

# MINISTERIAL COUNCIL REPORT ON THE THREE-YEAR REVIEW OF THE CANADA-CHILE AGREEMENT ON LABOUR COOPERATION

DECEMBER 2002

**Signed by the Honourable Claudette Bradshaw, Minister of Labour, Canada  
and his Excellency Ricardo Solari, Minister of Labour and Social Welfare, Republic of Chile, in Lima on December 11, 2002.**

This report exists in the English, French and Spanish languages, each version being equally valid.

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## SUMMARY

This report presents the main ministerial conclusions of the Three-Year Review of the Canada -Chile Agreement on Labour Cooperation. It proposes several ways to improve the functioning and implementation of the Agreement and opens the door to a future review of the Agreement itself.

## INTRODUCTION

The Canada-Chile Agreement on Labour Cooperation (CCALC) was signed in Ottawa, Canada, on February 6, 1997, along with the Canada-Chile Agreement on Environmental Cooperation (CCAEC) and the Canada-Chile Free Trade Agreement (CCFTA). All three Agreements came into effect on July 5, 1997. The CCFTA and complementary labour and environmental agreements have since become key links in a strengthened bilateral relationship between Canada and Chile.

The CCALC is closely modelled on the North American Agreement on Labour Cooperation (NAALC). The NAALC is one of two accords between Canada, the United States and Mexico which complement the North American Free Trade Agreement (NAFTA). All three Agreements came into effect on January 1, 1994. As the first international agreement on labour matters to be linked to a trade agreement, the NAALC represented a significant international innovation. One of the reasons that the CCALC closely followed the NAALC model was to facilitate Chile's anticipated accession to the NAFTA.

Since the CCALC came into effect, major developments have taken place in international labour affairs. In 1998, the International Labour Organization adopted its landmark Declaration on Fundamental Principles and Rights at Work, recognizing a set of core labour standards to be respected and promoted by all 175 International Labour Organization (ILO) member States regardless of their level of economic development. Canada has negotiated a new labour co-operation agreement with Costa Rica in 2000, which differs significantly from the Canada-Chile model and which is based on the ILO Declaration. Chile has entered into trade agreement negotiations with the United States, which also contemplates an agreement or set of provisions on labour.

Like the NAALC, the CCALC commits signing partners to seven broad objectives, including improving working conditions and living standards and promoting eleven labour principles to protect worker rights. To accomplish these goals, the CCALC creates institutions and mechanisms for cooperative activities, inter-governmental consultations, as well as for independent evaluations and dispute settlement related to obligations for the enforcement of labour laws.

The CCALC creates a Ministerial Council to oversee the implementation of the Agreement and develop recommendations. Article 10 of the CCALC requires that: "the Council (of Ministers) shall, within three years after the date of entry into force of this Agreement, review its operation and effectiveness in the light of experience". On March 22, 2001, Canada's Minister of Labour and Chile's Minister of Labour and Social Security met for the third annual Ministerial Council Meeting. At that meeting, they agreed to launch this review.

### Summary of the Council Recommendations

The Council notes with great satisfaction that the CCALC has significantly strengthened cooperation between Canada and Chile. This strong cooperative relationship has served and will continue to serve both countries in both bilateral and multilateral contexts such as the Inter-American Conference of Ministers of Labour. The recommendations of the Council seek to build upon the successes of the Agreement and at the same time to improve its ability to serve the purposes for which it was designed.

The Agreement has become an important vehicle through which both countries can address, on an ongoing basis, the labour dimensions of closer commercial ties. However, a number of administrative steps remain to be completed in order to ensure the Agreement's full implementation.

The program of cooperative activities should seek to raise the profile of the Agreement and to facilitate knowledge transfers related to the strategic policy priorities of each Party. In addition, increased availability of comparative information on labour law and labour markets would provide valuable support to improve the implementation of the Agreement.

Finally, the context for this Agreement is evolving rapidly. The Parties note their willingness to consider as need be, in response to new developments, the modification of the Agreement in accordance with its Article 47, and recognize that each may wish to undertake further consultations in that event in accordance with its own policies and practices.

The Ministerial Council wishes to thank all contributors to this review, including representatives of business, union, and non-governmental organizations, and individuals who have provided comments on the Agreement and its implementation.

## **PART 1 RECOMMENDATIONS OF THE COUNCIL**

### **A. Implementation of Agreement Procedures**

The Council notes that a number of steps remain to be taken in order to fully implement the Agreement. The CCALC clearly has an important role to play at this time. Tasks that may have been deferred in anticipation of Chile's possible accession to NAFTA should be completed at the earliest opportunity.

#### **Accordingly, the Council has agreed:**

- that each Party will, in the coming year, develop and publish its own guidelines for public communications;
- that Canada will seek, at the earliest practicable opportunity, to make the Agreement applicable to as many of its provinces as possible;
- that the parties will develop rules of procedure for Evaluation Committees of Experts and Arbitral Panels at the earliest reasonable opportunity.

## **B. Program of Cooperative Activities**

The Council is pleased to note that since 1997 the program of cooperative activities developed under the Agreement has served to identify and explore fields of common concern, facilitate exchanges of valuable information and build important networks. Participants in cooperative activities have in general found them to be very useful.

Nevertheless, it is recognized that there is room to improve the program on the basis of previous experiences and lessons learned, and to make better use of the program to promote and raise awareness of the Agreement. It is evident that more efforts are required to give the Agreement broader visibility and profile.

Cooperative action under the Agreement can be more clearly focused by linking it in a sustained way to the strategic policy priorities of the Parties. The program can achieve greater impact by facilitating exchanges of practical knowledge through greater use of site visits and short-term exchanges of labour experts and other specialists from the private and public sectors.

Finally, the program can better serve to raise the profile of the Agreement by seeking to involve key international organizations and interested third parties in the implementation of activities.

### **Accordingly, the Council has agreed:**

- that the National Secretariats will develop a two-year plan for cooperative activities with strategic objectives and consult with national advisory committees and public and private representatives, as appropriate to each party;
- that the work plan will be focused on the strategic priorities of the Parties that support the objectives of the Agreement, such as initiatives to improve the administration of labour justice, to develop new methods and forms of service delivery for workers and employers, and to examine the role of labour policy in the international economy;
- that the Parties will seek to work cooperatively with key international organizations such as the International Labour Organization (ILO) and the Commission for Labour Cooperation under the North American Agreement on Labour Cooperation (NAALC) as well as third parties, including interested national governments, in the implementation of cooperative activities;
- that the two National Secretariats will seek, where appropriate, to make cooperative activities more practical, with special focus on tripartite participation, site visits, and exchanges of experts and specialists;
- that the Parties will continue to seek greater

involvement of stakeholders in cooperative activities and more active dialogue on each country's labour situation.

The Council also recognizes that, in order to fulfil the potential of the Agreement as a framework for cooperation, it is necessary to encourage the development and sharing of a body of reliable comparative information on labour law, labour administration and labour markets.

**Accordingly, the Council has agreed to produce or make available information on topics such as:**

- wage, productivity and employment trends in sectors in which there is significant trade or foreign direct investment between the parties and factors which may account for those trends;
- trends and administrative strategies related to the implementation and enforcement of labour law; and
- significant changes, should they occur, in their respective labour laws.

In order to facilitate access to this information, the two National Secretariats will ensure that their respective Web sites are linked, complementary, and updated regularly.

**C. Future Reviews**

The Council recognizes that the context for the Agreement is evolving rapidly. Moreover, the Agreement is still relatively new and untried in some areas. In-depth review of the Agreement is thus appropriate to ensure that it is meeting its objectives and that it evolves in response to lessons learned through the relationship between the Parties as well as in the larger international context.

**Accordingly, the Council has agreed:**

- that it will consider, at the request of either Party in response to new developments, the modification of the Agreement in accordance with its Article 47;
- to continue to monitor the effectiveness of the Agreement and to this end, to undertake a second comprehensive review in the year 2006.

**PART 2 TRADE AND INVESTMENT SINCE THE IMPLEMENTATION OF THE CANADA-CHILE FREE TRADE AGREEMENT**

The Canada-Chile Free Trade Agreement (CCFTA) which entered into force on July 7, 1997 was the first bilateral free trade agreement between Chile and a G-7 country. Chile was also Canada's first bilateral free trade partner outside of NAFTA.

Since 1997, economic relations between Canada and Chile have grown considerably. Bilateral trade in merchandise has increased 33 percent to \$1.25 billion and has outstripped the global trend in both countries. Investment has also increased, with Canada becoming the second largest investor in Chile. An analysis of trade and investment statistics from both Chilean and Canadian sources shows that each country has become a dynamic market for the other, with strong two-way growth in trade leading mainly from the CCFTA.

### **From a Canadian Perspective**

- Chile is one of the most diversified markets for Canadian exports. More products from more sectors are exported to Chile than to most other markets.
- Canada's major exports to Chile include electrical machinery, machinery, cereals, paper and paperboard, mineral fuels, plastics, and automobile parts and accessories.
- Canadian investments in Chile have risen 57 per cent since the CCFTA entered into force: mining (64 per cent), industry (18.8 per cent), electricity (7.8 per cent), and services (4.9 per cent).
- Canadian exports to Chile have increased 27 per cent since 1999 alone, rising to \$700 million in 2000.
- While the largest share continues to be devoted to mining, Canadian investments have diversified into other sectors including financial services, energy, forestry, telecommunications, manufacturing, and infrastructure.
- Many non-traditional exports are some of Canada's fastest growing sectors: telecommunication equipment increased 221 per cent to \$80.3 million (duty-free since 1997); denim fabric has increased 232 per cent to \$2.25 million (duty-free since 1997).

### **From a Chilean Perspective**

- Chile's share of exports to Canada has increased significantly (37 per cent) in comparison with the rest of Latin America.
- The Canadian market is the second fastest growing market for Chilean exports.
- Chilean exports to Canada have risen 59 per cent since entry into force of the CCFTA in 1997 and rose 31.7 per cent over 1999 to a record \$555 million.
- Exports are concentrated among 15 companies that sell 80 per cent of total exports to Canada. There is a concentration in natural resources, with copper minerals accounting for 50 per cent.
- Other major exports to Canada include fruit and nuts, wine, wood, fish and seafood, and iodine.
- Chile has also been increasing its market share of Canadian imports, up 33 per cent since 1998.

## **PART 3 OVERVIEW OF ACTIVITIES**

The CCALC seeks to improve working conditions and living standards in Canada and Chile and to protect, enhance, and enforce basic workers' rights. Under the Agreement, the two participating countries are committed to effectively enforce their own labour legislation, to cooperate on labour matters, and to promote the following eleven labour principles:

- Freedom of association
- The right to bargain collectively
- The right to strike
- Prohibition of forced labour
- Labour protection for children and young persons
- Minimum employment standards
- Elimination of employment discrimination
- Equal pay for men and women
- Prevention of occupational injuries and illnesses
- Compensation in case of occupational injuries or illnesses
- Protection of migrant workers

With these principles in mind, every year a program of cooperative activities is developed and implemented in the form of seminars, technical workshops, public conferences, and site visits. Both countries also exchange a wide range of publications and reference material to ensure that information on labour law is readily available.

### **3.1. CCALC Institutions**

The implementation of the Agreement is overseen by a Council of Ministers consisting of the Labour Ministers of the two governments or their representatives.

The CCALC also provides that each country will name an Executive Secretary to serve as a point of contact between the Parties. The Executive Secretaries also manage the implementation of the Agreement. To this end they meet regularly and report to their respective Ministers.

The first Ministerial Council Meeting was held in Santiago, Chile, on October 22, 1998. Canada's then Minister of Labour, Lawrence MacAulay, and Chile's then Minister of Labour and Social Security, German Molina, met to review the first eighteen months of implementation of the Agreement and to inaugurate a cooperative activity on the theme of New Forms of Work and the Implications for Industrial Relations.

The second Ministerial Council Meeting took place in Washington, D.C. on February 25, 2000, immediately after the Follow-up Meeting to the XI Inter-American Conference of Ministers of Labour. Claudette Bradshaw, who had succeeded Lawrence MacAuley as Canada's Minister of Labour in October 1999, met with her Chilean counterpart, German Molina, to review the work completed since October 1998. At the meeting, the Ministers approved the Cooperative Work Program for 2000. The Ministers also discussed the value of the Agreement in facilitating

discussions in relation to the closure of a door and window manufacturing operation in Santiago, Chile, where the Canadian and Chilean partners had invested. This case is discussed later in this report.

The third Ministerial Council Meeting was convened on March 21, 2001, in Santiago, Chile. Minister Bradshaw met with Ricardo Solari, who had succeeded German Molina as Chile's Labour Minister in 2000. The Ministers instructed officials in their respective Departments to develop and implement a review of the CCALC and to proceed with the 2001-2002 Cooperative Work Program. This program would include activities on child labour, government service delivery mechanisms in the digital economy and approaches to occupational safety and health from the perspective of small and medium-sized enterprises.

Minister Solari briefed Minister Bradshaw on the objectives of Chile's recent labour reform initiative. He also indicated that his government intended to create an unemployment insurance system covering all sections of the economy to provide financial assistance to laid-off workers.

The two Ministers also discussed preparation of the XII Inter-American Conference of Ministers of Labour, to be held in Canada in October 2001, and which Canada would chair for a period of two years. They also agreed to work in close consultation on the draft labour and employment chapter of the Action Plan of the Third Summit of the Americas (held in Quebec City in April 2001) ? texts that subsequently formed the basis for the XII Inter-American Conference (IACML) Declaration and Action Plan. They agreed to work collaboratively on completing the implementation of the Action Plan on the XIth IACML which was chaired by Chile.

### **3.2 Cooperative Activities**

Cooperative activities undertaken by Canada and Chile have included seminars, government-to-government workshops and public conferences on labour-related matters. The primary objective of these activities has been to exchange information and to promote the understanding of labour legislation, compliance measures, policy issues and best practices in order for the two countries to more effectively administer and enforce labour laws.

#### **3.2.1 Year One**

The first cooperative activity took place on January 7-8, 1998, in Santiago, Chile. It was intended to provide officials from each country with an opportunity to familiarize themselves with the labour laws and institutions. The workshop covered a wide range of topics, with special focus on each country's standards with respect to individual employment agreements and workplace health and safety legislation. The Canadian delegation explained its system and provided examples from both federal and provincial jurisdictions, specifically Quebec and Manitoba. The Chilean delegation explained Chile's legislation, regulations, and methods of enforcement, especially in the field of mining, due to the

significant Canadian investment in this sector of the Chilean economy.

Canada was represented by officials of the Labour Branch of Human Resources Development Canada (HRDC), by the Minister of Labour of Manitoba, by representatives of the Health and Safety Commission of the Government of Quebec, by representatives of Falconbridge Limited, and of the United Steelworkers of America. Representatives of various Chilean departments made the Chilean presentations: Social Security, the National Geological and Mining Service, the Department of Health, and Labour and Social Welfare.

Following this meeting of delegations, a public conference was held to increase public awareness and understanding in each country's labour legislation, enforcement practices, and future trends in workplace practices.

Concurrent with the public conference, a series of meetings was held between the Canadian delegation and representatives of the Central Unitaria de Trabajadores (CUT, United Labour Central), the Confederación de la Producción y del Comercio CPC, (Federation for Production and Commerce), and the Canada-Chile Chamber of Commerce. Meetings focused on the CCALC and on workplace trends in Chile.

The first cooperative activity on Canadian soil was a seminar which took place on April 28-29, 1998, in Ottawa. The objective of this seminar was to provide government officials with an opportunity to describe and compare Chilean and Canadian industrial relations law and practices with respect to collective bargaining, the right to strike, penalties for practices that violate the exercise of freedom of association, etc.

The seminar was followed by a public conference on the same topic. Over fifty participants from business, labour, government, and academia attended. The Chilean delegation made presentations on the law and its practice with respect to industrial relations in Chile. They began with a general overview of the system of economic relations in Chile, followed by an overview of the system of industrial relations and the functioning of labour tribunals. They concluded by examining future directions in industrial relations and legislative proposals under consideration in their country.

The Chilean delegation to the seminar and public conference was comprised of officials from the Departments of Labour and Social Security and External Relations. Canada was represented by officials from the following organizations: the Labour Branch of HRDC; the Canadian Labour Relations Board; CBC/Radio Canada; the president of the Federal Regulated Employers -Transportation and Communication (FETCO); the Canadian Media Guild; and the Canadian Office of the United Steelworkers of America.

### **3.2.2 Year Two**

On October 22-23, 1998, in the margins of the XI Inter-American

Conference of Ministers of Labour, hosted by Chile, a government-to-government seminar and a public conference were held on the theme of New Forms of Work: The Implications For Industrial Relations. Lawrence MacAulay, then Minister of Labour for Canada, and German Molina, then Minister of Labour and Social Security for Chile, inaugurated the bilateral seminar.

The public conference was designed to allow the Canadian delegation to present to the Chilean audience a range of views on the changing nature of work and employment, including contracting out and outsourcing; part time, temporary and casual employment; and tele-work. It also provided opportunities for assessing the implications of changes in these areas for the future of the industrial relations system.

Officials from the two countries discussed labour market trends and the challenges for their Labour Departments, employers, workers and unions presented by new organizational structures, the changing nature of work, globalization and new technology. A group of fifty to sixty government, business, labour and academic representatives attended and engaged in a lively exchange of views.

The Canadian delegation to these events consisted of senior officials from the Federal Mediation and Conciliation Service, HRDC, the Ontario Department of Labour, Canadian Airlines International, and the Communications Energy and Paper Workers Union of Canada.

### 3.2.3 Year Three

A government-to-government seminar entitled Income Security Programs: Legislation, Practices and Trends was held in Ottawa, May 18-19, 1999. It was followed on May 20 by a public conference on two topics: Chilean Income Security Policies and Programs, and Current Chilean Legislation, Practices and Trends.

At the seminar, each country presented its income security programs and the way in which they have responded to the changing global and domestic environment. Presentations focused on the key government departments and institutions responsible for income security (either at the national/federal level or at the state/provincial/territorial level), on key legislation (existing and proposed), and on major initiatives. Topics of discussion included: employment insurance and other income support programs and initiatives, employment/employability services and programs, workers' compensation programs, and pensions and family benefits.

At the public conference, attended by a number of labour, business, government, academic and non-governmental representatives, the following topics were examined from a Chilean perspective: worker protection systems during periods of unemployment enhancing, employability, workers' compensation (occupational accidents and illnesses), and pensions and family benefits.

The Canadian delegation consisted in part of officials from various programs within the Labour Program and HRDC. Representatives of the Ontario Workplace Safety and Insurance Board were also members of the delegation.

Officials represented the Chilean Government from the Institute for the Administration of the Public Social Security System (Instituto de Normalización Previsional/INP), the National Training and Employment Service (SENCE), and the International Economic Relations Directorate of the Department of External Affairs.

Immediately following the public conference, on May 21, 1999, an information exchange session took place in Montreal between the Chilean delegation and representatives of the Commission de la santé et de la sécurité au travail du Québec (CSST). The Quebec team covered various aspects of occupational safety and health legislation, programs and services, such as the mandate of the Régime de Santé et sécurité au travail du Québec, Programme d'indemnisation, Programme pour une maternité sans danger, and Virage clientèle. The Chilean delegation discussed employability and workers' compensation (occupational accidents and illnesses).

On September 1-3, 1999, a government seminar and a public conference on Women and Work in the 21st Century were held in Santiago, Chile. These events gave special attention to best practices to ensure the full participation and integration of women in the economy. Argentina participated as an observer.

Several themes were considered, including employment patterns, legislation, policies, programs and services to address the needs of women in the workplace, best workplace practices to reconcile work and family, and efforts to address systemic discrimination and encourage more women to enter new occupational sectors. There was also an exchange on statistics and methodology and the comparability of data.

At the public conference, the Canadian delegation described specific aspects of the situation of working women in Canada, including best workplace practices from union and business perspectives, emerging trends and innovation, and legislation, policies, programs, and enforcement. The two delegations identified potential areas for follow-up, namely: data collection, gender-based analysis, child labour, work and family-friendly policies, workplace violence, and comparative approaches to the integration of aboriginal and minority women in the workplace.

The Canadian delegation was comprised of representatives of the Labour Program of HRDC, Statistics Canada, the Saskatchewan Department of Labour, the Chair of the Women and Employment Committee of the Canadian Association of Administrators of Labour Legislation (CAALL), representatives of the Canadian Labour Congress, and IBM Canada, whose representative was also the Chair of the Women in Engineering Advisory Committee of Ontario.

Chile was represented by the Minister of Labour and Social Welfare and officials/representatives from the Labour Directorate, the Legal

Reforms Program, the National Service for Women (SERNAM), the Women's Studies Centre, the Confederation for Production, Trade and Commerce, and the CUT. The Coordinator of Women's Issues within the Argentinean Department of Labour represented Argentina.

### 3.2.4 Year Four

The Year Four (2000-2001) Cooperative Work Program identified activities in the areas of occupational safety and health, child labour, and workplace violence.

On May 16-18, 2000, a Chilean delegation, which included Assistant Deputy Minister Ariadna Hornkohl, participated in a series of seminars and related activities on occupational safety and health (OSH) in Hamilton and Toronto. The first activity included a one-day visit to the Canadian Centre for Occupational Safety and Health (CCOHS) in Hamilton. The following day, the Chilean delegation met in Toronto with Canadian OSH experts from the Government of Canada and the Province of Ontario. On day three, a special session was organized in Toronto with business and labour representatives involved in OSH.

The purpose of the visit to Hamilton was to understand the role of the CCOHS in health and safety promotion and prevention in Canada and, in particular, to convey its capacity for information gathering and data-collection in relation to health and safety. Chilean delegates were particularly interested in the national and international networks of stakeholders developed by CCOHS, the various products and services developed by the institution, the use of data and information technology in creating safer and healthier working environments (with special reference to the mining sector) and an exchange of information, best practices, and expertise on specific aspects of OSH.

In Toronto, the exchanges between the Chilean delegation and Canadian experts on OSH provided opportunities for sharing information on best practices and other relevant aspects of OSH management and operation in the two countries, including the overall legislative framework, enforcement mechanisms, the role of inspectors, tripartite partnerships, and health and safety committees.

Experts from Natural Resources Canada (Mining and Mineral Sciences Laboratories), HRDC, and the Ontario Department of Labour presented the overall framework within which OSH is managed in Canada. They described various approaches to the implementation of health and safety measures and prevention, as well as new developments and challenges. Natural Resources Canada presented Canada's role in promoting the safe use of minerals and mines, as well as its international initiatives in sharing its knowledge and expertise with other countries.

On the third day of the visit, the Chilean delegation exchanged information and best practices with representatives of the business and labour sectors on approaches to safety and health. The

session focused on program delivery mechanisms, training, prevention strategies, and management-union partnerships in relation to OSH. Experts from the Occupational Health Clinics for Ontario Workers, Inc., the Farm Safety Association of Ontario, and the United Steelworkers of America participated in the exchanges.

On December 4-6, 2000, a Canadian delegation composed of representatives of the Labour Program, La Commission de Santé et de Sécurité au travail (CSST) and the Quebec Federation of Labour (QFL) participated in a series of exchanges in Chile with government officials, unions, and business representatives. The topics of discussion were health and safety issues in the workplace and compensation, with specific reference to the situation in the mining sector.

The exchange began with an introductory meeting with representatives of the Chilean Department of Labour, including Assistant Deputy Minister Ariadna Hornkohl. The Canadian delegation also held a series of meetings with representatives of the Central CUT (one of the major trade unions in Chile) and with the Confederation of Mining Workers. The discussion focused on freedom of association in Chile, women in the workplace, and tripartite collaboration to reduce accidents, particularly in the mining sector.

The Canadian delegation also met with representatives of various Chilean business associations including la Confederation del Produccion y Comercio (CPC, a major business group in Chile representing various sectors such as insurance, mining, and construction), the Asociación Chilena de Seguridad (ACHS, one of the major mutual groups in Chile); and Mutual de Seguridad de la Camara Chilena de la Construcción. The discussions focused on efforts toward accident and risk prevention in the workplace. Later during the visit, the Canadian delegation was invited to visit hospitals managed by some of the major mutuals in Chile.

On November 15-17, 2001, a tripartite Canadian delegation participated in a seminar in Santiago, Chile, entitled Child Labour and Its Gender Dimensions in the New Economy. The purpose of the seminar was to examine and discuss the international legal framework for combating harmful child labour, particularly in relation to elements of the UN Convention on the Rights of the Child, the ILO Convention 182 on the Worst Forms of Child Labour, and the Optional Protocol on the Sale of Children, Child Prostitution, and Child Pornography. The exchanges also provided opportunities to compare domestic measures taken in Canada, Chile, and Argentina, for implementation of their respective international obligations.

This was a truly international seminar with participants from the International Labour Organization (ILO), UNICEF, Chile, Canada, and Argentina. The Canadian delegation included federal government representatives of HRDC and the Department of Foreign Affairs and International Trade (DFAIT), the Ombudsman of British Columbia, the Chief Executive Officer of the Farm Safety Association, and the Legal Advisor of the QFL.

Chile was represented by officials from various departments, including Labour and Social Security and the Women's Bureau (SIRNAM), as well as by civil society organizations including the University of Chile, the Catholic University of Chile, Corporacion OPCION, CUT, and small enterprises. Chile's Minister of Labour used the occasion to present his national Plan of Action for the Elimination of Child Labour. The Director of the Commission for the Elimination of Child Labour attended and made a presentation on behalf of the Argentina government.

On April 23-25, Canada hosted a Seminar on Service Delivery Mechanisms in the New Digital Era in Ottawa. It focused on government on-line initiatives and how they are being incorporated into labour and employment programs and services in the two countries. The Chilean administration is in the process of developing its own government on-line service and wished to learn from Canada's experience and share best practices. Minister Bradshaw inaugurated the Seminar. Site visits to the Workers' Safety Insurance Board of Ontario, and HRDC's Insurance Employment Regional Office were part of the work program. Proceedings of the Seminar will be made available on HRDC Labour Program's website.

### 3.2.5 Related Initiatives

Labour officials from Canada and Chile have made use of several opportunities over the course of the past four years to meet and build on their cooperative relationship. Examples include:

- Bilateral discussions were held on the margins of the annual meeting of the ILO's Americas Branch in Lima, Peru, in August 1999.
- Canada's Labour Program and Chile's Department of Labour and Social Security participated cooperatively in the two working groups created by the Inter-American Conference of Ministers of Labour in October 1998 to look at the following questions: Globalization of the Economy and Its Social and Labour Dimensions and Modernization of the State and Labour Administration: Requirements and Challenges. Meetings took place between 1998-2001 in Lima (Peru), Santiago (Chile), San José (Costa Rica), and Santa Cruz de la Sierra (Bolivia).
- The Chilean Executive Secretary gave a speech, at Canada's invitation, to a conference hosted in Montreal on November 5, 1999, by the Société de droit du travail et de la sécurité sociale – Québec (law society on labour and social security). The conference focused on integration in the Americas and its implications for labour law. A summary of the discussions was presented the following day to the Trade Ministers of the Americas as met in Toronto to assess the progress of negotiations towards the FTAA.
- Mr. Eugenio Heiremans, President of the Asociacion

Chilena de Seguridad (ACHS), visited the Labour Program on March 13, 2000. ACHS is one of the largest private health and safety mutuals in Chile, providing services to close to 65 per cent of Chile's workers. The half-day agenda included discussions on occupational safety and health, federal workers compensation, workplace equity and gender based analysis. Mr. Heiremans was accompanied at the meeting by Mr. José Luis Ilabaca, the Chilean Chargé d'Affaires in Ottawa. Mr. Heiremans highlighted some service delivery mechanisms provided by small and medium-sized enterprises and the concept of prevention in the workplace. He also elaborated on some of the emerging challenges to the Chilean model in the context of globalization.

### 3.3 Public communications

Although the CCALC provisions for public communications have not been used so far, the Executive Secretaries have intervened on occasion to help resolve matters arising between Canadian and Chilean stakeholders. A case in point occurred in 1999 when union representatives wrote to the Prime Minister of Canada, alleging that a Canadian owned mining company was in violation of Chilean labour legislation. In particular, they accused mine management of using repressive tactics toward employees. Canada is a major investor in Chile's mining sector, with Canadian mining companies and suppliers playing a key role in investment, exploration, and mining.

HRDC and the Canadian Embassy, as well as the Chilean Department of Labour and Social Security, investigated the allegations. They came to the conclusion that the conflict was not related to the labour principles defining the scope of the Agreement. In fact, the President of the Chilean Miners' Union stated on several occasions that the mine was an example of good labour relations and was considered to have one of the best contracts within Chile's mining sector. The Parties agreed that the issue did not constitute a public communication within the scope of the Agreement and the issue was referred to the appropriate department of the Chilean government.

Another situation was the case of a window and door factory in Santiago which had become insolvent in November 1999. When the factory closed its doors, the workers suddenly found themselves unemployed without having received any formal notice or compensation. A major union-controlled investment fund in Canada, together with various partners in Canada and Chile, held stock in a subsidiary of the company.

Canadian partners did not recognize any liability for compensating the workers, some of whom had been employed for many years and were thus owed a great deal in severance. On the express instructions of the Chilean Minister of Labour, the Executive Secretary met with representatives of the parties involved to seek a solution. They agreed on an out-of-court settlement over compensation payments.

**PART 4 VIEWS AND RECOMMENDATIONS FROM STAKEHOLDERS**

**Canada**

The Labour Program of HRDC surveyed those who had participated in activities under the Agreement to obtain opinions on the level of satisfaction with those activities and suggestions for their improvement and future direction. The survey also sought opinions on and suggestions for the improvement of the Agreement itself. Private sector respondents were generally satisfied with the co-operative activities in which they had participated. Suggestions for improvement to those activities included raising their public profile, placing greater emphasis on field visits and in-depth technical exchanges, and greater co-ordination with the regional activities of the International Labour Organization.

With respect to the Agreement itself, some respondents said that enforcement procedures needed to be strengthened, and most said that public awareness of the Agreement needed to be raised and that greater engagement of business, labour and academic representatives would be desirable.

The reader might also usefully refer to Part 2 of the Review of the North Agreement on Labour Cooperation in which the results of a more extensive canvassing of Canadian stakeholders are presented, since the structural features of the CCALC are almost identical to those of the NAALC, and Canadian stakeholder opinions regarding those features appear to continue to apply in the context of the CCALC.

**Chile**

An overview of the findings of a series of in-depth interviews with private sector stakeholders in the Free Trade Agreement and the Labour Cooperation Agreement is presented in the table below. The reader should keep in mind that each player is speaking from a personal standpoint, based on personal, institutional, economic and professional interests. The persons interviewed were selected on the basis of the extent of their involvement in key aspects of the preparation and operation of the Labour Agreement. The Institutions column lists the institutional concerns of the interviewees. The Implementation column lists key opinions expressed by the interviewees with respect to the operation of the agreement.

Stakeholders	INSTITUTIONS	IMPLEMENTATION
	1. To reach cooperation agreements with private Canadian parties	1. The agreement needs promotion as businesspersons do

<p><b>Asociación Chilena de Seguridad (private sector)</b></p>	<p>2. To create learning experiences that will lead to the development of new offers in the field of industrial safety 3. To use tariff advantages to promote scientific exchanges</p>	<p>not know about it 2. It has been very useful to compare the indicators on health care for workers 3. The Agreement has been useful in different sectors, but the most active use has been the forest sector</p>
<p><b>Chile-Canada Board of Trade</b></p>	<p>1. Provision of information on special regulations governing trade 2. Promotion of trade missions 3. Special programs, grants and internships</p>	<p>1. The agreement helped to strengthen trade relations that already existed 2. No significant changes in investment have been observed 3. Trade missions have not functioned well; some have taken place but no deals have been concluded 4. The Board, through its board of directors, seeks closer ties with Canadian entrepreneurs</p>
<p><b>Central Unitaria de Trabajadores</b></p>	<p>1. To be part of the discussion of agreements of this kind in the negotiation and evaluation stages 2. To develop better capacity for technical discussions in free trade and labour agreements 3. To develop alternatives for cooperation and exchanges to modernize Chilean unions</p>	<p>1. It is socially desirable to penalize infringing companies although it is not typical of Canadian companies to have labour problems 2. Union involvement is relatively low, since this is a new issue 3. A company-by-company analysis is required to determine what has happened with the FTA and the Labour Agreement 4. Chilean unions have not been closely monitoring this agreement since it has not been one of their priorities</p>

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