

**PAN AMERICAN DEVELOPMENT  
FOUNDATION (PADF)**

**REGIONAL GOOD  
JOBS SUMMIT  
GENERAL SUMMARY**

**OCTOBER 10, 2024  
GUATEMALA CITY**

## **REGIONAL GOOD JOBS SUMMIT**

### **INTRODUCTION**

The U.S. Department of Labor and the Pan American Development Foundation (PADF) organized the first Regional Good Jobs Summit, which took place on October 10, 2024, in Guatemala City, to discuss the important role of governments, businesses and workers in generating and promoting high-quality jobs for sustainable and inclusive economic development in Guatemala, El Salvador, and Honduras.

The event was attended by experts from the academia, officials from the U.S. and Guatemalan governments, representatives from the private sector and workers' organizations from these three countries.

Elizabeth Froeberg, PADF's Deputy Director of Labor Rights, delivered welcoming remarks, explaining that this space for dialogue was an opportunity to build new alliances to work to improve living conditions for all workers. She also emphasized that the dialogue and the lessons learned from the activity will serve as inspiration for governments and companies to put into practice in the near future.

### **OPENING**

The summit started off with remarks from Tobin Bradley (U.S. Ambassador to Guatemala), Thea Lee (Deputy Assistant Secretary for International Labor Affairs of the U.S. Department of Labor) and Miriam Roquel (Minister of Labor and Social Welfare of Guatemala).

Tobin Bradley, U.S. Ambassador to Guatemala, explained that the U.S. government is aware of the common needs of Guatemala, El Salvador, and Honduras, as they are countries with high rates of informal labor, so the U.S. has prioritized the creation of decent jobs. He also added that they are working to improve occupational health and safety practices in the agricultural, sugar, and textile sectors.

Ambassador Bradley also stressed that, in order to address the causes of migration, it is necessary to combat corruption, support democratic institutions, increase security and reduce violence, including gender-based violence, as well as protect human rights and the rights of workers.

Ambassador Bradley emphasized that companies must not only comply with the law, but must go one step further by investing in communities, creating productive dialogues with the workforce, and fostering more transparent and democratic societies.

Finally, he emphasized that the democratic commitment of the United States is characterized by promoting development in Guatemala, El Salvador and Honduras, through practices that raise the quality of life and dignity of working men and women.

Thea Lee, Deputy Assistant Secretary for International Labor Affairs of the U.S. Department of Labor, then commented that the U.S. Government issued in November 2023 the first presidential memorandum in history on the promotion of workers' empowerment rights and high labor standards worldwide.

She also mentioned that they are making efforts to guarantee and protect the human rights of workers, regardless of immigration status. These conditions also involve dignity, security and a living wage, as an empowered workforce is vital to building democratic practices that benefit everyone. The role of business and social dialogue between governments, workers, organizations and the private sector are important for societies.

According to the Deputy Assistant Secretary, it is vital that companies ensure compliance with national laws and agreements established by the International Labor Organization (ILO), such as freedom of association, the right to collective bargaining, the prohibition of child labor, forced labor and discrimination, as well as safe and healthy workplaces.

The opening remarks were concluded by Miriam Roquel, Minister of Labor of Guatemala, who highlighted the support provided by the United States on labor law compliance. She also emphasized that, by mandate of the Government of Guatemala, the Ministry of Labor prioritizes decent employment, job training, and labor intermediation.

One of the objectives of the Ministry of Labor is to educate and train workers through the *Instituto Técnico de Capacitación y Productividad* (INTECAP), an institution that also seeks to bring development to vulnerable communities and territories, especially those where irregular migration has increased.

Minister Roquel also explained that one of the three rights most demanded by the population, after education and health, is employment, so her office is implementing actions to ensure that the Guatemalan population have better working conditions and are included in the formal sector.

### **PLENARY SESSION: SETTING THE STAGE FOR GOOD JOBS IN THE REGION**

To offer an objective view of the employment situation in Guatemala, El Salvador, and Honduras, experts shared their perspectives on decent work and presented studies showing the need for better working conditions in these countries in the region.

Pilar Velásquez, Moderator and Technical Assistance Team Leader in the U.S. Department of Labor's Office of Trade and Labor Affairs, shared that, according to the ILO, a decent job

is one that allows for a fair income, job security, social protection, and the opportunity for personal development, as well as social inclusion.

The moderator added that decent employment also provides opportunities for workers to access the right to freedom of association and collective bargaining which are fundamental for the participation of workers in making decisions that affect their work life.

Matthew Fisher-Daly, Professor of Labor and Employment Relations at Pennsylvania State University, contextualized the employment situation in Guatemala, El Salvador, and Honduras and unveiled important figures.

According to his research; agriculture, manufacturing, and tourism are the industries that generate the most employment in Guatemala, El Salvador and Honduras. However, these sectors have low wages and little social security coverage. In addition, poverty has a direct impact on employability. Poverty rates are 28% in El Salvador, 55% in Guatemala and 50% in Honduras.

This is reflected in the following data: the Government of Honduras reported that 46% of employed people have earned less than the minimum wage in recent years, while in El Salvador, 9 out of 10 women did not receive maternity benefits in 2021.

According to Professor Fisher-Daly, these conditions could change in these three countries if there were more union representation. Collective bargaining reduces inequality, poverty, gender-based violence, harassment, and the gender wage gap. For example, in Guatemala's banana industry, women with union representation are 50% less likely to experience sexual harassment than women without union representation. And a unionized person earns more than twice the salary of a non-unionized person.

Professor Fisher-Daly concluded that in Guatemala, El Salvador and Honduras the quality of work is worrisome, and the regulation of employment is weak, which prevents good work and decent employment.

Irene Palma, Executive Director of the *Instituto Centroamericano de Estudios Sociales y Desarrollo* (INCEDES), commented on Professor Fisher-Daly's keynote, explaining that more in-depth studies are needed to analyze the complexity of the employment situation in Guatemala, El Salvador and Honduras. However, she stressed that, due to its implications for family reproduction and the sustainability of the countries' economies, it is essential to take into account domestic work, since many women migrate to the cities to work or to supplement their economic resources.

Regarding migration to the United States, Palma clarified that it affects Guatemala, El Salvador and Honduras in different ways, as the latter is the most recent to larger scale migration, but with a systematic intensity in the dynamics of regional human mobility.

According to Palma, migration has been occurring in the region for more than 100 years and has not showed indications that it will stop completely, as migration generates remittances, which facilitate macroeconomic stability, the exchange rate system and, of course, the foreign exchange market, which is so important for the economy.

Finally, Palma clarified that decent, dignified and quality work is vital to reduce migration. For example, agricultural workers are migrating to the United States as a survival strategy to supplement the meager resources obtained in domestic labor markets. In Guatemala, El Salvador and Honduras, remittances have increased systematically and steadily over the last 40 years.

### **PANEL 1: CREATING AND SUSTAINING QUALITY JOBS: UNDERSTANDING THE CHALLENGES**

Moderated by Valeria Uribe, Country Director for Mexico at the Pan American Development Foundation (PADF), the first panel on the challenges of generating quality jobs explored the main barriers that governments, companies, and workers face when trying to create high quality jobs, comply with labor standards, and exercise their rights.

Miriam Roquel, Minister of Labor and Social Security of Guatemala, clarified that the lack of labor rights has a structural root in the economic system, since 70% of the Guatemalan population works informally, and 50% of that economic activity is focused on agriculture and local commerce. This is a consequence of unequal access to education and professional skills.

Therefore, one of the strategies of the Government of Guatemala is to work in coordination with INTECAP, since this institution enables the education, training and empowerment of Guatemalans. Now, the challenge is to make sure this training can reach communities with the highest incidences of poverty and extreme poverty.

Another essential aspect, according to Minister Roquel, is the eradication of child labor and forced labor, since the conditions of extreme poverty mean that young people and children are supporting the family economy.

In the case of Honduras, Daniel Facussé, President of the *Asociación Hondureña de Maquiladores* (AHM), commented that since 70% of jobs are in the informal sector, the outlook is not very encouraging for workers, since most of them will not receive any wage benefits or social security. Moreover, it is not only a matter of combating informality and unemployment, but also of improving conditions in the formal sector. This requires freedom of association and sectoral dialogues that seek social benefits.

For this reason, true representation must be guaranteed through the unions, full respect by private enterprise for the workers' centers, and a contribution by the government in public policies and agreements that directly benefit families. According to Facussé, sectorial

dialogues will allow all parties to be represented in an organized, legal manner, so that each sector can discuss its issues.

Facussé clarified that if there is no parity of checks and balances, as well as real representation of unions and companies, there will be no social benefit for the people either.

Vinicio Sandoval, Executive Director of the *Grupo de Monitoreo Independiente de El Salvador* (GMIES), added that the scarcity of formal employment causes vulnerabilities, since workers engaged in it sometimes accept violations of their rights in order not to lose the opportunity. Therefore, the justice system must be strengthened, as there are few experts who know the labor norms and labor mobility regulations.

According to Sandoval, the problem is not only people who leave their countries because they do not have jobs. The problem is also that people will migrate even though they have jobs, because those jobs do not allow them to develop and have decent living or working conditions.

Sandoval concluded that social dialogue is the only thing that will allow agreements and concrete actions to achieve respect for workers' rights, as well as changes to industries and labor dynamics.

To conclude the panel, Valeria Uribe pointed out that the willingness to work together is key to creating social dialogue and fostering fair and equitable conditions.

## **GENERATING QUALITY JOBS**

The core of the Regional Good Jobs Summit was led by companies and professionals who have made efforts to create better jobs in the region, especially in vulnerable populations.

Amanda Hines, Team Leader for Central America from the Bureau of Western Hemisphere Affairs at the U.S. Department of State, moderated a session in which companies and associations presented outstanding and innovative programs that have enabled the creation of jobs for vulnerable populations.

According to Hines, the aim was to demonstrate that, despite the constant challenges, there are some salient points about the role that companies can play in promoting labor rights and creating good jobs, with the support of Corporate Social Responsibility (CSR) partnerships.

The conversation began with Inés Amenábar, Pantaleón's Responsible Development Manager, who explained that the company has established responsible labor conditions policies, with monitoring and evaluation systems to ensure compliance.

In addition, Amenábar said that they currently have four schools for the development of technical skills so that workers can specialize in heavy machinery operations.

Amenábar added that in 2023 they carried out 13 training programs, in which 396 people participated, 86% of whom were employed, either by Pantaleón or by other companies. The latter is relevant, as the "Sowing skills, transforming lives" program has enabled the training, qualification and technical improvement of its workers, so that they can apply for better jobs. In addition to this, in collaboration with INTECAP and the *Consejos Comunitarios de Desarrollo Urbano y Rural (COCODES)*, its programs have benefited the surrounding populations, as they seek to generate positive impacts on more people, regardless of whether they work for the corporation.

In recent years, this program has benefited more than 4,000 people. Ninety-six percent of the participants have reporting going onto a better job or a better paying job.

In the case of El Salvador, Fiorella Amaya, Senior Corporate Social Responsibility Manager of TELUS DIGITAL, commented that its employability programs provide employment opportunities to young high school graduates, specifically from El Salvador, between the ages of 17 and 23 years old.

According to Amaya, English is the main component in recruitment processes; however, it is not necessary for young people to be able to speak or write English. This is because, due to the quality of education in El Salvador, it is difficult to find people in public schools who are proficient in English. Therefore, the company trains people assuming they are starting out with no background in English and brings them to a level of English that is adequate for employment.

Amaya presented two concrete examples of its two programs. In the case of the initiative called "Hope", she told the story of a young man who, thanks to the support of the company's trainers, managed to achieve English proficiency required for employment with Telus. He also told the success story of Lidia, who was part of the "Work for Them" program, with which she was able to overcome the conditions of domestic violence and obtain economic independence for herself and her son. In both cases, migration to the United States was an option; however, they decided to stay in El Salvador because they found and were able to access decent employment.

To date, 221 students have participated in TELUS DIGITAL programs, 168 young people have graduated from this program and 123 have entered the workforce.

In terms of the specific actions promoted organizations can take to promote Corporate Social Responsibility (CSR) in Guatemala, El Salvador and Honduras, there are examples of good practices.

Miriam Chávez, Coordinator of Project Development, Monitoring and Institutional Management at FUNDEMAS, explained that in El Salvador efforts are being made to reduce the gender gap within companies, as well as incorporating vulnerable populations or people with disabilities.

According to Chávez, Pizza Hut El Salvador has a social inclusion program for deaf people, where they implement training for their employees to reduce the communication gap between deaf people and their employees. They currently have 85 deaf people employed in Pizza Hut's restaurants. She also highlighted the Tecnova Group, which has a corporate policy for diversity, inclusion and equity, which seeks to reduce the existing gaps between the vulnerable populations and its staff.

The last example given by Chávez was that of AES El Salvador, an energy distribution company that created a project to include women in jobs that are historically performed by men, such as the installation of residential electrical systems. There have had 39 courses in which 780 women have participated. Of these, 740 have already been certified by the *Superintendencia General de Telecomunicaciones*.

In the case of Honduras, Julio Gom, Associate Project Director of FUNDAHRSE, explained that in the southern part of the country they are working hard to reduce the multidimensional poverty index.

According to Gom, the creation of quality employment requires a commitment on the part of both the business sector and other social sectors, but it also requires economic capacity. According to official data, investments by the business sector in CSR exceed US\$32 million.

Juan Pablo Morataya, Executive Director of CENTRARSE in Guatemala, stressed that in order to eradicate poverty, wealth must be generated through responsible business conduct. For this reason, promoting projects such as "Development with a Woman's Face," with the support of the United States, has been vital for the economic empowerment of women and for turning companies into safe spaces for them.

According to Morataya, Guatemala also has a public-private alliance to recognize inclusive companies. In conjunction with the Ministry of Labor, an award is given biannually to companies that promote inclusion with vulnerable groups: disability, gender, migrants, and refugees. He also explained that there are currently more than 70 companies and organizations that are members of "The Alliance for Youth in Guatemala" where spaces for the inclusion of young people in the labor market are promoted.

Morataya concluded that social problems, especially the lack of employment, cannot be addressed alone, so a head-on dialogue is needed with the organized private sector, public agencies, international organizations, entrepreneurs, and workers.



Hines concluded the session by reflecting on the importance of promoting labor rights and healthy jobs to create fairer and more inclusive societies.

## **PANEL 2: TOWARDS BETTER EMPLOYMENT: A DIALOGUE ON HOW WE CAN INITIATE CHANGE**

Laine Romero-Alston, Senior Advisor for Stakeholder Engagement and Strategic Partnerships at the U.S. Department of Labor's Office of Trade and Labor Affairs, moderated the final panel of the Regional Good Jobs Summit, which aimed to identify practical steps each sector needs to take to strengthen social dialogue and collaboration to build a future and better jobs in Guatemala, El Salvador, and Honduras.

From the point of view of the Government of Guatemala, Damarys Oliva, Vice-Minister of Labor Administration of the Ministry of Labor and Social Welfare, commented that inclusion is an important element of social dialogue, which is why a frank dialogue must be promoted where spaces are created for everyone. She also explained that the country has several examples of social dialogue, such as the *Comisión Nacional del Salario*, the *Comisión Nacional de Relaciones Laborales*, the *Consejo Nacional del Empleo* and the dialogue tables for the *Inspección General de Trabajo*. The latter works to mediate and reduce conflict levels between companies and workers.

Vice-Minister Oliva emphasized that there are two types of informal work. The first includes those people, between 70% and 80%, who do not have any kind of protection in terms of their labor rights. The other type is occurs within formality when companies do not comply with the law. Both generate inequality.

As an effective measure, Vice-Minister Oliva recommended that all institutions implement process management, since this vision will help avoid temporary initiatives, and will propose projects with sustainability over time.

César Guerra, Secretary of Conflicts and Labor of the *Sindicato de Trabajadores Bananeros de Izabal* (SITRABI), demonstrated that union representation is possible and brings multiple benefits to companies. He explained that since 1972, 19 collective bargaining agreements have been signed between the main banana company and the union. This collective bargaining has led workers to feel more represented, with better social and economic conditions.

Guerra also recommended that companies and the international community invest in programs that monitor compliance with decent work, living wages and freedom of association or unionization, as well as collective bargaining. This not only changes the lives of workers, but also of their families and social environments.

On behalf of the private sector, Felipe Jones, Human Resources Manager for Honduras and El Salvador at Fruit of the Loom, explained that the consortium for which he works has four

unions in six Honduran companies. He also pointed out that they have begun to implement union sections in El Salvador.

Jones also noted that Fruit of the Loom created a code of conduct that does not allow forced labor and child labor. To ensure compliance, there have internal audits, external audits, and investigation officers who follow up on complaints.

On the need to create regulations that guarantee freedom of association, Lynda Yanz, Coordinator of the Americas Group and Executive Director of the Maquila Solidarity Network, explained that she represents a forum made up of brands, international manufacturing companies and labor rights organizations working together to promote and support the garment industry in promoting sustainable and responsible development.

Yanz clarified that her organization identified Honduras and El Salvador as priority countries because, at that time, in these two countries, companies and governments were more willing to include social dialogue. However, she pointed out that in Guatemala there is now more interest in this issue.

One of the achievements of the Americas Group and the Maquila Solidarity Network is the publication of the Freedom of Association Guide. According to Lynda Yanz, this document establishes sixteen actions that seek to improve practices at the factory level, including the adoption of a freedom of association policy for the hiring process, discrimination-free hiring, guidelines for the formation of a union, and guidelines for establishing dialogues.

To close the Regional Good Jobs Summit, Pilar Velásquez summarized that, according to everything shared, Guatemala, El Salvador and Honduras have many challenges in terms of decent employment. However, she also mentioned that there are many opportunities and good examples that show that it is possible to build a social dialogue that benefits all sectors of society.

## **CONCLUSIONS**

- The Regional Good Jobs Summit responds to the vision of the Pan American Development Foundation (PADF), which for more than 60 years has been working to generate opportunities for all people.
- The United States provides support and accompaniment to governments, companies and organizations in Guatemala, El Salvador, and Honduras to promote decent employment and compliance with labor laws, based on the regulations established by its democratic values and the foundations of the International Labor Organization (ILO).
- Official statistics show that in Guatemala, El Salvador and Honduras, 70% of the population works in the informal sector, which prevents them from having decent jobs, social security, and union representation.

- The identification and implementation of effective strategies that promote fair and decent jobs contributes to long-term prosperity and stability in Guatemala, El Salvador, and Honduras, as this will improve the quality of life of their citizens.
- Although the current employment situation in Guatemala, El Salvador, and Honduras has several opportunity gaps, social dialogue between governments, the international community, private enterprise, labor unions, and workers will make it possible to reach common agreements in favor of development and decent jobs.
- The experts agreed that, when speaking of the labor situation in Guatemala, El Salvador, and Honduras, it is necessary to mention child labor in the informal sector, since it is a problem that must be eradicated.
- The good practices of many companies in Guatemala, El Salvador, and Honduras are evidence that creating better workplaces is possible. The challenge now is to scale up and replicate these good labor practices, promoting and strengthening social dialogue, freedom of association, and collective bargaining in the various sectors of these countries.