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Presentation by the International Labour Organization

Institutional Offer for Implementation   
of the Commitment of Lima

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On behalf of the ILO, I would like to begin this meeting by congratulating all OAS member states on the Commitment of Lima “Democratic Governance against Corruption”.

The ILO fully shares the basic tenet of the Commitment of Lima that "corruption weakens democratic governance and citizens’ trust in institutions, in addition to having a negative impact on the effective enjoyment of human rights and [...] sustainable development."

Although no section of the Commitment of Lima expressly addresses issues relating to markets and labor rights and the governance and corruption challenges they pose, there are areas and points in the Commitment of Lima that do directly or indirectly relate to the work and mandates of the ILO, where the ILO can make a contribution to implementation of the Commitment.

I will first comment on the main areas in common before briefly describing what our institution can offer in each of those areas.

**I. Linkages between the ILO's mandate and work and the Commitment of Lima**

The first link has to do with strengthening democratic governance. The ILO was established in 1919 precisely to improve relations between capital and labor and to promote good governance in the world of work. As a tripartite organization, the ILO's preferred working method is social dialogue and the mechanisms for institutionalizing and strengthening it, as a core feature of democratic and participatory governance.

A second area in common is full respect for international labor standards. While not explicitly mentioned in the Commitment of Lima, they are an essential part of human rights, the observance of which is a goal explicitly reiterated in the Commitment. It is precisely in the ILO that international labor standards are negotiated and supporting member states' efforts to comply with them, through information, training, and technical assistance, as well as through supervisory mechanisms, is one of the ILO's central mandates and functions.

A third tie-in is the ILO objective of eliminating discrimination in employment and occupation and promoting inclusive labor markets in which no one is left behind. That includes focusing on certain specific groups, such as women, with respect to fostering gender equality and their empowerment. Another focus is on vulnerable groups, such as those impacted by poverty, or informal workers, indigenous groups and Afro-descendants. In 1989, the ILO negotiated the Indigenous and Tribal Peoples Convention (No. 169) and of the 23 countries in the world that have ratified it, 15 are in the Americas. Corruption severely corrodes observance of the human and labor rights of these groups and their effective inclusion in labor markets and the consultation processes called for in Convention No. 169. Thus, in this sphere, there is ample overlap between the Commitment of Lima and the work of the ILO in connection with Convention No. 169.

A fourth linkage concerns informal labor. Although it is not explicitly mentioned in the Commitment of Lima, it is a phenomenon that both influences and is influenced by the incidence of corruption. Informality has deep-seated structural roots but is also caused by regulations and shortcomings in workplace audits and inspections. Boosting workplace inspection is one of the ILO's strengths, which includes making the most of the digital revolution. The Commitment of Lima mentions digital government and, while it does not expressly mention labor inspection, it is clearly an important factor in reducing corruption in labor administration and inspection systems.

Fifth, prompt and effective labor justice is an essential part of judicial systems and, unfortunately, an area often fraught with institutional weaknesses and corrupt elements affecting both workers and enterprises, especially small and medium-sized enterprises. This issue is implicit in item 2 of the Commitment on judicial autonomy and independence and on promoting the Rule of Law and access to justice.

Sixth, given that the ILO is a tripartite organization, it has a whole series of training programs with trade union and employers’ organizations that touch on the full range of issues relating to human and labor rights, social dialogue, employment promotion, and social protection.

**II. Institutional proposal in follow-up to the Commitment of Lima**

Against that backdrop, I would now like to mention what the ILO can offer in five areas: social dialogue; observance of International Labour Standards (ILS); labor inspections; labor laws; and codes of conduct and corporate social responsibility.

**1. Social Dialogue and Strengthening Workers' and Employers' Organizations**

The ILO has a variety of instruments for promoting social dialogue. Conventions No. 87 (1948, "Freedom of Association and Protection of the Right to Organise") and No. 98 (1949, "Right to Organise and Collective Bargaining") on trade union and collective bargaining rights lay the foundations for autonomous and independent workers' and employers' organizations. Convention No. 151 (1978, "Labour Relations (Public Service) Convention") extended those rights to public service employees. The ILO has manuals on these matters, case studies, and a range of training activities for institutionalizing those rights and best practices, all of which are central to democratic governance and the rule of law. The ILO also provides technical assistance with establishing and operating national and regional tripartite institutions, with a view to making them more representative and including informal sector economic units and workers.

**2. Observances of ILS**

With regard to observance of international labor standards, the Americas is a region that has a high level of ratification of ILO Conventions but that nevertheless faces significant challenges with implementing them in many respects, ranging from freedom of association to social protection and informality.

In 1998, the ILO member states adopted the Declaration on Fundamental Principles and Rights at Work, which covers four fundamental labor rights:

* Freedom of association and collective bargaining;
* Elimination of all forms of forced or compulsory labor;
* Effective abolition of child labor; and
* Elimination of discrimination in respect of employment and occupation.

Freedom of association is the right of employers' organizations and workers' organizations to be autonomous and independent and to choose their own representatives through clear and transparent mechanisms. Respect for freedom of association and collective bargaining, which require strong employers' and workers' organizations with considerable technical, operational, and political skills, is an essential ingredient in a democratic society free from corruption and characterized by the rule of law, such as that to which the Commitment of Lima aspires.

**3. Labor inspection**

Labor inspection is a key institution for enforcing labor standards and achieving harmonious labor relations. However, all too often inspection is weak and in some cases infiltrated by corrupt elements that reduce its effectiveness. The ILO offers a wide range of technical assistance in this field.

For instance, in 2016, the ILO lent support to Honduras in a process that culminated in February 2017 with the adoption of the new Labor Inspection Law, which combines inspection of labor, safety, and health aspects and establishes new more straightforward and expeditious procedures.

That same year, the ILO provided support to the tripartite process in Guatemala, which led in 2017 to the reform of the Labor Code, which included amending inspection structures, functions, procedures, and endowing the Ministry of Labor and Social Security with powers to impose administrative sanctions. The ILO also helped implement training courses on enforcement of the new law and the Protocol that went with it throughout the country.

One of the most promising areas for making labor inspection more efficient and reducing corruption is the use of information and communication technologies (ICTs). As the Commitment of Lima recognizes, digital government is a vital tool for enhancing efficiency and transparency in public administration and promoting citizen participation.

Tablets, laptops, and mobile device apps have given rise to what Argentineans call the "digital inspector," a paperless inspector loaded with programs and apps. The dawn of new technologies has also brought the use of drones and bodycams, electronic notification of minutes, and the introduction, with ILO support, of the "scoring" methodology for enhancing detection of employment not registered in inspections, based on a pilot scheme being conducted in the province of Santa Fe.

In Peru, the I.T. Labor Inspection Systems (SIIT) is interconnected with the National I.D. consultation department through the State Interoperability Platform (PIDE).

In Uruguay, the Unified Payroll Spreadsheet (*Planilla de Trabajo Unificada*) was created by unifying the previous records kept in the Labor Audit Spreadsheet (*Planilla de Control de Trabajo*) of the Ministry of Labor and Social Security and the Records System of Banco de Prevision Social (BPS), which comprises the Taxpayer Register, Member Administration, and the Individual Contribution Account. The Unified Payroll Spreadsheet has data on all workers, the terms and conditions of their employment, and on all companies in the country.

In Colombia, with financing from the United States Department of Labor (USDOL), the ILO carried out a project to help the Ministry of Labor digitize the inspections and reporting system, which played an important part in reducing corruption and making inspection transparent. The project developed three components: (1) an information management system using software to automate records and procedures, thereby promoting transparency and facilitating accountability; (2) a labor inspector training program that was used to train all the officials involved in investigations conducted by the Directorate of Inspection and that allows for implementation of homogeneous law enforcement criteria and precludes discretionary interpretations by individual officers; and (3) the preparation of Guidelines for identifying cases in which a labor relation is disguised or supplanted by another of a different type, thereby eluding legal obligations, such as social security payments and so on.

**4. Labor laws and the resolution of labor disputes**

The justice system relating to labor law cases is slow in a number of countries and enforcement of sentences is often difficult. This problem has become more acute as a result of the changes that have taken place in the world of work and has triggered efforts to modernize the handling and resolving of labor law cases and disputes. The changes have been geared toward expediting and simplifying procedures, introducing oral statements in labor court cases, and amending procedural labor legislation to tighten deadlines and streamline processes, as has been done in Honduras, Costa Rica, Nicaragua, and other countries. The ILO has lent support to those processes.

For example, in the reform of Costa Rica's procedural labor legislation, which entered into force on July 25, 2017, the ILO provided technical assistance throughout the process and facilitated the holding of tripartite consultations. Among other contributions, it helped with the drafting of three rules of procedure related to conciliation and arbitration services; voting to go on strike; and trade union membership studies.

**5. Codes of conduct and corporate social responsibility**

The ILO encourages business organizations to include in their corporate strategies the Guiding Principles on Business and Human Rights and to implement the United Nations "Protect, Respect and Remedy" principles, one of which involves combating corruption. The final touches are currently being put on the design of a program, financed by the European Union and to be implemented by the ILO, the OECD, the Office of the United Nations High Commissioner for Human Rights, on Businesses and Human Rights, which is directed precisely toward supporting the implementation of those principles and their national plans of action.

Chile, Colombia, and the United States are the three countries in the Americas that have developed National Human Rights and Business Plans (NAPS), while another three countries (Argentina, Mexico, and Peru) are in the process of crafting them. All these plans include specific measures for preventing and combating corruption and promoting human rights. For example, Colombia's Plan includes measures relating to government procurement (requesting, for instance, the inclusion of due diligence mechanisms in government procurement and hiring procedures).[[1]](#footnote-1)/

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**III. ILO offers to previous summits**

Finally, I would like to point out that the ILO has a wide range of contributions toward following up on previous Summits, such as the one held in Panama. The three priority areas for ILO work in the region are: (1) productive development policies (PDP) for inclusive growth with more and better jobs; (2) transitioning from the informal to the formal economy; and (3) observance and implementation of international standards and labor legislation. Other key topics are: (4) promotion of youth employment and (5) labor migration policies.

These spheres of ILO's work are in line with the mandates for action of the Declaration of Panama and amount to an ambitious work plan, which will be reviewed at the 19th American Regional Meeting, to be held in Panama on October 2 and 5, 2018, which will focus on "The Future of Work in the Americas".

1. . See: NAP Colombia: https://globalnaps.org/wp-content/uploads/2017/11/colombia-napespanol.pdf); NAP Chile: https://globalnaps.org/wp-content/uploads/2017/11/chile-napespanol.pdf);

   NAP USA: https://globalnaps.org/country/usa/ [↑](#footnote-ref-1)