

## CANADIAN COMMENTS ON THE CONCEPTUAL DOCUMENT

### *“Creating Employment to Confront Poverty and Strengthen Democratic Governance”*

#### **Presented in preparation for the Fourth Summit of the Americas**

1. Canada wishes to thank Argentina for the opportunity to comment on the Conceptual Document regarding the theme of the Fourth Summit of the Americas.
2. In preparing for the Fourth Summit of the Americas, Canada believes that there are three issues that must be given paramount consideration to ensure the success of the undertaking: accountability, credibility and vision in meeting hemispheric challenges.
  - First, member states must be prepared to be accountable for the effective implementation of commitments made at previous Summits, including the promotion of hemispheric economic integration through the FTAA, the strengthening of democracy in the region, and the promotion of social development.
  - Second, accountability to meet the needs and provide for the aspirations of their citizens is intimately tied to the member states’ own credibility and to the credibility of the Summit process. To this end, the Declaration and the Plan of Action resulting from the Fourth Summit of the Americas must be well-targeted, have clear and concrete goals, and provide a mechanism for assessing progress toward those goals.
  - Third, the choice of goals, and how they are achieved, matter very much to the people of the Hemisphere. It is therefore key that at the Fourth Summit of the Americas, Leaders outline a clear vision to address the major challenges facing the region.
3. In looking at the preparations for the Fourth Summit we believe that it is important to keep in mind the particular and constructive role that the Partner Institutions of the Summit process can play. It is important that the Partner Institutions - particularly the International Financial Institutions - become engaged early on in the preparations for the Fourth Summit, because the successful implementation of mandates emanating from that Summit will hinge on their support.
4. By identifying the combination of high levels of poverty and social inequality – despite the continued development of political democracy – as a major challenge for the Hemisphere the Conceptual Document is a successful initiative in setting the groundwork for preparations of the Fourth Summit of the Americas. Canada believes that narrowing the focus of the Summit on one key and timely issue, decent employment, has its merits, chiefly in that it allows us to concentrate efforts in one area and define a specific set of initiatives for action.
5. At the same time, it should be recognized that much good work has been accomplished over the past decade in addressing the issues raised in the Conceptual Document. The basis for innovative and practical initiatives must take this legacy into consideration. Firstly, it is important to develop the proposed theme for the Fourth Summit within the context of the broad and balanced agenda of the previous Summits of the Americas – particularly the

Special Summit of the Americas in Monterrey – and to build on their agendas, including commitments made to create an FTAA, to strengthen democracy (*inter alia*, through the Inter-American Democratic Charter) and to promote social development. Secondly, Canada believes it is important that the Millennium Declaration and the Millennium Development Goals be identified as one of the pillars guiding the preparation, the deliberations and the final results of the Fourth Summit. Thirdly, innovative and practical initiatives coming from the Fourth Summit should build on other previous collective efforts, such as the Monterrey Consensus and the ILO World Commission Report on the Social Dimension of Globalization.

6. In this respect, it is particularly useful to bear in mind the approach which has been at the heart of the success of the Summits of the Americas: a focus on the interrelations which have been built into the agenda of the Summit. Any Declaration or Plan of Action resulting from the Fourth Summit should keep in mind these integral linkages, such as those referred to in paragraph 5 of the Conceptual Document, to which we would add, democratic governance, the promotion of cultural diversity, gender equality, justice, promotion of social development and the multidimensional aspects of human security.
7. In the same vein, particular attention should be given to complementary processes now underway in Inter-American fora such as the efforts to develop a Social Charter under the aegis of the OAS, the holding of the Second Indigenous Peoples Summit of the Americas, and the efforts of the Inter-American Conference of Ministers of Labour, which strongly emphasizes the link between prosperity, economic growth, and job creation.
8. In addition, the Summit process has consistently recognized the importance of the link between human health and environmental quality. Environmental degradation contributes to poverty and disease. In Canada's view, continued coordinated efforts by the health and environment sectors in the hemisphere aimed at enhancing the environmental health of workers and their families should be included as a key strategy to support the Summit theme.
9. In order to be successful, the Fourth Summit should create institutional settings in which civil society and relevant private sector interlocutors can act as partners with government to deliberate and produce strategies aimed at job creation, as government action alone will not be sufficient to provide equitable employment growth. Similarly, other sectors of the formal economy, such as community and cooperative enterprises (which also encompass an ecologically-sustainable approach to economic development), can support a more democratic governance structure, strengthen the participatory capacity of the extremely poor, and often help to provide some measure of community stability and employment in crisis situations, thus helping to reduce socio-economic disparities within the region.
10. These interrelated issues play an important role in poverty reduction and democratic governance as well as in generating equitable employment. Governments should continue to strengthen interrelationships in these fields at government, civil society (including academic) and many other levels in order to share expertise and best practises. A prime example of this is in the area of juridical assistance, where countries now have a common, secure network over which legal assistance can be shared among government experts.

11. Canada also believes that it is important to emphasize the importance of giving the labour dimension a central place in economic policy making, bearing in mind that social exclusion, unemployment, and growing informal sectors create tremendous obstacles to prosperity and fairness. A key issue is labour mobility; programmes must be designed to manage migration in the region, keeping in mind both economic needs and demographic realities to ensure that the international movement of people contributes to social and economic stability, and consequently, regional security and progress. The links between migratory movements and development in all its aspects, including education, health and economic issues, should be considered through an interdisciplinary approach.
12. In developing an approach to promote the creation of employment we believe that there are several key factors which should be considered and integrated into policy objectives. These include, among others:
- economic growth with equity encouraged by the appropriate regulatory policies;
  - governance (more efficient government, markets), especially effective regulation;
  - improved mechanisms for dialogue and partnerships between all sectors (governments, private sector, international institutions and civil society, including workers' organizations), and recognition that the state must create a positive regulation and investment climate for all businesses;
  - targeted action for vulnerable groups that may include women, children, unskilled labour, indigenous groups, youth and young adults (15-24) and the disabled;
  - implementation of international rights and labour principles to foster quality, well-paying work, and promotion and protection of the rights of all workers, in particular those of working women;
  - development of new mechanisms to increase the effectiveness of projects and other technical assistance designed to build the capacity of smaller economies and their institutions to effectively implement labour laws and standards to foster equality of opportunity with respect to gender, among others, in strategies to promote employment, training, life-long learning and human resource development programs with the objective of promoting access to more and better employment in the new economy;
  - promotion of corporate social responsibility;
  - national efforts toward achieving the Millennium Development Goals;
  - development of highly productive workforces, notably through the protection and enforcement of internationally-recognized labour rights and the promotion of fair, safe, healthy, stable and cooperative work environments;
  - capacity building for labour administrations to support the development and implementation of inclusive employment policies and services, and the effective enforcement of labour laws;
  - the contribution of the private sector to employment and decent work; and,
  - the importance of strengthening cultural diversity and cultural values.
13. Attention should also be given to developing viable, sustainable, urban and regional development policies, in addition to rural development, as much of the hemispheric economy

and the creation of jobs occurs in metropolitan areas, which are the primary destination of migrants and the source of new employment creation.

14. Strengthening government institutions will continue to be one of the key factors aiding the creation of quality, well-paying gainful employment. Institutional features not mentioned in the Conceptual Document that need improvement include: increased government transparency (such as making public the progress reports on key growth indicators); efficiency, accessibility (e-government) and connectivity. This last item is particularly important since it underlies and can enhance all of the other institutional features. In this regard, a concerted, top-down, government-wide approach is required to implement a connectivity policy because the issue is cross-cutting and does not easily fit into the traditional hierarchy of government ministries.
15. A key governance issue required for job creation will be improved tax systems, including collection and enforcement mechanisms, that do not create entry and operating barriers for informal entrepreneurs. Governments will need to broaden their tax base and demonstrate to their citizens the benefits associated with a transparent collection agency and social program delivery process.
16. The issue of property rights must be addressed. Access to credit, especially for operators of micro, small and medium enterprises, often hinges on mortgaging their property. Clarifying property rights and establishing an appropriate legal framework based on well-recognized private international law instruments will open up huge opportunities for disenfranchised owners of smaller businesses.
17. In Canada's view, the linkages between education, science and technology, connectivity, capacity building, e-literacy, community economic development, employment, poverty reduction, incorporation of the views of indigenous peoples, democratic governance, social development and incorporation of a gender perspective in sustainable employment policies have all to be well-reflected in our approach to the theme of the Summit.
18. In fighting poverty, it is also important to include commitments that promote further structural reform to improve infrastructure, create flexible labour markets, and generate policies that support the creation and operation of small- and medium-sized enterprises. For example, attention should be paid to increasing the efficiency of the regulatory environment in relation to investments on infrastructure. In this regard, the model laws and legislative guides on this matter developed by the United Nations Commission on International Trade Law may be a good point of departure.
19. Canada supports the call made in the paper for developing an integrated approach that incorporates a gender perspective in labour and employment policies. Women are involved in a substantial percentage of SMEs. Specific actions to promote gender equality should include initiatives to support reliable access and availability of sources of capital and financing, and commercial or banking policies that do not discriminate against women. Action is needed to remove structural and legal barriers as well as stereotypical attitudes to gender equality at

work in order to allow women to move into the productive sphere. Social policies and programs must address, *inter alia*, gender bias in recruitment; working conditions; occupational segregation and harassment; discrimination in social protection benefits; women's occupational health and safety; and unequal career opportunities. Special attention should be given to the need for child care programs, which would allow parents with young children, particularly women, to enter the work force.

20. We believe that employability, training and development of skills, in particular in ensuring access to training, are important areas for specific initiatives. Such measures should focus, as a priority, on the most vulnerable groups to have an impact on poverty alleviation. Actions to be undertaken in this area should also promote recognition of the social and economic contribution made by the unpaid work performed by women, predominantly in the home (including childcare, care for seniors), and consider providing innovative social safety nets in conformity with national law. Similarly, social and/or employment benefits (taxation, pensions, insurance schemes etc.) should be recognized as important institutional supports to be put in place by governments, as well as literacy and other educational or training schemes to assist those attempting to enter the formal workforce. Other specific initiatives related to human capital should include improving the functioning of labour markets, bringing out the productive potential of workplaces, and protecting the fundamental rights that make all this possible.
21. Considering the possible impact on economic growth and employment of factors outlined in paragraph 21 of the Conceptual Document (protectionism, external debt, international financial architecture), Canada advocates a constructive approach in dealing with these factors which focuses, for example, on the promotion of trade liberalization and underlines the benefits associated with trade and investment liberalization, sound debt management and the contributions of the IFIs, as well as promotion of regional economic integration.
22. With respect to the issue of innovative financial mechanisms for expanding public investment in infrastructure and the proposal of a regional trust outlined in paragraph 23 of the Conceptual Document, Canada believes that these proposals would have to be evaluated in terms of their direct impact on employment and poverty reduction. In our view, it is not necessary to change the IMF's rules of fiscal accounting to treat infrastructure expenditures as investment rather than current expenditures. Such an approach could lead to 'creative' accounting practices and discriminate against private involvement in infrastructure. Alternative methods to promote public investment include exempting investment made by commercially run enterprises, and fostering public private partnerships.
23. With respect to trade policy issues, particularly those relating to market access for exports, Canada believes that progress in the FTAA is necessary to realizing progress in the Summit of the Americas process, as the FTAA is the key economic vehicle for realizing the broader objectives of the Summit of the Americas. We are committed to work for the success of the FTAA negotiations, as well as those of the WTO Doha round where we are seeking the elimination of export subsidies for agricultural products, the elimination of trade-distorting

domestic support for agricultural production, and significant improvements in market access for all agricultural products.

24. The last paragraph of the Conceptual Document addresses the issues of the role of the State and calls for the 'consolidation' and 'strengthening of the State'. We believe that this is a critical issue that should be linked to the Summit theme, which refers to strengthening democratic governance. We have achieved great progress in broadening this issue to include all aspects of democratic governance. These should remain the focus of our efforts rather than the suggested approach of consolidation of the State.