

23-24 JUNE 2022 | BRASILIA

AGENDA









OECD Latin America and the Caribbean Regional Programme 4th MINISTERIAL SUMMIT ON PRODUCTIVITY Towards a productive, human-centred and sustainable integration in the world economy

23-24 June 2022

Background

The **Fourth Ministerial Summit on Productivity** of the OECD Latin America and the Caribbean Regional Programme (LACRP) will take place on 23-24 June 2022 in Brasilia, Brazil. The Summit will gather senior officials from OECD and LAC countries, international organisations, and representatives from both the private sector and civil society, and will examine strategies and actions for the LAC region to achieve **a productive**, **human-centred and sustainable integration in the world economy**.

Key issues

As Latin America and the Caribbean emerge from the worst sanitary, economic and social crisis in decades, the region must resume efforts to boost productivity (a longstanding priority for the region), while taking greater consideration to inclusion, sustainability and a completely different international context.

Compared to OECD countries, **productivity** has long been low in LAC countries. This reflects the region's low-added value in products and services, due to its overdependence on its natural resources sectors and to the scarcity of high-skilled labour. In most LAC countries, there is also a sharp contrast between the dynamism of large consolidated firms and the stagnation of SMEs, especially those that are unable to adopt new technologies.

While commodity producers in the region are seeing some relief in today's context of high commodity prices, the region should not avoid the structural transformation required to diversify of its productive structure and increase its limited participation in global value chains (GVCs), at a moment of important reconfiguration of trade patterns.

It is certainly essential to have a human-centred approach to greater integration into the global economy, supporting workers in the transition and help them grasp new opportunities, as megatrends like digitalisation and automation change how work is done. Policies should provide active support to workers in the form of smart and well-designed policy packages, without standing in the way of the necessary adjustments. Designing these policies can be challenging, but lessons from international experience can help in their design.

Raising education and skill levels is a key part of the solution. The region needs to lever the "human side of productivity", by addressing existing mismatches between skills and labour markets and by enabling greater use of new technologies, and management tools, notably by SMEs. Policy solutions should focus on the development of both "soft" and technical skills, through reskilling (acquiring new skills for a new job) and upskilling (improving existing skills so as to increase productivity in a current job).

Raising productivity and better integration into GVCs can also be an opportunity for LAC countries to **transition into greener economies**. Linking industrialisation and integration processes with an environmental perspective can allow countries to benefit from economies of scale, overcome the limits of domestic markets and achieve sustained productivity gains, while enhancing regional comparative advantages in other sectors.

OECD Latin America and the Caribbean Regional Programme MINISTERIAL SUMMIT ON PRODUCTIVITY

Towards a productive, human-centred and sustainable integration in the world economy

23-24 June 2022

Wednesday 22 June

Closed reception for high-level authorities from LAC Productivity Ministerial and Education Ministerial

18h00 - 20h00 BSB (Brasília)

Welcoming Ministerial Reception and Family Photo

Public sessions – Thursday 23 June

Morning sessions will be broadcast and open to the public

8h00-9h00 BSB (Brasília)

Registration and accreditation

Opening

9h00-10h00 BSB (Brasília)

Towards a productive, human-centred and sustainable integration of Latin America and the Caribbean in the world economy

14h-15h00 CET (Paris)

- ► Mathias Cormann, OECD Secretary General
- Auditório Wladimir Murtinho
- ► Paulo Guedes, Minister of Economy, Brazil
- ► Sarquis José Buainain Sarquis, Secretary of Foreign Trade and Economic Affairs of the Ministry of Foreign Affairs, Brazil
- ▶ José Carlos Oliveira, Minister of Labour and Social Security, Brazil

Resilience in a new international context: what place for LAC in global value chains?

10h00-11h15 BSB (Brasília)

15h00–16h15 CET (Paris)

Auditório Wladimir Murtinho Beyond the huge human and health impact of COVID-19, the pandemic has struck at the core of global value chains hub regions, including China and Southeast Asia, Europe and the US, with major economic consequences. The war in Ukraine has further disrupted global value chains in key sectors and is reconfiguring trade patterns. It is still early to evaluate the full impact of these two major events in the long run, but it is certain that better integrated and more diversified economies will have greater capacity to adapt and integrate into regional and global value chains. International trade has been a powerful engine of growth and improvement in living standards across countries. Nonetheless, the Latin American and Caribbean region has so far not fully reaped the benefits that integrating into the world economy can offer.

▶ Moderator: Andreas Schaal, OECD Global Relations and Co-operation Director and Sherpa for the G7, G20 and APEC

Panellists:

- ▶ **Ulrik Knudsen**, OECD Deputy Secretary-General (virtual)
- ► Anabel González, WTO Deputy Director (virtual)
- ▶ Manuel Tovar, Minister of Foreign Trade, Costa Rica (virtual)
- ► Gustavo Montezano, President of the Brazilian Development Bank
- ▶ José Serrador, Vice President of Institutional Relations of Embraer
- ▶ Ignacio Ybáñez, Ambassador of the European Union to Brazil
- ▶ Jorge Enrique Gonzalez, Deputy Minister of Enterprise Development of Colombia

11h15-11h30 BSB (Brasília) Coffee Break 16h15-16h30 CET (Paris)

Making the recovery strong, inclusive and sustainable

Building on the last edition of the annual OECD Latin American Economic Outlook, this session will focus on the policy actions to improve social protection mechanisms and increase social inclusion, foster regional integration and strengthen industrial strategies, and rethink the social contract to restore trust and empower citizens at all stages of the policy-making process. Moreover, it will highlight the need to promote sustainable and adapted macro-economic frameworks to finance the recovery, as well as the importance of renewing international co-operation to support these policy actions in the current challenging global context.

16h30–17h45 CET (Paris)

11h30-12h45 BSB

(Brasília)

▶ Moderator: Ragnheidur Arnadottir, OECD Director of the Development Centre

Panellists:

Auditório Wladimir Murtinho

- Oscar Llamosas, Minister of Finance, Paraguay
- ► Mario Castillo, Officer in Charge of the Production, Productivity and Management Division, ELAC
- ▶ Rodolfo Lacy, OECD Director for Climate Action and Environment for Latin America (virtual)
- Jorge Arbache, Vice-President for Private Sector, CAF
- ▶ Fernanda Carvalho, Global Policy Lead, Climate & Energy Practice, WWF International

12h45-14h00 BSB (Brasília) 17h45-19h00 CET (Paris)

Lunch Break

A standing lunch will be provided to all participant

Ministerial sessions - Thursday 23 June

Participation in the Lunch and Ministerial sessions is limited to invited authorities and international organisations.

Delegations are in roundtable format.

Ministerial Session 1: Roundtable

Adapting LAC economies to a new international trade context

Structural transformation caused by international trade, or trade reforms that open up sectors to foreign competition, are desirable for the aggregate economy as they strengthen productivity and reduce misallocations, which are often essential explanations for stagnant productivity growth or competitiveness challenges. At the same time, such transformations move jobs across firms, sectors and regions, creating challenges for workers. In this context, well-designed policy packages can go a long way to support workers in the transition and help them grasp new opportunities. This session will overview the existing literature on trade adaptation policies outlining some guiding principles that can help to shape the design of such policies, and discussing and sharing the lessons learnt from past experiences. Policies should provide active support to workers in the form of smart and well-designed policy packages, without standing in the way of the necessary adjustments. Designing these policies can be challenging, but lessons from international experience can help in their design.

14h00-15h15 BSB (Brasília)

19h00-20h15 CET (Paris)

Sala San Tiago Dantas

Chair: Sarquis José Buainain Sarquis, Secretary for Foreign Trade and Economic Affairs of the Ministry of Foreign Affairs

- ▶ OECD Presentation: Jens Arnold, Deputy Head of Division, OECD Economic Department
- Lead discussant: Glenda Lustosa, Secretary for Industry, Development and Trade Development, Ministry of Economy, Brazil
- Lead discussant: Ignacio Ibáñez, Ambassador of the European Union to Brazil

Ministerial discussions

Ministerial Session 2: Roundtable

The human side of productivity: the contribution of workforce, management and firm organisation (adapted to the LAC context, with informality being addressed)

OECD data documents that the skills and the diversity of the workforce and of managers – the human side of businesses – account on average for about one third of the labour productivity gap between firms at the productivity "frontier" (the top 10% within each detailed industry) and medium performers at the 40-60 percentile of the productivity distribution. The composition of skills, especially the share of high skills, varies the most along the productivity distribution, but low and medium skilled employees make up a substantial share of the workforce even at the frontier. Taking into consideration the LAC context, with high levels of informality, this session will discuss public policies that can facilitate the catch-up of firms below the frontier through skills and diversity, covering a wide range of areas exerting their influence through the supply, upgrading and the matching across firms (the SUM) of skills and other human factors.

15h15-16h30 BSB (Brasília)

20h15-21h30 CET (Paris)

Sala San Tiago Dantas

Chair: José Carlos Oliveira, Minister of Labour and Social Security, Brazil

- ► OECD presentation: Luiz de Mello, Director of the Policy Studies Branch, OECD Economic Department (virtual)
- ► Lead discussant: Gonzalo Koncke, OAS Chief of Staff
- ▶ Lead discussant: Ragnheidur Arnadottir, OECD Director of the Development Centre
- ► Lead discussant: Anne Posthuma, Director ILO/CINTERFOR

Ministerial discussions

16h30-16h45 BSB (Brasília) 21h30-21h45	Coffee Break	
CET (Paris)		

Ministerial Session 3: Roundtable

Improving the use of skills to boost productivity

The projected decline in the working-age population will make productivity an even more important driver of economic growth. Education and training policies will become key to ensuring that people acquire the right skills to contribute to societies. Key challenges include making education institutions more responsive to emerging labour market needs and providing more up-skilling and re-skilling opportunities for workers. However, skills development policies will only achieve desired productivity gains if they are accompanied by simultaneous actions to boost the effective use of skills. Putting skills to effective use in workplaces through the implementation of innovative organisational and management practices builds on labour participation benefits and helps improve business innovation, employee job satisfaction and performance, and productivity. This session will discuss the challenges and opportunities to develop and put skills to effective use in Latin America and the Caribbean as well as the policies to facilitate the adoption of innovative workplace practices.

16h45h-18h00 BSB (Brasília)

21h45-23h00

Sala San Tiago Dantas

Chair: Tomás Dias Sant'Ana, Secretary of Technological and Vocational Education, Brazil

- ▶ OECD presentation: El Iza Mohamedou, Head of the OECD Skill Centre
- ► Lead discussant: Lucas Mation, Research Economist at the Institute of Applied Economic Research (IPEA)
- ▶ Lead discussant: Jorge Enrique Gonzalez Garnica, Vice Minister of Commerce, Colombia
- ► Lead discussant: **Luis Scasso**, Head of OEI, Argentina
- ► Lead discussant: Benigno López, Vice President for Sectors and Knowledge, IDB

Ministerial discussions

Technical sessions - Friday 24 June

The technical sessions are linked to the work of the OECD Global Forum on Productivity.

Opening an	d Kevnote	Speech
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09h00-09h15 BSB (Brasília)

Highlights of GFP work and latest analysis results

14h00-14h15 CET (Paris)

Chair: Carlos Cozendey, Brazil's Representative to International Economic Organisations in

Paris

Auditório Wladimir Murtinho

Márcio Carvalho, Global Relations Coordinator, OECD Global Forum on Productivity

09h15-10h00 BSB (Brasília)

Keynote Speech

14h15-15h00 CET (Paris)

William Maloney, World Bank Chief Economist for LAC

Auditório Wladimir Murtinho

10h00-10h15 BSB (Brasília) 15h00-15h15 CET (Paris)

Coffee Break

Panel Discussion

Productivity in the post-COVID world: upgrading human capital and adapting to telework

10h15-11h25 BSB (Brasília)

15h15-16h25 CET (Paris)

Auditório Wladimir Murtinho Telework has been essential for many firms and workers to maintain production during the COVID crisis, and can boost productivity also during normal times. However, the ability to effectively use digital tools for remote work depends crucially on worker's digital skills, which vary not only with worker's education levels, but also by gender and age. Reaping the benefits that remote work can offer thus critically hinges on upgrading the human capital of workers, and especially of those groups who lag behind. On the firm side, large businesses tend to use digital technologies more than smaller ones. Given the importance of SMEs for Latin American economies, digital upgrading of smaller businesses thus has the potential to enhance the adoption of digital tools, including telework, and prepare the business sector for the digital transition.

Chair: Luis Felipe Batista de Oliveira, Secretary of Labour of Brazil Presenters:

- ▶ Alonso Alfaro-Urena, Senior Researcher, Central Bank, Costa Rica
- ► Rafael Lucchesi, Director-General, SENAI
- Jorge Arbache, Vice-President for Private Sector of CAF
- ► Tiago Brocardo Machado, Director for Institutional Relations, VIVO

Lead Discussant: Falilou Fall, Deputy Head of Division, OECD Economics Department

Q&A

Panel Discussion

11h25-12h30 BSB (Brasília)

16h25-17h30 CET (Paris)

Auditório Wladimir Murtinho

Boosting green and digital start-up innovation

Innovative start-ups can play a major role in addressing the challenges brought about by the green and digital transitions, by developing radically new technologies and introducing new low-carbon products and services. Recent OECD work suggests that green start-ups may also be more innovative and have a higher growth potential than other start-ups. Since start-ups working on green technologies may develop goods or services for markets that may not yet exist, there is room for governments to help develop sustainable business models that integrate social and/or environmental value creation with business activities. Understanding the role that policies can play to encourage the scale-up of green and digital start-ups is an important tool for countries to navigate these major transitions.

Chair: Dirk Pilat, OECD Deputy Director for Science and Technology (virtual)

Presenters:

- ▶ Massimo Meloni, Economist, UNCTAD
- José Gustavo Sampaio Gontijo, Secretary of Innovation and Entrepreneurship, Brazil MCTI
- ▶ Bruno Portela, Secretary of Innovation and Small and Medium Enterprises, Ministry of Economy, Brazil

Lead Discussant:

► Paulo Puppin Zandonadi, Deputy Innovation Manager Brazilian Micro and Small Business Support Service, SEBRAE

Q&A

12h30-12h45 BSB (Brasília)

17h30-17h45 CET (Paris)

Auditório Wladimir Murtinho

Concluding remarks

- ► Sarquis José Buainain Sarquis, Secretary for Foreign Trade and Economic Affairs of the Ministry of Foreign Affairs, Brazil
- ▶ **Jose Antonio Ardavin**, Head of Division, OECD Global Relations and Co-operation Directorate

24 JUNE 2022 14:00 – 16:30 (BRASÍLIA) SALA SAN TIAGO DANTAS

LACRP STEERING GROUP MEETING

The Steering Group Meeting is limited to invited member country delegations and international organisations.