of the IMF, Dominique Strauss-Kahn put it, “Tackling the jobs crisis is not only critical for a meaningful global economic recovery, but also for social cohesion and peace”.

64. As I said before, a large part of this 17th American Regional Meeting will be dedicated to analysing the progress made in implementing the Agenda for the Hemisphere, against a backdrop of crisis and recovery.

65. An assessment of the events which took place between 2006 and 2010 shows us that the countries of the region have made progress in terms of development strategies designed to achieve decent work results. However, the pace and depth of this progress vary according to the diverse national realities and specificities. The assessment also makes it clear that ILO action has been relevant in most of the fields addressed by the Agenda for the Hemisphere, although, again, the level of impact varies.

66. The Agenda for the Hemisphere proposed tackling four strategic areas, with policies and targets based on the priorities that define decent work: growth as a generator of employment, fundamental rights at work, social protection and social dialogue. Various objectives, to be achieved through the different strategies laid out in the same document, were set for each priority.

67. A fundamental factor has been the ability of the countries to deepen policies linking economic growth to results in terms of economic and social progress for individuals and to the existence of improved social protection networks.

68. The Report presented at this Meeting offers a detailed inventory of measures implemented in the region to promote development and combat the crisis, including labour market policies, public investment in sectors with high employment generation potential, actions to extend social protection – such as, for example, unemployment insurance – policies raising the minimum wage, various training initiatives, emergency employment generation strategies and conditional income transfer experiences, which have proved to be effective in lifting families out of poverty, combating child labour and stimulating domestic demand.

69. It is vital that social dialogue be promoted at all levels, in order to ensure the highest level of participation, consensus and support possible, these elements being indispensable if the bold strategies required to meet the labour challenges of the twenty-first century are to succeed.

70. Despite the significant progress made, the situation regarding social dialogue and tripartism (fundamental instruments for ILO action) in the region is such that a body of experiences and good practices sufficiently large to meet the needs of the countries has not, as yet, been built up. Countries have advanced at varying rates and, overall, there is a tendency to implement non-institutionalized methods, often for limited periods and with regard to specific issues.

71. National Decent Work Programmes have been established in 11 countries in the region. These programmes were agreed on within the framework of social dialogue experiences which currently allow the ILO to promote and support the development of the targets set in the Agenda for the Hemisphere.

72. The action of the organizations of workers and employers has been fundamental in achieving the progress recorded in 2010. However, more needs to be done. If these actors are to optimize their contribution to social dialogue and tripartism, then it is vital that their representative organizations and collective bargaining mechanisms be strengthened.

73. Consequently, we are faced here with another major strategic challenge, as social dialogue and tripartism are essential instruments in enabling the Agenda for the Hemisphere to develop an all-encompassing approach capable of bringing together government, social and political actors with the aim of encouraging growth that generates quality employment, sustainable enterprises and social protection for all.

74. The path ahead is not an easy one. Political will and concrete agreements are required if we are to make progress in facilitating the implementation of policies aimed at achieving growth with employment. As previously pointed out, the first step is to make employment a top priority. This approach was already in use prior to and during the crisis, and various countries have continued along these lines during the recovery period. This is the clearest sign yet that growth with employment is possible.

75. A series of issues must be addressed when setting employment as a macroeconomic priority.

76. It is important to support productive undertakings, as well as sustainable enterprises, and to promote policies which encourage investment and allow for long-term growth.

77. At a time when there is clearly an urgent need to find responses to various problems linked to the deterioration of the environment, it is vital that this concern be incorporated into the Decent Work Agenda and that green employment promotion policies and actions be developed in order to ensure a socially just transition to an environmentally sustainable economy.

78. Unionization and collective bargaining are essential tools for working towards equitable, consensus-based development. However, the level of coverage of these tools is modest and the current trend is towards stagnation. The countries, together with the ILO, are faced with the significant challenge of turning this situation around.

79. One important task in this respect is contributing to the generation of up to date information, the data collected so far being approximate in nature. According the information available, on average the rate of unionization in the salaried workforce as a whole stands at between 15 and 20 per cent, with collective bargaining at around 9 per cent for the same group. These averages mask situations which vary dramatically from country to country, with some States displaying averages of about 4 per cent for unionization and collective bargaining, while in others the figures are between 20 and 30 per cent for unionization and about 60 per cent for collective bargaining coverage (in both cases figures refer to the salaried workforce).

80. Governments must develop proactive policies to improve unionization and collective bargaining opportunities in the countries of the region.

81. In Latin America and the Caribbean, there is a high level of legal and political adherence to the fundamental principles and rights at work. However, gaps have been identified concerning their promotion, as have limitations in terms of effective implementation, making it necessary to strengthen labour inspection services and labour justice procedures.

82. Although the vast majority of the countries of the region have ratified the eight ILO fundamental labour Conventions, evidence has come to light showing that a considerable deficit persists regarding effective compliance, not only with the fundamental Conventions, but also with other ILO normative instruments.

83. In 2010, the Report of the Committee of Experts on the Application of Conventions and Recommendations of the ILO indicated that various types of violations of the Conventions had been recorded in 14 countries in the region, involving the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98), in particular, with these violations affecting both workers and employers.

84. The action being taken by the ILO to reduce the deficit between the ratification and the effective implementation of the Conventions stands out in this regard. Efforts are being made to promote actively the international labour standards, with solid support being provided to those public institutions responsible for protecting the rights of the workers through technical cooperation projects, programmes and activities, as well as through the actions of the ILO supervisory bodies and the aforementioned Committee of Experts.

85. As was previously pointed out, youth employment is a strategic issue in terms of equitable and just growth and development. The ILO estimates that there are around 20 million young people in the countries of the region who are currently neither studying nor working. Specific policies are required to generate employment for persons between the ages of 15 and 24.

86. On the other hand, significant progress has been made in the region concerning gender equality, which is a fundamental ILO goal. Rates of participation and employment among women have increased, as have training and education opportunities. However, important gaps remain concerning all of these fields and we must work to eliminate them. Moreover, progress in other areas has been much more limited. Issues requiring attention include differences in incomes, the proportion of women working in informal labour conditions, inequality in terms of unpaid family care work and obstacles to the participation of women in decision-making and influential positions in public and private life.

87. Together with the ILO, the Governments have implemented major programmes tackling these issues. It should be pointed out that the ILO has established itself on the public agenda with regard to certain strategic aspects, such as the balance of work and family responsibilities and conditions for domestic workers and the self-employed.

88. The countries of the region are also making progress regarding the eradication of the worst forms of child labour and child labour in general. However, here again, more needs to be done to improve results in this field. According to ILO data, one in ten children in the region is working.

89. The action of the International Programme on the Elimination of Child Labour (IPEC) has been significant, in particular as regards the creation of institutional bodies with the Governments and social actors. These bodies are responsible for designing child labour eradication activities in 19 countries. In some cases, these initiatives have led to the formulation of public policies and the establishment of consolidated social dialogue entities. This is an extremely complex field and it is unlikely that progress will be made at the rate set out under the targets contained in the Agenda for the Hemisphere. Consequently, broad alliances must be formed with the tripartite actors and other sectors of civil society and work must be carried out to strengthen existing policies and institutions in order to bolster actions in this regard.

90. The information currently available on the eradication of forced labour shows that insufficient progress has been made so far regarding the objectives set out in the Agenda for the Hemisphere. According to ILO data, between 2005 and 2010 over 1.3 million of the region's inhabitants were subjected to this form of labour, constituting a serious violation of human rights and fundamental rights at work. However, strenuous efforts are being made to tackle the issue, which require support and promotion. Brazil in particular stands out, having launched an extensive strategy to combat forced labour. The Plurinational State of Bolivia, Paraguay and Peru have also taken promising steps in this direction.

91. As to inequality and non-discrimination in the case of the indigenous and Afro-descendent population, the region displays indicators that are still insufficient with regard to achieving the objectives put forward by the Agenda for the Hemisphere. The fact that the labour market in most of the countries of the region continues to be marked by patent inequalities and blatant forms of discrimination based on the ethnic and racial origins of individuals is a reality that requires more and better efforts, both on the part of Governments and the ILO, to control and eradicate such problems. The tools contained in the ILO Indigenous and Tribal Peoples Convention, 1989 (No. 169), can be put to better use by the countries that have ratified the instrument if national consensus are achieved.

92. The significant growth in the number of migrant workers also requires a particular effort if we want to come close to the objectives set in the Agenda for the Hemisphere. According to ILO data, between 2000 and 2010 the number of migrant workers in the region rose from 2.5 to 3.2 million, representing between 2.5 and 3 per cent of the total population. Half of these migrant workers are women. This issue is still not being addressed adequately by public policies and legislation, and not enough attention is being paid to it by States and social and political actors in general. This is giving rise to the appearance of highly precarious labour markets in which, in general, there is no effective social protection for individuals. Within the framework of globalization and economic internationalization, the migratory phenomenon is one of the main issues to be addressed by the socio-labour policies of the countries of the region, as well as by the ILO, and it will only increase in importance in the future.

93. Furthermore, vocational training is a strategic field of action in which headway can be made in promoting decent work. The progress made regarding this objective varies from country to country. Qualitative progress has been made concerning the strengthening of the vocational training institutions that form part of the network coordinated by the ILO's Inter-American Centre for Knowledge Development in Vocational Training (ILO/CINTERFOR), alongside quantitative gains in terms of coverage and vocational training spending with regard to national GDP.

94. In any case, despite the progress made with regard to vocational training, the Governments and the social actors need to develop strategies that are more proactive in this regard, in order to attain a rate of progress more in line with the requirements of the new labour and development realities.

95. One of the ILO's main objectives is social protection as a strategic policy that guarantees access to a basic social security floor for workers in all fields. Indeed, it is a fundamental counterpart to the processes of economic growth and is indispensable in the effort to move towards development with equity and social justice. Although advances have been made in the region in this regard, the pace of progress must be quickened and its sustainability increased.

96. As to the target contained in the Agenda for the Hemisphere calling on member States to “increase social security coverage by 20 per cent within ten years”, if social security coverage in the formal labour market is mainly measured by the number of contributors to health and pension schemes then this target may not be met in many countries. However, if other components of social protection used in the region were to be taken into consideration, such as the so-called “universal health programmes”, conditional income transfers and other social services that are a part of what the United Nations and the ILO refer to as the “basic social protection floor”, then better results could be achieved and there would be a much greater likelihood of achieving the abovementioned target for increased social protection coverage.

97. I should like to conclude by mentioning a few of the lessons learnt from the crisis and from the analysis of progress made regarding the Agenda for the Hemisphere, which, as well as being possible topics for discussion at this Regional Meeting, could also be employed in the formulation of useful guidelines for the actions of the countries and of the ILO and its constituents with regard to socio-labour policies.

98. First, I wish to point out that it has been demonstrated that decent work is possible. In the case of the countries of the region, it is a viable foundation for a development strategy based on productive growth that generates quality, socially protected jobs, against a background of dialogue aimed at strengthening democratic governance.

99. The Agenda for the Hemisphere was drawn up in 2006 on the basis of targets which seemed to be feasible and reasonable. Four years on, the evidence shows us that the countries of the region have made advances in practically all the fields covered by the Agenda, although the depth, rate and continuity of progress vary from country to country.

100. Strengthening workers’ and employers’ organizations was key to achieving this progress, along with efforts to encourage and promote sustainable enterprises that generate undertakings aimed at creating more and better decent work.

101. The decent work concept and objectives are now included on the policy agendas of the Governments and social actors. This is one of our most important achievements in the region.

102. Second, I would like to stress that overcoming the profound inequalities that exist in this region is key to ensure the full exercise of citizenship and social and political freedoms and to uphold the democratic governance of development.

103. If human labour is to be placed at the centre of thinking on social and economic development then the elimination of the profound economic and social inequalities that characterize our region must be an ethical and political objective. History teaches us that improvements in terms of equality lead to conditions in which freedoms may be better exercised.

104. The world of work is a base on which we can build better conditions of equality, and, thus, contribute with more decent work to ensuring that there is more democracy, more development and more equity for all. This is perhaps one of the single most important challenges that we must continue to meet if the progress we have achieved so far is to be consolidated and continued in the long term.

105. Third, the crisis has shown that social protection is not only possible but also necessary for recovery, and that it provides an opportunity to develop new policies favourable to employment. The global economic and financial crisis not only failed to undermine the progress achieved in terms of decent work, but it also demonstrated that counter-cyclical policies that protect the domestic market and boost the public sector could be successfully incorporated into the approach adopted to combat the crisis.

106. Thus, employment protection, social protection and other policies that are among the themes of the Decent Work Agenda have been important components of the strategy employed to tackle this latest crisis. In the past there was a tendency to turn to adjustment, leading to unhappy experiences for the region. One important conclusion is that the relationship between crises and recessive adjustments as a form of response no longer enjoys its status as an unassailable principle.

107. This new focus made it possible to generate employment and social protection policy initiatives, as well as other innovative long-term measures. Thus, agreements between employers and trade unions, or tripartite agreements, have been used to implement actions such as the following: education and vocational training programmes (with public and private finance) targeting persons temporarily affected by the crisis; working time “pool” schemes under which hours are distributed between enterprises to prevent dismissals; and agreements to apply part-time work.

108. Fourth, the labour institutions have demonstrated their strategic nature. Now the importance of strengthening these institutions, not only as tools to be used in times of crisis but also as central actors in achieving growth linked to progress and social justice, has become clear.

109. The labour ministries played a central role in the counter-cyclical policies that were implemented. It is now obvious that these ministries should occupy a strategic function in the decision-making process and in the implementation of social and labour policies, not only in times of crisis but also during periods of growth and expansion. The relationship between the public agencies that develop financial and macroeconomic policies and those which focus on social and labour policies must be re-examined thoroughly. Only strong synergy between these bodies produces results of growth, stability and progress for individuals and communities.

110. Let us continue along the decent work path. The discussions due to take place at this 17th American Regional Meeting will be crucial in terms of meeting the employment challenges we face and defining the way in which the Americas can contribute to designing a fairer globalization, through the region’s progress and development and by forging more integrated and prosperous societies.

111. I call on the Governments, Employers and Workers to seize the opportunity to make progress towards the goal of decent work. This is a challenge which we cannot ignore, to which we must all feel committed. That is what the peoples of the Americas require of us.

December 2010

Juan Somavia
Director-General