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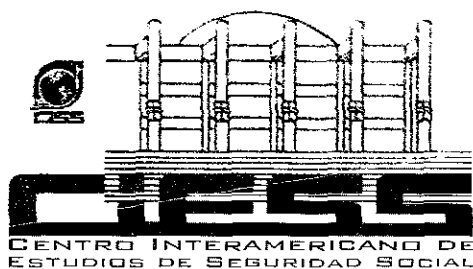
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## **2003 LABOR PANORAMA\***

*Juan Somavía*

*Santiago de Chile, January 7, 2004*

I appreciate the presence of all of you here in Santiago, as well as in Lima, Buenos Aires, San Jose, Brasilia, Mexico and Montevideo, of everyone connected by video conference on the occasion of the presentation of the 2003 Labor Panorama.

This is a valuable instrument that has now ten years of life.

This edition of the Labor Panorama brings us good news in certain aspects. Although with some difficulties, Latin America and the Caribbean are putting an end to the recessive cycle of

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\* Intervention of Juan Somavía, Director General of the International Labor Office. Public Document. We have the authorization of said organization to publish this article in this Magazine, within the frame of the academic cooperation relations existing with the CIESS.

these last five years, which is evidenced in a slight reduction of unemployment with similar expectations for 2004, but with very different situations in each country.

The purpose of the Labor Panorama has been, and is, to deliver to us the best annual vision of what is happening in the labor market in Latin America and the Caribbean, to facilitate the decisions of those who are due to promote social dialogue and to find adequate solutions to the reality of each country, the governments, the workers and the employers. The commanding body of the ILO.

Contrary to other organizations of the international system, at the ILO not only the governments of the countries are present, but also representatives of the enterprises and of the union world.

This peculiarity of the ILO gives us a very special perspective and also a different responsibility. We have the obligation to consider employment and work topics from those three viewpoints.

It is there where, figures, percentages and trends become specific faces, flesh and bone families, real enterprises. How to improve the life of women and men on the job is the center of our common task.

We are a part of this reality in developed countries and in countries in the process of development, in very different regions, whether in Europe, Africa, Asia, Middle East, North America or Latin America and the Caribbean.

Everywhere people arrive at the same conclusion: my job is far more than a production factor. It is a source of per-

sonal dignity, of stability of the family, of peace inside the community and credibility of the public authorities and of the private enterprise.

For the worker, his job is not a merchandise. This is why unemployment is the principal political problem of our times.

It is the most flagrant manner of social exclusion. 100 million Latin Americans—in the formal and informal economy—have no access to a decent job, in their great majority youngsters and women, while millions of children work in the worst forms of child labor.

It is evident that there will be no successful strategies to overcome poverty that affects 220 million Latin Americans and Caribbeans, if they are not based on the creation of quality jobs and of more and better enterprises capable of generating those jobs. This is what we have called at the ILO the deficit of decent work.

This viewpoint with a political force is finding its way. The highest authorities of the countries are committing themselves with a vision that integrates economic and social policies around the creation of jobs as an supporting axis of development. They are saying this clearly.

In its Declaration in Salvador de Bahía, in September 2003, the Labor Ministers of the Americas, including the United States and Canada, agreed that the concept of decent work, as conceived by the ILO, is the most effective instrument for the improvement of the living conditions of the peoples of this hemisphere.

The ministers textually said: "The decent work agenda must be constituted on the axis of the national and regional development policies, together with investment in health, education and culture. Likewise, we reaffirm our commitment to integrate the perspective of gender in the development and implementation of all labor policies".

I consider it very significant that from another perspective, the Trade Ministers of the Americas in the Miami meeting, in November 2003, shared the same approach with the same language.

The advancement in the Decent Work agenda received another valuable political support at the highest level on the part of Presidents Lula and Kirchner in the Buenos Aires Consensus of last October, and of 21 countries in the Declaration of the Ibero-American Summit of Santa Cruz de La Sierra, including Spain and Portugal. These are assertions that serve as a frame for the Employment Conference of the Mercosur, that will take place next April in Buenos Aires and that will be a very significant event.

All of this speaks of a shared concern in all countries. When there is no employment or it is of a bad quality, the social cohesion of the countries breaks down. The distrust of citizens increases. Democracy weakens. And, incidentally, the perspectives of a productive and competitive economy decrease.

Not long ago, the 2002 Latinobarómetro survey revealed that, for Latin Americans, democracy means regular, free and transparent elections. But the persons consulted selected as a second

option that democracy should also mean "an economy where a dignified income is guaranteed", 63% of those who participated in the survey have a high perception of injustice in the distribution of income.

But, why this political insistence on decent work? The answer is simple and comes from reality.

When the economic liberalization models began to be applied by the middle of the decade of the seventies, we were told that this would increase both the amount and the quality of employment in the region. This has not been so.

- The rate of unemployment has increased from 7,2% in 1980 to 10,7% in 2003
- The purchasing power of minimum salaries dropped by 25% from 1980 through the year 2003. And in 9 countries it dropped by 50%.
- Informal workers increased from 32,7% to 46,5% from 1980 through the year 2002 and those of the formal sector decreased from 67,4% to 53,5%. Since 1990, 7 of each 10 new jobs are generated in the informal economy.
- Social security coverage decreased from 63,3% in 1980 to 51,7% in the year 2003.

Carried forward.

These figures that are regional, vary in the different countries and tell us that some of them have been able to overcome the obstacles better than others and that national policies are important.

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But what these figures tell us in general is that the current globalization model reduces the value of work with the personal, family and social sequels this brings about.

This is why I do not agree with those who say that it is a matter of generating any kind of work now, and that afterwards we will worry about its being decent. With these logics, which have been applied in the last decades, we will continue to worsen working conditions.

Naturally, people will accept any job when they have no options and there is such a high level of unemployment, but what Latin American families want and need is a decent work. One thing is to survive with a given activity and another one is to live a decent life with personal dignity.

In the light of these sceneries, which are some of the proposals of the ILO?

We think that we must work for a globalization different from the present globalization, a fair and equitable globalization. Undoubtedly, globalization has permitted the development of more open economies, with higher financial flows, and has increased access to information and communication technologies. But its benefits are poorly distributed.

This is the topic discussed by the World Commission on the social dimension of globalization established by the ILO, whose report will be published in February of this year.

We think that the principal international organizations must work jointly much better than at present, to approach in an integrated manner the multiple interaction among the financial, social, commercial and development dimensions that affect the life of millions in the world.

The fragmentation of reality cannot continue; it was typical of the past, when the Monetary Fund was engaged in financial aspects, the World Bank in development topics, the WTO in trade and the ILO in social-labor questions. A joint view of the new strategies is urgent. This has been proposed by the Labor Ministers of the G8 Countries in their recent meeting in Stuttgart and this is how a new vision makes way for the governability of globalization.

We feel that the XXI century requires new forms of social dialogue, where governments, employers and workers will promote the adequate political instruments to place employment in the central role it must have in modern democracies.

These are the realities that orient our work. There is still much to advance in the countries of Latin America and the Caribbean. Our mission is to contribute to create the best labor conditions, to expand employment opportunities, to train those who require training. And, most important, to speak with clarity.

