



SUMMITS OF THE AMERICAS

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The Summits of the Americas Policy Brief Series provides OAS Member States, social actors and other Summit stakeholders with an analysis of key policy areas relevant to the inter-American agenda, and are intended to enrich the multilateral dialogue and consensus-building inherent to the Summits process in order to facilitate collective approaches to the Hemisphere's challenges.

“Youth, Decent Work, and Human Prosperity in the Americas”

1. Context

One of the thematic pillars of the upcoming Fifth Summit of the Americas in Port of Spain, Trinidad & Tobago is the promotion of human prosperity. To speak of human prosperity, and of human development for overcoming poverty, necessarily implies ensuring the men and women of the Americas decent work: work that is productive and that delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize, and participate in the decisions that affect their lives, as well as equality of opportunity and treatment for all women and men.



In addition, attaining higher levels of human development demands that our countries provide all sectors of the population, particularly their young people, with opportunities for progress. A society should take the steps necessary to ensure its young people the most options and the greatest freedom possible to develop as individuals, and that essentially implies opportunities for their adequate incorporation into the labor market. If more young people have

access to decent work, they will have greater potential for developing as persons and as such be able to contribute to the progress of their families and their societies.



In that context, it was decided to organize a Policy Roundtable on “Youth, Decent Work, and Human Prosperity” to foster an in-depth consideration of key priority areas of the inter-American agenda as a part of the preparations for the Fifth Summit of the Americas. The event took place in Washington, D.C., on November 5, 2008, and was organized jointly by the Organization of American States (OAS) and the International Labor Organization (ILO). The aim of this Roundtable was to foster a greater understanding of the importance of decent work in building hemispheric prosperity, taking millions of young men and women of the Americas as agents and beneficiaries of the hemispheric process that began in Miami in 1994.

This Roundtable brought together experts and practitioners from government, international institutions, and civil society to share their views and partake in an open dialogue with and make recommendations to OAS Member States and social actors on issues pertaining to youth, decent work and human prosperity

This Policy Brief consolidates the key results of this Roundtable in order to present various policy viewpoints on this topic as well as specific recommendations to be considered in the context of the Fifth Summit of the Americas.

2. Analysis of Challenges

The ILO estimates that the decent work deficit in Latin America and the Caribbean affects around 126 million people, who represent more than half those countries' work force. In addition, we must not forget the 150 million young people aged between 15 and 24 in our Hemisphere, who account for almost 20% of the total population. Latin America and the Caribbean are home to 106 million young people (aged from 15 to 24), who face great challenges in entering the labor market and securing the decent work that will assure their successful transition into adult life: 22 million of them are inactive, in that they neither study nor work; 30 million work in the informal sector (two out of every three); and 10 million are unemployed. The way in which young people enter the work force, the quality of their jobs, and the years they spend inactive determine their future opportunities in the labor market and severely impact their possibilities of attaining a higher level of wellbeing.

In addition, the region is at a unique moment in its history in that most of the population is of productive age; the region has never been so young. This unprecedented situation, which will last for another 10 or 15 years, offers a demographic bonus: most of the population has the potential to work, so major investments in health care and social security will not be necessary.

The Fourth Summit of the Americas, held in Mar del Plata in 2005 and focusing on "Creating Jobs to Fight Poverty and Strengthen Democratic Governance," marked a milestone in the Summits Process by placing decent work at the forefront of development strategies and by addressing the chief concern of the citizens of the Americas: the absence of work, and the absence of

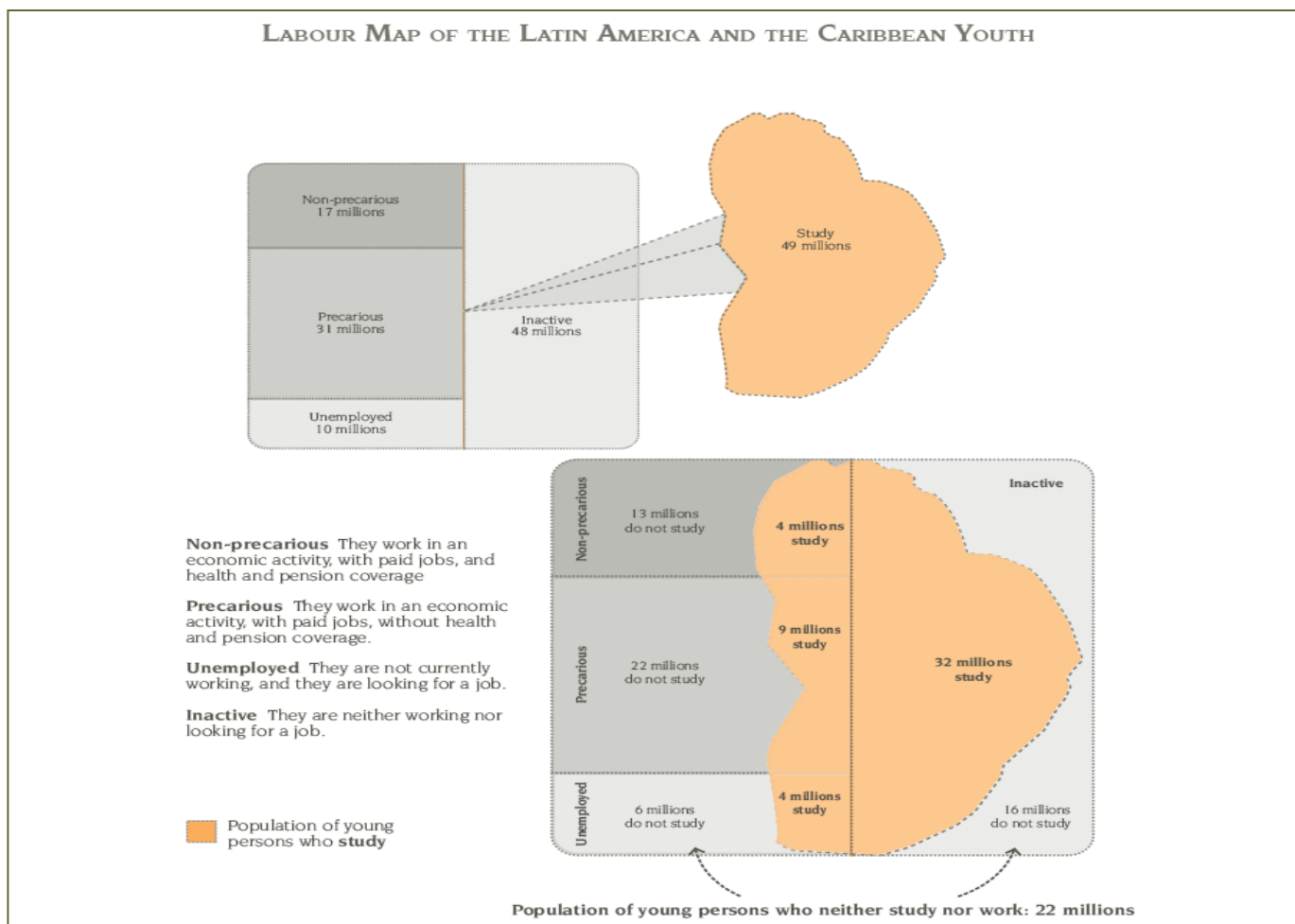
decent work, with labor matters not constrained to the regulatory dimension. At Mar del Plata, the Heads of State and Government of the Americas also agreed to reduce youth unemployment and to bring about a significant reduction in the percentage of young people who neither work nor study.

However, when the Fourth Summit was held and when the Declaration of Mar del Plata was adopted, the hemisphere's economic outlook was brighter; accelerated economic growth in Latin America and the Caribbean continued until 2007, with a resultant reduction in unemployment and poverty levels. In this context, particularly noteworthy are the ILO estimates that indicate that tackling the region's decent work deficit will demand a sustained rate of economic growth of no less than 5.5% a year.

The current situation of pronounced economic deceleration (and even indications of a recession) in the main economies, the result of the globalized crisis triggered by the financial markets, will reduce growth rates in the region's economies, most particularly as a consequence of a shortage of foreign investment and falling external demand, leading to fewer jobs and lower consumption levels.

It is clear that the free interplay of market forces does not automatically lead to the full utilization of resources, nor to the full adaptation of the economy to a changing external context. The proper operation of the markets in favor of economic growth with decent work cannot dispense with state action. Given that situation, it is essential for the region to debate those topics and to propose policy solutions to the current economic crisis.

"Guaranteeing decent work for our young people and for our citizens in general is a way to attain the human prosperity and economic growth upon which our democracies must be based." -Jose Miguel Insulza, Secretary General of the OAS



Source: ILO (2007). *Decent Work and Youth in Latin America*, Lima, Peru: Regional Office for Latin America and the Caribbean.

3. Policy Considerations and Options

“DECENT WORK AND HUMAN PROSPERITY”

The importance of creating more and better jobs is an essential component in any effort to construct a form of prosperity deserving of being called human. Today, in the Americas, with the global financial market crisis and its impact on the real economy, the central importance of promoting decent work, as a foundation for the democratic governance of globalization, is apparent.

There is a positive correlation between decent work and human development, as shown by various ILO studies and by recent reports on human development prepared by the UNDP for different Latin American countries. These studies demonstrate that progress toward higher levels of human development is possible, provided that appropriate efforts are made to overcome the decent work deficit.

The creation of decent work is an appropriate strategy for bringing about positive and sustainable change in the reduction of poverty and inequality and, consequently, in promoting human prosperity. For that reason, the creation of decent work must be placed at the center of development policies and serve as the focal point for economic and social policies in the Americas, particularly when the current global economic crisis demands measures to promote the real sector of the economy.

During the Roundtable, two instruments for promoting decent work received particular emphasis:

- The ILO Declaration on Social Justice for a Fair Globalization, adopted unanimously by the 97th International Labour Conference meeting, which sets out the contemporary view of the ILO's mandate and reaffirms its values and contributions toward progress and social justice in the context of globalization. This is an extraordinary instrument for effectively bringing together national and international economic and social policies in pursuit of a fair form of globalization and of improved access to decent work for the men and women of the entire world, and it is an essential vehicle for promoting greater respect for human dignity, social justice, and global prosperity within a constantly evolving environment. It arose at a crucial political juncture, reflecting the broad consensus that exists regarding the need for globalization to entail a strong social dimension.
- The Hemispheric Agenda for Decent Work (2006–2015), presented by the ILO at the Sixteenth American Regional Meeting (Brasilia, May 2006), which establishes objectives, targets, and actions, setting out a roadmap for progress toward meeting the commitments of Mar del Plata and toward the goal of promoting human prosperity of the next Summit in Port of Spain. Government representatives, business owners, and workers from across the Hemisphere announced, in the meeting's final declaration, the start of a decade for promoting decent work in their countries. The ILO has also been working on the national groundwork for implementing the hemispheric agenda, through the Decent Work Programs adopted in several of the region's countries, including Argentina, the Bahamas, Bolivia, Brazil, Chile, El Salvador, Honduras, Nicaragua, Panama, and the Dominican Republic.

*“Young people must not be treated merely as factors of production for as entrepreneurs creating wealth; rather, they are also the very basis of the democratic process and the bearers of the Hemisphere’s democratic vocation.” – Jean Maninat,
Regional Director of the ILO*

“YOUTH AND DECENT WORK”

Youth is one of the main assets in the social capital of the Hemisphere's economies. Consequently, young people of both sexes, as the present and future of the Americas, must be a strategic part of any collective action targeting human prosperity. They are both the operators and the beneficiaries of the process whereby fairer and more equitable societies are constructed.

Promoting decent work for young people implies encouraging their employability and entrepreneurial spirit, their proper incorporation into the job market, and their social protection. Assuring them access to productive jobs and decent work equates to contributing to sustainable and equitable economic development, strengthened democracy, and greater social cohesion. During the Roundtable, the following considerations and policy options for promoting decent work for young people arose:

- Encouragement should be given to the participation of the young people themselves in the design and execution of the strategies and programs that affect them. Additionally, they must see themselves as part of the solution to the problems that affect them and not simply as the targets of policies or programs.
- Among the strategies adopted by our countries, education and job training are indispensable in guaranteeing greater employability and in ensuring that young people can find decent, productive jobs where they can develop their full potential. That education must be of high quality and must respond both to people's training needs and to the demands of a labor market that wants human resources who are capable of bringing innovation and entrepreneurship into productive undertakings.
- The transition from education to employment remains the greatest challenge in actions taken to promote decent work for young people. The element involved here is obtaining a first job, which is of vital importance to the young person's future professional and personal development. The actions taken toward successful incorporation

into the labor market include: strengthening labor intermediation mechanisms (employment services), improving vocational guidance efforts, defining job plans and career paths in conjunction with young people, forging closer links with the private sector, gearing training towards the requirements of the productive sector, and encouraging learning within companies.

- Among the strategies put into place, major initiatives have emerged to promote the entrepreneurial ability of young people and their creation of companies. This component should continue to be strengthened.
- Priority needs to be given to those young people who neither work nor study, and to all those who are in situations of heightened economic or social vulnerability. The efforts made must be directed at their incorporation into the education system or job training systems, so they can progress toward securing employment. Those efforts must address the specific needs of young people, which implies using flexible mechanisms and innovative approaches to education and training.
- Combating child labor, which implies ensuring that all children have access to education, is a necessary condition for youth employment. When children are forced to work, they lose the

opportunity to acquire the learning and skills needed for their future transition into the working world and, in addition, our societies lose an important part of the potential for development and growth.

- Partnerships between governments, the private sector, workers' and employers' organizations, community organizations, and civil society agents have proven to be highly valuable and productive in efforts aimed at combating child labor and ensuring decent work for young people. These efforts must come from society as a whole.
- Strategies for promoting youth employment must be comprehensive and intersectoral. Many isolated efforts and programs can be identified in the region, but to ensure their impact, such actions must be placed within a coordinated policy framework.
- Our countries have made progress with many strategies and programs for youth employment, and these have been rich in lessons learned and results. Exchanges of those experiences are of great value in efforts to improve those strategies, and they can be extremely rewarding for all the countries of the Americas. In that regard, consideration could be given to efforts to identify, analyze, and exchange such programs by means of tools such as the OAS Inter-American Network for Labor Administration (RIAL), which has already made progress in that direction.

4. Recommendations for the Fifth Summit of the Americas

In accordance with this Roundtable's goal of assisting the negotiation process prior to the Fifth Summit of the Americas, the following elements are relevant to consider within the mandates of the Declaration of Commitment of Port of Spain:

- **The importance of fostering decent work for youth, through policies that tackle the challenges of employability, youth enterprises, and social protection, with emphasis on the most vulnerable groups of young people.**
- **Within these policies, priority must be placed on actions to strengthen access to education and professional training and the quality of those undertakings, incorporation into first jobs, the development of entrepreneurship, and appropriate interconnections with the productive sector.**
- **Emphasize the major role played by partnerships between governments, the private sector, workers' and employers' organizations, and the participation of young people, in the design and execution of those policies.**
- **Support the labor ministries so they can design and execute policies and plans of action for promoting decent work and productive jobs for young people, with the participation of organizations of workers, employers, and youth.**

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Participants in the Roundtable included:

*The Honorable **Rennie Dumas**, Minister of Labour and Small and Micro-Enterprise Development, Trinidad and Tobago – The Honorable **Edwin Salamin**, Minister of Labor and Labor Development, Panama – **Jose Miguel Insulza**, Secretary General of the OAS – **Glenda Morean-Phillip**, Ambassador, Permanent Representative, Permanent Mission of Trinidad and Tobago to the OAS – **Jean Maninat**, ILO Regional Director, Latin America and the Caribbean – **Charlotte Ponticelli**, Deputy Undersecretary for International Affairs, United States Department of Labor – **Francisco Pilotti**, Director of OAS Department of Social Development and Employment – **Virgilio Levaggi**, ILO Director for Central America, Haiti, Panama and Dominican Republic – **Robert Giuseppi**, President of the Trade Union Technical Advisory Council (COSATE) – **Inés Bustillo**, Director of ECLAC Washington Office – **Roy Thomasson**, CEO and Founder of the Young Americas Business Trust*



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