

ACTION PLAN FOR PROMOTING PAKISTAN-BRAZIL PARTNERSHIP UNDER SOUTH-SOUTH AND TRIANGULAR COOPERATION SAJID AMIN JAVED



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1. Introduction:

South-South Cooperation, supported by the United Nations Office for South-South Cooperation (UNOSSC), serves as a cooperative platform fostering the exchange of knowledge, skills, and best practices for development among nations in the Global South. It takes the form of South-South and Triangular Cooperation (SSTC) when a developed country from the North enters into the partnership. This cooperative approach involves governments, international organizations, academics, civil society, social partners, and the private sector, collectively leveraging SSTC. The SSTC has emerged as a valuable tool to address diverse global challenges, such as climate change, progress on the SDGs agenda, agricultural development, human rights, urbanization, health, social protection, and employment generation.

The International Labour Organization (ILO) actively implements its SSTC Programme in close partnership with the UN system, particularly the UN Office for South-South Cooperation (UNOSSC). The ILO's participation in key forums, including the <u>Global</u> Partnership for Effective Development Co-operation and the 2nd High-Level United Nations Conference on South-South Cooperation (<u>BAPA+40 – UNOSSC</u>) in Buenos Aires, reflects its commitment to the principles articulated in these events. Additional guidance for SSTC is derived from declarations and summits of influential groups such as the Group of 77 and China (G77 + China), India, Brazil, and South Africa (IBSA), as well as Brazil, the Russian Federation, India, China, and South Africa (BRICS).

Within the context of the <u>Group of 77 and China (G77 + China)</u>, South-South Cooperation holds particular significance for countries like Pakistan and Brazil. It provides a crucial avenue for addressing shared challenges, promoting mutual learning, and fostering cooperation. Adhering to the principles and recommendations of G77 + China, Pakistan, and Brazil, can utilize SSTC to enhance their development efforts, tackle pressing issues, and contribute to the overarching goals of sustainable development.

Brazil, as a founding member State of the **International Labour Organization**, has supported and fostered SSTC development initiatives that have strengthened constituents' capacity to promote access to decent work. Brazil's successes in a range of public policy areas – such as combatting child and forced labour – has opened the way to explore partnership under four of the ILO strategic objectives, namely, the promotion of rights at work, the encouragement of decent employment opportunities, enhancement of social protection, and strengthening social dialogue, with gender as a cross-cutting theme (Brazil ILO Cooperation, 2023).

Since 2005, Brazil and the ILO have jointly promoted **Triangular South-South Cooperation projects**, responding to the growing interest of other developing countries in the Brazilian experience with the advancement of the **Decent Work Agenda**, particularly in combating

child labour and forced labour - areas with consolidated experience of technical cooperation between the ILO and Brazil (Social Justice for The Global South, 2023, p. 9).

Similarly, Pakistan is the founder of the **South center and proactively promotes South-South and Triangular cooperation.** Recently², speaking at **the High-Level Committee on South-South Cooperation**, reviewing progress made in implementing the 1978 Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries, Pakistan's envoy³ emphasized that "South-South cooperation can have a robust impact in multiple domains including, but not limited to, trade; infrastructure connectivity; human capital; education; health; agriculture; science and technology; climate resilience;, and; disaster risk reduction; among others,"

Like Brazil, Pakistan clearly understands that "South-South cooperation is not a substitute for, but rather a complement to, North-South cooperation, and developed countries must fulfill their commitments for North-South cooperation". All this combined, provides a good ground for cooperation between Brazil and Pakistan under the SSTC approach. The ILO, an active flagbearer of SSTC, can catalyze this cooperation, particularly in the areas related to the world of work and decent work.

This is important for at least three reasons. First, the changing nature of work and the centrality of human capital in social and economic development can make the ILO a central player in promoting cooperation in this field. Second, the ILO's focus on decent work falls at the heart of the development policy of developing countries, including Brazil and Pakistan. Third, the cooperation on decent work between Brazil and Pakistan is largely missing. The discussion has so far been limited to a more macro level, such as trade and investments. The ILO's engagement in promoting cooperation between Brazil and Pakistan, as a flagbearer of SSTC, can fill the void.

A Brief Socioeconomic Profile of Brazil and Pakistan and Potential for Cooperation

Pakistan and Brazil share several commonalities that serve as potential grounds for cooperation; both have had a volatile economy and have been usual clients of the International Monetary Fund (IMF). Similar to Pakistan, Brazil has been through many structural reform programs of the IMF. Despite these similarities, Brazil's economy witnessed export diversification, attracted substantial FDI inflows, achieved higher GDP growth and a larger export basket. Pakistan, on the other hand, has a lack thereof.

Both countries have roughly similar populations, yet a stark difference in social and economic indicators is evident (Table 1). The size of Brazil's economy, with its GDP in 2023,

² June 2, 2023 as reported by Associated Press of Pakistan <u>https://www.app.com.pk/global/pakistan-calls-for-boosting-south-south-cooperation-as-world-grapples-with-multiple-crises/</u>

³ H.E. Ambassador Aamir Khan, Deputy Permanent Representative of Pakistan. <u>https://www.southsouth-galaxy.org/news/pakistan-calls-for-further-intensification-of-cooperation-among-developing-countries/</u>

is 6.34 times higher than that of Pakistan (author's elaboration based on Table 1). Consequently, Brazil has a 7.07 times higher GDP per capita as of 2023 (author's elaboration based on Table 1). In addition to having a higher per capita income, Brazil also experiences lower inflation. Consumer price index, CPI, based headline inflation in Pakistan stood at 29.18% in 2023 compared to 4.73% in Brazil (Table 1). These differences have a significant implication for the living standards and well-being of the populations in these countries.

	2022		2023		Source
	Pakistan	Brazil	Pakistan	Brazil	
Population (million)	235.8	215.3	240.5	216.4	World Population Review
GDP (USD, bn)	376.53	1920	341	2162	IMF
GDP per capita (USD)	1597	9458	1471	10412	IMF
Inflation, CPI (%)	12.15	9.30	29.18	4.73	Statista
FDI net (USD, bn)	1.34	91.5	1.548	37.9*	Reutors
Foreign reserve (USD, bn)	9.93	325	12	309	SBP/CEIC Data
Exchange rate (per USD)	226	5.28	279.4	4.981	Focus economics
Poverty headcount (%)	24.30	31.6	37.20	26.5	Wise Voter Database⁴
Economic Complexity Index (ECI)	-0.55	0.33	-0.55	0.33	OEC

Table 1: Socioeconomic indicators of Brazil and Pakistan

Table 1 also clearly indicates a significant disparity in the Foreign Direct Investment (FDI) inflows attracted by the two economies. In 2022, Brazil attracted net FDI inflows of USD 91.5 billion, as opposed to USD 1.34 billion for Pakistan. This difference may be attributed to a combination of factors such as sound economic policies, higher factor productivity, better investment-friendly policies, and higher economic complexity which promotes FDI in productive sectors of the economy. Data shows that more than 50% of FDI in Brazil went to the services sector⁵.

Both countries have more than one-fourth of the population living below the poverty line. However, in the case of Pakistan during 2023, a moderately higher poverty headcount is a by-product of stabilization policies that have slowed down economic growth, high inflation and the 2022 floods. Most notably, the two countries have an altogether different Economic Complexity Index which, as noted in The Atlas of Economic Complexity, shows productive

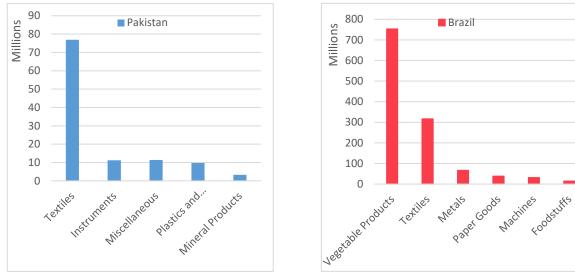
⁴ <u>https://wisevoter.com/country-rankings/poverty-rate-by-country/</u>

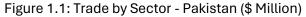
⁵ Distribution of foreign direct investment (FDI) in Brazil in 2022, by sector at <u>https://www.statista.com/statistics/749207/fdi-brazil-by-sector/</u>

capacities of a country. The capacity of a country to produce high end products of a wider range and variety and export it to the international market leads to a higher score on the ECI. Accordingly, Table 1 suggests a higher level of productivity for Brazil⁶.

In the trade between Pakistan and Brazil, specific sectors stood out as key drivers of the robust net trade in 2021. Pakistan's exports to Brazil were significant (Figure 1.1), particularly in Textiles (worth \$77 million), Miscellaneous items (valued at \$11.4 million), Instruments (amounting to \$11.3 million) and Plastics & Rubbers (\$9.7 million). These figures underscore Pakistan's progress in specific niches, contributing substantially to their trade dynamics⁷.

Figure 1.2: Trade by Sector - Brazil (\$ Million)





Source: OEC⁸

As of 2021, Brazil exports to Pakistan totalled \$1.26 billion, with Soybeans being the top export at \$698 million, followed by Textiles at \$317 million and Metals at \$33 million (Figure 1.2). Pakistan exports commodities include cotton, home textiles, and medical instruments, while its imports from Brazil mainly comprise of raw cotton, soybeans, and scrap iron. Light pure woven cotton was Pakistan's top export to Brazil, constituting 18.6% of its total exports, followed by house linen at 11.6%. Soybeans represented 55.2% of Pakistan's total imports from Brazil in 2021, with raw cotton accounting for a 25.1% share⁹. This pattern suggests a strict clustering of Pakistan's imports from Brazil and indicates opportunities for trade diversification.

The roots of Pakistan-Brazil cooperation run deep. Brazil recognized Pakistan and opened its embassy in 1948, the first from South America. Yet the full potential for social, cultural, and economic cooperation remains unexplored. The realization has recently led to a renewed commitment to expand and deepen cooperation between the two nations. Brazil

⁶ The Atlas of Economic Complexity (harvard.edu)

⁷ For details visit <u>https://oec.world/en/profile/bilateral-country/pak/partner/bra</u>

⁸ For details visit <u>https://oec.world/en/profile/bilateral-country/pak/partner/bra</u>

⁹ For details visit <u>https://oec.world/en/profile/bilateral-country/pak/partner/bra</u>

is offering scholarships to Pakistani students; Pakistan is the fiftieth country to be included by the Brazilian Government in the list of participants in its Programs of Exchange Students, both for undergraduate (PEC-G) and graduate level (PEC-PG).

Notably, the establishment of forums like the **Pakistan-Brazil Business Forum** and the **Joint Chamber of Commerce in 2018**¹⁰ to enhance trade relations, especially between the private sectors of both countries, has magnified the commitment to strengthening economic relations. Ambassadors from both countries have emphasized the need for formal agreements on **Technical Cooperation** and **Joint Commission**¹¹ over the years, reflecting shared goals to deepen economic and trade ties.

In 2022 the Brazilian Ambassador to Pakistan, Olyntho Vieira, said that Brazil and Pakistan were working to expand the existing trade volume between the two nations. Trade volumes have shown consistent growth, reaching approximately US\$ 1.3 billion by 2021 from US\$ 1 billion in 2020, representing a significant 24.9% increase within a year.¹²

Textiles and agricultural products have emerged as the focal points in the economic cooperation between Pakistan and Brazil (Figure 2). Notably, Brazilian soybeans and cotton constitute a substantial portion of the trade relationship, with soybeans becoming a key export commodity to Pakistan (Figure 3). Pakistan is already one of the top 40 export markets for Brazil and one of the top 6 markets for Brazilian soybeans.¹³

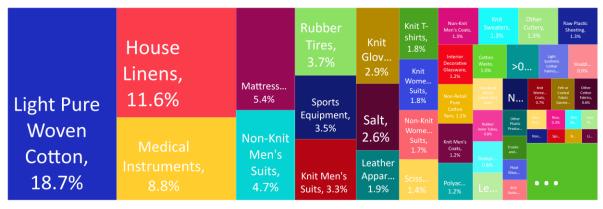


Figure 2: Export of Pakistan to Brazil

Source: OEC14

¹⁰Happa (2023). "Pakistan and Brazil Will Keep Working Closely to Strengthen Bilateral Relations", Ministry of Foreign Affairs, accessed December 10, 2023, https://mofa.gov.pk/pakistan-and-brazil-will-keep-working-closely-to-strengthen-bilateral-relations/. ¹¹ 'Happa'

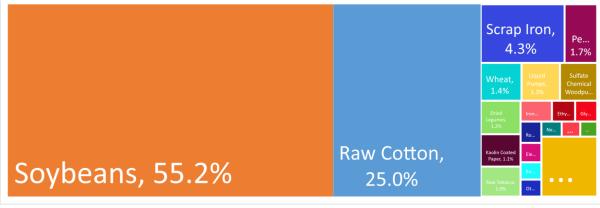
¹² Keen to Exploit Full Potential of Bilateral Ties with Pakistan: Brazilian Envoy", last modified November 13, 2022,

https://www.pakistantoday.com.pk/2022/11/13/keen-to-exploit-full-potential-of-bilateral-ties-with-pakistan-brazilian-envoy/.

¹³ For details visit <u>https://oec.world/en/profile/bilateral-country/pak/partner/bra</u>

¹⁴ For details visit <u>https://oec.world/en/profile/bilateral-country/pak/partner/bra</u>

Figure 3: Exports of Brazil to Pakistan



Source: OEC¹⁵

Strategic Partnership Between Brazil and Pakistan is Almost Missing

Despite a reasonable trade profile between the two countries, cooperation at a more structural and strategic level, such as technical capacity development and strengthening institutions, remains negligibly lower. Particularly, Pakistan has not yet been able to fully benefit from the initiatives of Brazil in these areas. There is a large room to develop and scale up cooperation in these areas under SSCT as Brazil has recently been working with many developing countries through triangular cooperation. At the same time, however, Brazil has not been able to fully benefit from many initiatives of Pakistan.

It is in this context that this paper assesses the prospects for expanding the cooperation between the two economies with a main focus on promoting decent work, investments, joint ventures or partnerships in priority sectors, such as skill development, Occupational Safety and Health (OSH), and trade and investment. Specifically, the paper identifies major areas of cooperation that are aligned with existing global and national policy frameworks including:

- a. South-South and Triangular Cooperation (SSTC),
- b. Social Justice for the Global South, 2023, Brazil
- c. Pakistan's Economic Recovery Plan 2023¹⁶.
- d. Existing bilateral social and economic cooperation between Brazil and Pakistan

Guided by these policy frameworks, the priority areas are based on a review of literature and expert opinion, keeping in mind the guiding principles given above and the ILO's focus areas. Finally, the note proposes a step-by-step process for the ILO to strategies enhancing the

¹⁵ For details visit <u>https://oec.world/en/profile/bilateral-country/pak/partner/bra</u>

¹⁶ While this is not any official document, the plan builds on SIFC that aims to focus on bringing an economic recovery through attracting investments in **agriculture**, **livestock**, **information technology**, **mining and energy sectors**.

cooperation between Brazil and Pakistan in the areas related to the world of work, and economic cooperation in trade and investment.

Guiding Frameworks for Pakistan-Brazil Cooperation under SSTC

Being mindful of the fact that Pakistan and Brazil do not have any strategic framework that can guide cooperation, a mix of global, regional and domestic policies and frameworks can serve as a pivoting block in this regard. These building blocks are briefly described below.

South-South and Triangular Cooperation (SSTC)

This framework focuses on South-South cooperation. Given the commitment of both countries, the collaboration between Pakistan and Brazil can be firmly rooted in the SSTC. SSC, a hallmark of cooperation among developing nations, underscores the constructive collaboration between these two countries.

Pakistan and Brazil share many common challenges and opportunities, creating ground for a social and economic partnership. Pakistan's proficiency in textiles and agriculture complements Brazil's strength in agricultural exports and renewable energy production. These opportunities can lead to enhanced bilateral trade. Pakistan has much to gain from Brazil's marked achievements in social protection, skill development and health sector reforms. Reciprocating, Brazil can benefit from Pakistan's innovative initiative for accreditation of skills in the informal sector, experience in shipbreaking, and prioritizing climate action.

External partnerships are at the core of Triangular Cooperation (TC). International organizations such as the ILO or developed countries have great potential to catalyze this social and economic partnership between the two nations. They can establish forums for exchange of knowledge and technical and technological capacities while also financing joint projects between Pakistan and Brazil. Areas like renewable energy may be focused upon. The partnership between Pakistan and Brazil within the SSTC has a strong economic rationale based on the comparative advantage of the bilateral partners.

Economic Recovery Plan of Pakistan--National, frameworks as a guide for aligning with local priorities

Promoting economic cooperation in the short run as of now, requires alignment with the ongoing priority focus of the cooperating countries. In this regard, Pakistan's Economic Revival Plan will be at the heart of the cooperation between Brazil and Pakistan. Particularly, priority areas identified in SIFC may provide a starting point.

The economic recovery plan of Pakistan is structured around attracting investments in five areas of the economy: **Agriculture, Livestock, Information Technology, Mining, and Energy sectors.** Brazil may prepare its cooperation plan for trade and investments, keeping in mind these five areas.

Interestingly, these five-priority investment offers of the economic recovery plan of Pakistan align with the comparative advantage of Brazil and SSTC priorities for developing countries. This offers a benefit of easing the process of investments through SFIC as a single window operation for investments in Pakistan. All board of investments, integral stakeholders of any investments, sit on the council. Additionally, it reduces the risks of policy reversals — a serious risk deterring investments in Pakistan.

Most importantly, partnerships in these areas have a higher margin of interventions for the labour market — decent work — which is a common priority of Brazil, Pakistan, and the ILO. Consider cooperation in the mining sector, as an example, which may be structured around the institutional capacity development of Pakistan for designing, implementing, and monitoring Occupation Safety and Health Standards (OSH) in this sector. This can help Pakistan meet global standards and attract investors. The same holds true for skill development in digital services.

Social Justice for the Global South, 2023-2027

The Brazilian Agency of Cooperation (ABC) of the Ministry of Foreign Affairs (MRE) of Brazil and the ILO launched the new South-South Cooperation Program 2023-2027, "Social Justice for the Global South"¹⁷, on 16 June 2023.

In its new phase, the program builds on more than ten years of joint work, spanning twenty projects in more than forty countries in Africa, Latin America, and the Caribbean. The initiative will support the advancement and promotion of decent work and social justice through the expansion of partner countries' capacities to develop, strengthen and integrate policies, programs and initiatives along the four axes of action:

- Eradication of child labour and forced labour;
- Strengthening Occupational Safety and Health (OSH) and labour inspection;
- Promotion of gender, race, and generational equity and promotion of equality in the world of work;
- Promotion of decent employment and social protection.

Potential Areas of Focus for SSTC Cooperation Between Brazil and Pakistan with Reference to Decent Work

Keeping in mind the present priorities of Pakistan and Brazil as outlined in the preceding discussions, the two countries have an immense potential for collaborations across many areas including but not limited to decent work, trade, and investment. Guided by the scope of work, this section outlines the following domains of cooperation concerning the world of work.

¹⁷ For details visit: https://www.ilo.org/pt-pt/resource/news/partnership-programme-document-2023-2027-social-justice-global-south

i. Education and Skills Development for Decent Jobs

Alliances in education between Brazil and Pakistan holds immense promise. Both countries can benefit from sharing methodologies, curriculum development, and teacher training programs. Exchange programs for students and faculty members, focusing on language, culture, and specialized fields could enrich the educational landscapes of both nations.

Pakistan was included in the Scholarships for Foreign Students programs (PEC-G and PEC-PG) for undergraduate and postgraduate scholarships in Brazilian universities. The Brazilian embassy in Islamabad is also holding Portuguese classes for Pakistanis.¹⁸

Exchanging pedagogical practices, educational resources, and establishing joint research initiatives could enhance the educational systems in both countries. Such partnership fosters cultural understanding, promotes global citizenship, and facilitates the exchange of knowledge and experiences between diverse academic communities.

Skills development for decent jobs within the context of SSTC involves leveraging joint efforts among countries to enhance the skills and capabilities of their workforce. This aims to ensure that individuals are equipped with the necessary competencies to access quality and sustainable employment opportunities that align with the principles of decent work.

SSTC in skills development for decent jobs, from an ILO perspective, typically involve partnering countries sharing expertise, best practices, and innovative approaches to skill development. These efforts focus on enhancing the capacity of individuals, institutions, and industries by providing training, technical assistance, and resources necessary for skill acquisition and development. Partnerships in skill development programs can include:

- a. Capacity to map and develop skills in a way that reduces skills deficit, skills mismatch and skill gap,
- b. Developing skills quality standards and certifications
- c. Developing standards and policies for Occupational Safety and Health (OSH)

ii. Social Justice, Just Transition and Decent Work

Social inclusion and social justice refer to the crucial principles that underpin combined efforts among nations to ensure equitable and fair opportunities for all individuals, especially those who are marginalized or vulnerable. SSTC initiatives aim to foster social inclusion by ensuring that everyone, regardless of their background, gender, ethnicity, disability, or socio-economic status, has equal access to resources, opportunities, and services.

This includes empowering marginalized groups, promoting their participation in decisionmaking processes, and addressing the barriers that hinder their full integration into society and the economy. Social justice in SSTC involves striving for fairness and equality in the distribution of resources, opportunities, and rights. It encompasses efforts to address

¹⁸ Barbosa (2019). Edited Book, "Challenges and Opportunities in The Brazil-Asia Relationship in the Perspective of Young Diplomats", Alexandre de Gusmão Foundation, Ministry of Foreign Affairs, Brazil.

systemic inequalities, discrimination, and injustices that hinder individuals or groups from fully enjoying their human rights. A tripartite plus social dialogue on socially responsible labour practices can help strengthen policies for social justice in the labour market.

iii. Economic Inclusion of Women

Economic inclusion for women within the framework of SSTC refers to concerted efforts to ensure that women have equal opportunities to participate in and benefit from economic activities and development initiatives. SSTC programs often promote women's entrepreneurship by providing support, mentorship, and resources for starting and sustaining businesses. This can involve sharing successful models and strategies for women-owned enterprises.

Women face structural exclusion from education and skills development and hence, are excluded from decent jobs. They end up mostly in low-skilled, low-paying jobs. The ILO's skills and employability program can enhance female participation rate in the labour market contributing to inclusive economic growth. In this regard, ILO can support participation in decent work through:

- a. Advocating and supporting the government establishing "Employment Information Centers" for women.
- b. Capacity development of public and private sector organizations to design and implement gender response employment polices
- c. Providing technical and capacity building assistance for reforming the TVET system reforms to ensure employability for youth and vulnerable categories of workers.

iv. Social protection

Brazil has one of the most efficient social safety net systems among middle-income countries. Pakistan, who is aiming to transform its social protection system, and move towards a universal social protection from its existing overwhelmingly unconditional cash transfers, can learn from Brazil. It offers an opportunity for Brazil to enter in technical capacity building of Pakistan's social safety nets system. Similarly, Pakistan can learn a lot from Brazil's exemplary record in food security. This area offers an opportunity for a wide range of collaborations. This may involve:

- a. Social dialogue on universal social protection, under the social protection floors framework
- b. Capacity building of the public sector, particularly provinces, for adaptive social protection
- c. Knowledge production on social and development impact of social spending, particularly social protection

The outcome of tripartite consultations, which is the ILO's Declaration on Social Justice for Fair Globalization (2008), is a powerful reaffirmation of its values. This declaration

institutionalizes the Decent Work concept and expresses the ILO's four strategic objectives¹⁹, namely, employment, social protection, social dialogue and tripartism. These are exactly the areas that have the highest priority of cooperation between Brazil and Pakistan. Social justice, therefore, can act as an axiom of cooperation between the two countries.

This also includes a component of climate justice, the just transition. As noted in the guiding principles for a just transition for all of the ILO, *"the achievement of the ILO's mandate for social justice and a human-centered approach to the future of work is key to a just transition*²⁰*"*. This may particularly involve collaborations on developing "sustainable enterprises".

Most importantly, the climate justice initiative aims for partnerships to promote "effective social dialogue, respect for fundamental principles and rights at work, and be in accordance with international labour standards". Just transition also requires employing active labour market policies to ensure adequate protection of all workers, to ease and accelerate the transition, paying due attention to youth, women and persons in vulnerable situations.

The Landscape of Cooperation in Different Dimensions of Decent Work In Brazil and Pakistan

This section identifies the Brazil-Pakistan partnership potential under the SSTC framework, which is aligned to the national recovery plan as well. By analyzing and comparing the development orientation of the two countries and identifying their demands, this section sheds light on potential avenues for mutual learning and collaboration.

1.1. Brazil's Situation Analysis:

Aiming for enhanced human development globally, the government of Brazil puts SSTC on top priority to address hunger, poverty, and promote decent work. Its SSTC strategy emphasizes long-term gains from building capacity, strengthening institutions, and sharing knowledge. This approach, known as 'structuring impact', fosters self-reliance and sustainable change, enabling partner countries to lead their own development agenda.

To implement this priority focus, the Brazilian Cooperation Agency (ABC) and the ILO recently signed the 'Social Justice for the Global South' SSTC Program 2023-2027²¹. Building on the Brazil-ILO SSTC Program since 2009 - which engaged over 40 countries across Africa, Latin America, and the Caribbean in over 20 projects - this new initiative aligns with the 2030 Agenda. The initiative mainly focuses on SSTC for SDGs 8 and 17, focusing on eradicating child and forced labour, promoting gender, race, and generational equity in work,

¹⁹ ILO Declaration on Social Justice for a Fair Globalization. <u>https://www.ilo.org/global/about-the-ilo/mission-and-objectives/WCMS_099766/lang--en/index.htm</u>

²⁰ International Labour Conference (2023), Outcome of the General Discussion Committee on a Just Transition

https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---relconf/documents/meetingdocument/wcms_885375.pdf

²¹ For details visit: https://www.ilo.org/pt-pt/resource/news/partnership-programme-document-2023-2027-social-justice-global-south

strengthening labour inspection and Occupational Safety and Health, while also facilitating decent employment and social protection.

Furthermore, Brazil is actively promoting digital inclusion to address the digital divide. The National Education Plan in 2014, which integrates ICT training across education levels, sets the foundation for it. The Digital Transformation Strategy (2018)²² further outlines the strategies for digital skill development.

Programs like "Computers for All" aim to bridge the computer ownership divide by improving access to computers for low-income households. Brazil's partnership with Google and Microsoft has been instrumental in enhancing digital education. To promote jobs and develop skills, The Consolidation of Labour Laws mandates all firms to employ young apprentices, making Brazil an excellent case study of a robust system of internships/apprenticeships.

National Services of Industrial Training (SENAI) and SENAC²³, are responsible for skill development in Brazil's industry, commerce, and agriculture sectors. Importantly, the TVET in the country is integrating green skills. SENAI, leading the green skills development, is extending its expertise to developing countries under SSTC.

Brazil has established a robust regulatory framework to ensure the protection of workers' rights. It has led to significant progress in Occupational Safety and Health (OSH). Brazil has implemented a combination of legislative measures and joint initiatives to promote workplace safety and prevent occupational hazards.

Occupational Health Committees of workers meet to deliberate on workplace safety issues and improve work environment and conditions. The National Policy on Occupational Health and Safety is solely dedicated to occupational safety and health for workers with the underlying objective of providing comprehensive protection to workers.

Taking a holistic approach, Brazil has integrated the National Network for Workers' Health Assistance within the public health system of the country. This network ensures access to essential occupational health care, preventive measures, and rehabilitation services for workers.

Most importantly, Brazil has been on the upfront of partnerships with developing nations and to share its OSH expertise. It has been promoting partnerships and initiatives around OSH in developing countries facilitated by organizations like the ILO. These initiatives include sharing best practices--risk assessment methodologies, effective policy frameworks, and preventive measures - to address global OSH concerns.

²² For details visit: https://www.gov.br/mcti/pt-br/centrais-de-conteudo/comunicados-mcti/estrategia-digital-

brasileira/digitalstrategy.pdf.

²³ For details visit <u>https://www.senac.br/</u>

1.2. Pakistan's Situation Analysis:

Pakistan has actively partaken in SSTC and has engaged with countries like Afghanistan, providing medical support and hosting Afghan patients for treatment in Pakistani hospitals. Pakistan Technical Assistance Program (PTAP) has been supporting educational exchange of students in many countries throughout Africa and Asia. Pakistan's engagement under SSTC further extends to collaboration with African countries, such as Kenya, in agricultural and livestock farming.

Pakistan has much to offer to the world on disaster risk management. The country has established a robust centralized institutional structure for disaster management. The National Disaster Management Authority (NDMA) coordinates with different stakeholders — government sector, international and local NGOs, armed forces and UN agencies—under a unified operational approach during disasters.

Lastly, Pakistan's Decent Work Country Program (DWCP IV) signifies cooperation between the Government of Pakistan, workers' and employers' organizations, and the ILO. The agreement prioritizes several key areas, including integrating decent work into Pakistan's economic recovery efforts, expanding social protection coverage, reinforcing international labour standards, and fostering safe, healthy, and equitable workplaces.

This MoU underlines a continued commitment to advancing decent work in Pakistan through joint efforts. It outlines a **comprehensive agenda focusing on economic recovery, social protection, labour standards, and workplace conditions**.

What Can the Two Countries Share?

1.3. What Can Brazil Offer to Pakistan?

Pakistan could adopt Brazil's approach to develop standards for the OSH system in industries such as mining, which is a priority for economic recovery and the top agenda of SIFC. This is also essential to attract foreign investments in the sector. Moreover, Brazil's targeted worker protection programs tailored to specific hazards offer valuable lessons for Pakistan to craft similar initiatives for its industries.

Brazil's excellent programs to bridge the digital divide, especially in remote underdeveloped regions, present a practical example that Pakistan can adopt. Digital inclusion programs in Brazil could guide Pakistan to ensure equitable access to technology across the country, particularly to marginalized segments of society.

Furthermore, Brazil's well-structured and mandatory apprenticeship system can offer insights for Pakistan to strengthen its apprenticeship programs. Brazil's experience in developing Small and Medium Enterprises (SMEs) could offer valuable insights and provide support to Pakistan's SME sector. For instance, Brazil's Micro-Entrepreneur Individual (MEI) program could inspire similar initiatives in Pakistan to encourage documentation and development of SMEs. Together, this can accelerate decent work in Pakistan.

Additionally, similar to the structure of Brazil's Sebrae, a support institution for small businesses, Pakistan could establish similar institutions or expand existing ones to offer tailored capacity-building programs and networking opportunities for SMEs to promote work in environment in all dimensions of decent work.

Brazil has a diverse manufacturing sector with products that could be adopted by Pakistan, particularly in agriculture. For instance, Brazil's expertise in manufacturing cost-effective and efficient small-scale agricultural machinery could aid Pakistani farmers. Companies like AGCO and CNH Industrial from Brazil produce a wide range of agricultural equipment that Pakistan could explore for adoption or partnership.

Furthermore, Brazil's agro-processing machinery could enhance and modernize Pakistan's agriculture sector and enhance the country's processing capabilities. Modern technologies and machinery such as equipment for grain milling, crop processing, and packaging, have a huge potential to significantly improve Pakistan's agricultural value chain. Brazilian companies like Jacto and Maf Roda manufacture machinery used in agro-processing that might be suitable for adoption in Pakistan.

Pakistan can benefit from Brazil's "*Banco Nacional de Desenvolvimento Econômico e Social*" (BNDES) to promote women entrepreneurs. The program focuses on specialized credit lines for women owned enterprises. This lesson from Brazil can assist in designing tailored financial products for women-led businesses. Brazil's support initiatives like the Women's Entrepreneurship Program (Programa Mulher Empreendedora) could serve as a model.

In terms of vocational trainings, there is a lot that Brazil can offer to Pakistan. Brazil's experiences with programs like "Mulheres Mil" (Women Thousand) that train women for technical professions can boost Pakistan's objective of promoting women in business.

Pakistan can scale up its exchange of agricultural and livestock farming to Brazil. Brazil's emphasis on environmental sustainability through its "Green Jobs and Sustainable Development" agenda aligns with Pakistan's aspirations for a greener economy. Mutual sharing of best practices between the leading transitions in green economy initiatives could prove immensely beneficial.

1.4. What Can Pakistan Offer to Brazil?

While Brazil is well-placed to provide support to Pakistan, there are specific areas within the realm of work where Pakistan can reciprocally extend its assistance to Brazil. In February 2023, the "Governance of Labour Migration in South and Southeast Asia" (GOALS) project by the ILO, funded by the Swiss Development Cooperation (SDC), offered technical and financial assistance to the Employers Federation of Pakistan (EFP) for organizing the launch ceremony of the pilot phase of the National Skills Passport in Pakistan. The National Skills Passport constitutes a thorough compilation of an individual's skills acquired from both formal and informal work engagements.

This passport serves to systematically document a worker's qualifications, expertise, and experiences. Additionally, it establishes a connection with the Recognition of Prior Learning (RPL) platform, facilitating the acknowledgment of informally acquired knowledge, skills, and competencies through formal assessments and certifications²⁴. In a parallel approach, Pakistan can extend assistance to Brazil in developing a similar document tailored for the latter's workforce, with a specific focus on those engaged in the informal economy. This initiative holds the potential to significantly benefit 40% of Brazil's informal workforce, placing a focus on those working abroad.

Pakistan stands ready to provide its expertise and technical assistance to Brazil in the field of shipbreaking. As the world's third-largest shipbreaking nation, with a significant share of 16.6% of global shipbreaking activity in 2022²⁵ (Figure 4), Pakistan possesses substantial experience and capabilities in this industry. Brazil, despite its extensive coastline and significant water transportation capacity, currently lacks sufficient research and expertise in shipbreaking, particularly in the Amazon region²⁶. Recognizing this gap, Pakistan can extend support by offering technical assistance and tailored training programs for Brazilian workers engaged in shipbreaking activities.

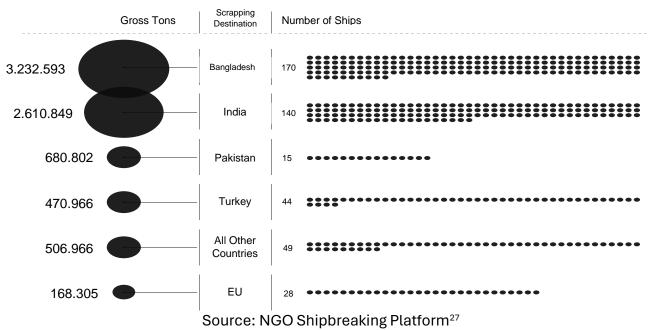


Figure 4: Pakistan's Shipbreaking Statistics (Gross Tons & Number of Ships)

Shipyards in Brazil that adhere to best practices can position themselves to enter the global market and pursue inclusion in the European Union Ship Recycling Regulation (EU SRR) European List as a third country²⁸. These programs would encompass essential aspects

²⁵ Siddique, E.H.A. (2023). "A sinking industry". https://www.thenews.com.pk/magazine/money-matters/1117300-a-sinking-

²⁴ https://www.ilo.org/islamabad/info/public/pr/WCMS_869775/lang--en/index.htm

 $industry \#: \sim: text = On\%20a\%20 global\%20 scale\%2C\%20 Pakistan, percent\%20 of\%20 global\%20 shipbreaking\%20 activity.$

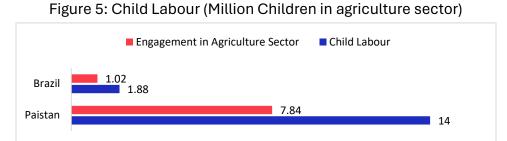
²⁶ Benjamin & Figueiredo (2020). The ship recycling market in Brazil-The Amazon potential. Journal of environmental management, 253, 109540. https://www.sciencedirect.com/science/article/abs/pii/S0301479719312587

²⁷ NGO Shipbreaking Platform (2023). "The Toxic Tide". https://shipbreakingplatform.org/spotlight-data-2023/

²⁸ Proinde (2023). "Bill On Ship Recycling in Brazil Advances". <u>https://proinde.com.br/news/bill-on-ship-recycling-in-brazil-advances/</u>

such as safety training, hazard management, and environmental impact assessments, ultimately enhancing the skills and knowledge of the Brazilian workforce in the shipbreaking sector.

In the agriculture sector, Pakistan can extend its experience of reducing child labour, from policy design to implementation. In Pakistan, around 14 million children are engaged in child labour with 7.84 million working in the agriculture sector²⁹. Whereas, in Brazil, the total number of child labour is the agriculture sector is around 1.88 million in 2022, up from 1.758 million in 2019³⁰. However, the engagement in the agriculture sector is around 1.02 million (Figure 5).



Source: Department of Labour, 2022³¹

Brazil can learn from Pakistan's integrated approach of eliminating child labour. The ILO's *"Eliminating Child Labour and Forced Labour in the Cotton, Textile and Garment Value Chains: An Integrated Approach"* is one such initiative that focuses on eliminating child labour in sectoral value chains.

The program, which ran through 2018-2023, combined an integrated area-based and value chain approach to cooperate with governments, social partners, local farmers, communities, and industries³². Under SSTC, Pakistan can offer its experience in different dimensions of the program including³³:

- i. Reviewing the policy, legal and regulatory framework at the national level in line with International Labour Standards, to identify gaps and provide concrete recommendations through tripartite frameworks;
- ii. Mapping cotton, textile and garment value chains, taking into consideration fundamental principles and rights at work;
- iii. Collecting qualitative and quantitative data collected on the prevalence of child labour and forced labour in the cotton, textile and garment value chains at country level;

²⁹ Mehmood (2023). Agriculture Sector Thrives on Child Labour. The Express Tribune. https://tribune.com.pk/story/2441733/agriculture-sector-thrives-on-child-labour

³⁰ Saraiva (2023). Child labor grows 6.9%, impacts 1.9m children, adolescents in Brazil. Valor International.

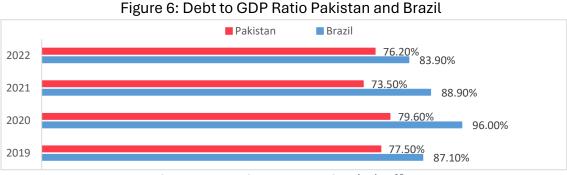
https://valorinternational.globo.com/politics/news/2023/12/22/child-labor-grows-69percent-impacts-19m-children-adolescents-in-brazil.ghtml

³¹ Department of Labour (DOL), (2022) *Findings on the Worst form of Child Labour: Brazil.* U.S Department of Labor. Retrieved from https://www.dol.gov/sites/dolgov/files/ILAB/child_labor_reports/tda2022/2022-Findings-on-the-Worst-Forms-of-Child-Labor.pdf ³² Eliminating child labour and forced labour in the cotton, textile and garment value chains: An integrated approach, https://www.ilo.org/wcmsp5/groups/public/@ed_norm/@ipec/documents/publication/wcms_650172.pdf

³³ These were objectives of ILO project implemented in Pakistan during 2018-2023

- iv. Strengthening the institutional capacity of the country through their formal compliance mechanisms for the elimination of child labour and forced labour in the supply chain;
- Strengthening the capacity of employers' and workers' organizations in eliminating child labour and forced labour and cotton, textile and garment production workers to exercise their right to freedom of association and other fundamental worker rights;
- vi. Mainstreaming of child labour and forced labour issues into existing national, regional, and local policies and social programmes and validating them by key stakeholders.

Furthermore, both Brazil and Pakistan can synergize on social development by engaging in debt-for-nature swaps. Despite both nations steering towards a green transition, the financial requirements for such a shift pose a significant challenge. In this context, exploring debt-for-nature swaps emerges as a viable option for both countries. Brazil's external debt has hit \$575.4 billion by December 2022, whereas Pakistan grapples with a substantial external debt of approximately \$128 billion³⁴ (Figure 6).



Source: IMF Global Debt Statistics³⁵

Given Brazil's status as one of the most biodiverse nations globally, boasting the largest tropical forest and extensive freshwater resources, the potential for debt-for-nature swaps is substantial. Pakistan, facing environmental challenges such as deforestation, land degradation, water scarcity, and pollution, could also find relief through debt-for-nature swaps, alleviating its debt burden and enhancing environmental management.

Pakistan has inked debt for nature swaps with Italy, Canada, and the Paris Club, among others³⁶ with this providing a learning opportunity for Brazil. The ILO can actively contribute towards debt-for-nature swaps by advocating for the integration of social and labour standards, including the core ILO conventions, into the design and assessment of such

³⁴ Retrieved from CEIC data available at https://www.ceicdata.com/en/indicator/brazil/external-

debt#:~:text=Brazil%20External%20Debt%20reached%20575.4,Dec%201999%20to%20Dec%202022

³⁵ Retrieved from IMF DataMapper available at. <u>https://www.imf.org/external/datamapper/datasets/GDD</u>

³⁶ Ayaz *et al.*, (2022). Debt Swap for Green Recovery. Options, Challenges and the Way Forward for Pakistan, SDPI, Working Paper # 196 https://sdpi.org/assets/lib/uploads/Debt%20Swap%20for%20Green%20Recovery%20Options,%20Challenges%20and%20the%20Way %20Forward%20for%20Pakistan.pdf

agreements. This ensures the protection of the rights and well-being of workers and communities impacted by environmental interventions³⁷.

In addition to these areas, where Pakistan can extend significant support and assistance, numerous other domains exist where both Brazil and Pakistan can engage in mutual learning and partnerships. The "Climate Action for Jobs" initiative by the ILO can serve as a catalyst for synergy between Pakistan and Brazil on achieving a just transition. Pakistan's prioritization of a green and just transition stands as a noteworthy example that could be a source of inspiration for Brazil.

The ILO's "Climate Action for Jobs" aims to preserve jobs and the well-being of people during a shift toward a carbon-neutral and climate-resilient economy³⁸. During the 2019 United Nations Climate Action Summit, 46 countries pledged their commitment to facilitating a fair ecological transition. The focus was on generating decent work and promoting the creation of green jobs, collectively driving ambitious initiatives toward a sustainable future of work.

Pakistan is well-positioned to foster an exchange of technical expertise on digital systems for social protection. This collaboration can include technology platforms, data security, and system integration.

Additionally, the ILO can play a role in facilitating social dialogue and tripartite consultations among governments, employers, and workers to discuss the potential of debt-for-nature swaps. This includes fostering joint initiatives with diverse stakeholders such as civil society, academia, and international organizations to enhance partnerships and address the opportunities and challenges associated with these initiatives.

Common initiatives between Brazil and Pakistan extend beyond technical assistance, encompassing areas such as the formalization of the informal economy, empowerment of vulnerable groups in rural settings through skills training, and the extension of inclusive labour laws to the informal sector. Avenues for potential cooperation include the organization of bilateral workshops, seminars, or conferences where experts from both nations can share experiences, insights, and best practices related to formalization efforts, empowerment strategies, and inclusive labour laws for the informal sector.

In addition to knowledge exchange platforms, Brazil and Pakistan can cooperate on grassroots initiatives. This involves promoting entrepreneurship within the informal sector, particularly focusing on women and youth. Joint efforts could include the establishment of microfinance programs and support mechanisms, empowering individuals in rural economies to initiate and sustain their businesses. Such endeavors aim to foster economic resilience and autonomy within these communities.

To ensure the effectiveness of these endeavors, it is crucial to implement robust monitoring and evaluation frameworks. Brazil and Pakistan can jointly develop these frameworks to assess the impact of their initiatives. Regular reviews of progress, shared insights on lessons

³⁷ Claeson (2022). Debt-For-Nature Swaps: A Concise Guide for Investors. Lord Abbett. https://www.lordabbett.com/en-mea/financialintermediaries/insights/investment-objectives/debt-for-nature-swaps--a-concise-guide-for-investors.html

³⁸ For details visit https://www.ilo.org/global/topics/green-jobs/areas-of-work/climate-change/WCMS_732060/lang--en/index.htm

learned, and adaptive strategies will be essential to address evolving needs and challenges in both countries. This cyclic process ensures that the joint initiatives remain responsive and effective in achieving their objectives over time.

Entry Points for the ILO to Facilitate Cooperation Between Brazil and Pakistan

The four pillars of the ILO's agenda of guaranteeing rights at work, promoting jobs and enterprise, extending social protection, and promoting social dialogue provides strong grounds for supporting cooperation between Pakistan and Brazil under SSTC. The ILO can support both countries through South-South networks development, cross-country learning, and partnerships for development. Based on the preceding discussion, this paper identifies 7 primary entry points for the ILO to provide Technical Assistance (TA) to promote cooperation between Brazil and Pakistan under SSTC.

i. Capacity Development in Occupational Safety and Health (OSH) and Skills Development

The ILO can promote cooperation between Brazil and Pakistan by providing technical assistance to enhance workplace safety standards and practices. This might include conducting OSH assessments, developing training programs, and promoting the adoption of international best practices in industries prone to hazards. Training workers and employers on safety protocols, emergency response, and health standards to reduce workplace accidents and improve overall occupational health.

ILO has made significant strides in OSH in Vietnam through its "Improving OSH and Working Conditions in the Informal Economy in Vietnam" program. Vietnam, like many countries, faced challenges in ensuring adequate OSH standards, especially within the informal economy where a significant portion of the workforce operates. The ILO, in partnership with the Vietnamese government and other stakeholders, implemented this program with key focuses on capacity building, strengthening regulatory frameworks, and improving access to information.

This is also aligned with Pakistan's priorities of economic recovery plan and development agenda. Take an example of SIFC's focused areas, namely, **agriculture**, **livestock**, **information technology**, **mining**, **and energy sectors**. Pakistan will need robust OSH policies, plans, and rules/laws to protect the workers in mining fields. Essentially, this will be a critical factor for international investments in the mining sector which is at the core of the economic recovery plan.

Similarly, Pakistan will need quality standards for its skills development system, with the Technical and Vocational Training Authority, TEVTA to ensuring globally comparable skill development certifications. Furthermore, technical assistance in developing skills,

particularly for women working in the agriculture sector, will help Pakistan make its agriculture sector more productive.

ii. Promoting Policy Coherence for Gender Equality and Women Empowerment:

Another entry point can be joint initiatives to increase women's participation in the workforce, addressing barriers such as gender-based discrimination, unequal pay, and limited access to opportunities. Developing programs that provide vocational training and skills development tailored to women's needs, facilitating their entry into traditionally male-dominated sectors.

The ILO has good success stories in promoting gender equality and women's financial inclusion in the "WE EMPOWER" Program³⁹ in Bangladesh. Historically, Bangladesh has faced challenges related to gender disparities and limited access to financial resources and opportunities for women. The WE EMPOWER Program, led by the ILO was devised with the help of the Government of Bangladesh. The program focuses on enhancing women's access to financial services and resources, including microfinance programs tailored to women entrepreneurs, savings groups, and financial literacy training.

Support should be provided for women-owned enterprises and entrepreneurship development, including training, mentorship, and access to markets, enabling women to establish and grow their businesses. Moreover, skill training and capacity-building programs designed to enhance women's employability must be offered, especially in non-traditional sectors where women's participation is low, such as green skills.

iii. Social Dialogue for Decent Work Agenda and Tripartism:

The ILO can work with the government and social partners to align national policies with the ILO's Decent Work Agenda, aiming to create quality employment, guarantee rights at work, enhance social protection, and promote social dialogue. Conducting research and data collection on labour market trends and conditions to inform policies and interventions that support decent work.

Brazil, like many countries, faces challenges related to decent work, including issues such as unemployment, underemployment, informal employment, and insufficient social protection for workers. The Decent Work Country Programme (DWCP), a mutual effort between the ILO and the Brazilian government aimed to address these challenges through the means of employment generation, specifically in the context of entering women into the workforce. Enhancing social protection measures for workers, particularly those in the informal economy, by expanding access to health care, unemployment benefits, and other forms of social security.

³⁹ For details visit: https://www.ilo.org/resource/promoting-womens-economic-empowerment-work-through-responsible-business

The ILO can help facilitate dialogue by promoting tripartite discussions and negotiations among government, employers, and workers' representatives to foster consensus on labour-related issues, contributing to effective policy formulation and implementation. Bangladesh's success story showcases that the ILO initiated discussions through the "Promotion of Social Dialogue and Harmonious Industrial Relations in Bangladesh's Readymade Garment Sector" program.

Bangladesh's readymade garment industry is a crucial sector for the country's economy, employing millions of workers. However, the industry has faced challenges related to workplace safety, labour rights, and industrial relations. The ILO, and the government of Bangladesh, employers' associations, and workers' organizations initiated a program establishment of tripartite committees and improving labour laws/compliance.

iv. Facilitating Robust South-South Exchange Between Brazil and Pakistan is Essential

South-South Exchange can play a critical role in expanding and deepening cooperation between the two nations. Both countries can establish forums for sharing policy experiences on structural transformation. Particularly, Pakistan can learn from Brazil's transformation to a high productive and complexity economy. Under South-South Knowledge Exchange, ILO can support Pakistan and Brazil to:

- A. Form a civil society network between civil society organizations from Brazil and Pakistan. A one-week exchange program for researchers from civil society can help narrative building for deepening social and economic ties between the two countries. The network can also be expanded to academia with teaching faculty and student exchange programs.
- B. **Parliamentary Caucus on decent work** for Brazil and Pakistan can be established. Parliamentarians from Brazil and Pakistan can be invited to visit each other. This helps earn political constituency for promoting bilateral cooperation in social, economic, and other areas of mutual interest, particularly decent work. This exchange has been significantly used by the European Union to promote EU-Pakistan cooperation.
- C. Organize **introductory sessions** between two countries. The related staff and department from both sides can coordinate with local civil society and other stakeholders to organize these sessions. Embassies of the EU do it regularly. Furthermore, they invite experts from civil society to deepen the interactions and have updates about social and economic outlook and share views on possible areas of cooperation. **Brazil and Pakistan Embassies** can do the same. Pakistan can offer sessions around SFIC Economic Recovery plan. Brazil can organize sessions around its trade and investment priorities and strategic plans that Pakistan can benefit from.
- D. Establish a forum for businesses exchange through chambers of commerce and trade for knowledge exchange between businesses, investors and firms from the two countries. This will give a firsthand knowledge of the market to both sides. The Pakistan-Brazil Business Forum and Joint Chambers of Commerce can take the lead proactively.

Institutional strength, particularly economic staff at embassies of both countries, is most critical for this exchange programs and narrative building. The capacity of economic staff at embassies and other institutions in Brazil and Pakistan will shape the outcomes of this effort. A better understanding of the local market **and systematic and frequent engagement of staff in both countries with the private sector, chambers of commerce, business councils and other representative bodies can help build this necessary narrative for cooperation between the two countries.**

Strategic Approach to Leverage Brazil-ILO South-South Cooperation Partnership

Step 1: Initiating and Facilitating Dialogue for Narrative Building to Embrace/Scale Up Cooperation

The right narrative is essential to prepare markets of both sides for economic cooperation in trade and investments. It may begin with expanding and deepening trade and gradually move towards cross border investments. This requires access to market information to the private sectors of both countries. Of this step, some preliminary efforts have already begun, and both countries are actively exploring investment opportunities, joint ventures, and partnerships in sectors such as textiles, meat processing, and agriculture.

A concerted effort to enhance people-to-people contacts and cooperation in the education sector has been highlighted. The aim is to foster mutual understanding, potentially leading to increased trade and cooperation opportunities through initiatives like the **Program for Exchange Students – Undergraduate (PEC-G) established in 2012.**⁴⁰ This program was aimed at supporting international students due to issues stemming from the surge in the number of foreigners in Brazil during the 1960s. This rise led to consequential challenges in regulating the status of these students within the country. A pressing need emerged to standardize the conditions for student exchange and ensure equitable treatment for all students across universities. In the year it was launched, Pakistan sent 2 students to participate in the exchange.

Step 2: Establishing and Mainstreaming Forums for Peer Learning

Pear learning could increase South-South Cooperation between Brazil and Pakistan. It can fill the information gap that stakeholders from both the countries face. The Brazilian Government has reiterated that Brazilian investors lack information about the Pakistani market and investment and work opportunities in CPEC.⁴¹Therefore, they tend to move towards India and China. Therefore, a strong economic agreement will help in increasing the

⁴⁰Barbosa (2019). Edited Book, "Challenges and Opportunities in The Brazil-Asia Relationship in the Perspective of Young Diplomats", Alexandre de Gusmão Foundation, Ministry of Foreign Affairs, Brazil.

⁴¹ Claudio (2019) "Pak-Brazil Free Trade Agreement to Open Hub for Bilateral Trade" Bilaterals.org. https://www.bilaterals.org/?pakbrazil-free-trade-agreement-to

trade volume between the two countries. Currently, Brazil's top export destinations are China (\$88.3B), the United States (\$30.2B), and Argentina (\$12B)⁴² (Figure 7).

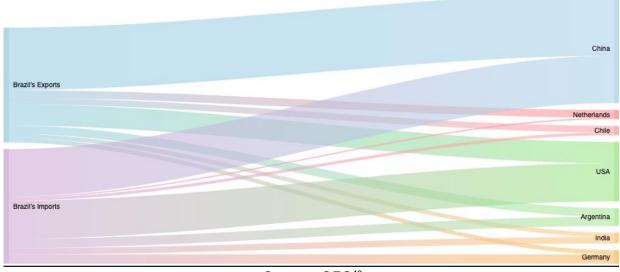


Figure 7: Brazil's Top Import and Export Destinations

Peer learning through increasing access to information, knowledge exchange, and bringing closer the institutions, businesses, and investors from the two countries can help promote multifaceted cooperation that will eventually lead to increased social and economic development. The **Peer Learning** Hub of ILO can support conceptualizing and developing joint initiatives with scalable, sustainable and impactful businesses producing more opportunities for decent jobs that are more equitably distributed towards marginalized segments of society. Brazil and Pakistan offer a wide range of opportunities for peer learning in decent work, skills development, social protection, economic diversification, and other areas.

Step 3: Facilitating Cooperation in Cross Border Investments:

It requires a well-structured strategies and action plan for:

a. Aligning Investments and Cooperation with Bilateral Priorities:

Both countries must align their strategic plan of economic cooperation with national priorities. For example, Brazil may focus on its social justice programs (2023-2027), along with strengthening existing economic cooperation, trade and investments in priority areas identified by the Pakistan Economic Recovery Plan and outlined in the agenda of the Special Investment Facilitation Council (SIFC). Cooperation OSH and skills development for decent and green jobs can be integrated into SIFC's agenda of attracting investments in priory sectors.

Source: OEC⁴³

⁴² "Pakistan (PAK) and Brazil (BRA) Trade", The Observatory of Economic Complexity. https://oec.world/en/profile/bilateralcountry/pak/partner/bra.

⁴³ For details visit <u>https://oec.world/en/profile/bilateral-country/brazil</u>

Effective economic diplomacy is at the core of this stage. Despite a huge potential, the cooperation between the two countries remains lower. Cross-border cooperation investments, particularly in new destinations, require very concentrated efforts. Economic diplomacy can break the barrier and push this partnership to its potential. Commercial attachés of both countries may be given special tasks to explore new avenues of cooperation in priority areas, as identified above. Special capacity development sessions for the economic staff at embassies can be designed.

b. Engaging With Stakeholders:

To initiate effective cooperation between Pakistan and Brazil, it is crucial to articulate cooperation objectives aligned with shared interests. These objectives should encompass the promotion of decent work, trade, education, cultural exchanges, and economic growth. Simultaneously, identifying and mapping potential partners in both countries across various sectors is essential. This mapping process should include trade associations, government bodies, educational institutions, and businesses, aiming to create a comprehensive network of potential partners. This foundational step lays the groundwork for establishing a diverse pool of partners, crucial for fostering multifaceted cooperation between Pakistan and Brazil. Priority stakeholders will include:

- i. Special Investment Facilitation Council (SIFC).
- ii. TVET sector at federal and provincial offices.
- iii. The Employers' Federation, ensuring the representation for women representatives.
- iv. Related departments and ministries in both the countries⁴⁴.
- v. Non-government stakeholders (Pakistan business council, overseas investment chamber, (mainly Karachi Lahore, Faisalabad).
- vi. Federal and Provincial Board of Investments.
- vii. Commerce ministries, mainly its Trade Development Authorities.
- viii. Competition Commission of Pakistan.
- ix. Securities Exchange Commission of Pakistan (SECP).
- x. State Bank's Public Affairs Section for information regarding FDI rules.
 - c. Establishing Networks:

These stakeholder engagements must be translated into networks. For example, ministries and departments from Brazil and Pakistan identified as champions of cooperation during stakeholders' engagement can make a network. Creating virtual networking events or forums serves as an effective platform to facilitate dialogue and introductions among potential partners from Pakistan and Brazil.

These networks may engage to stimulate discussions that delve into shared interests and explore potential cooperation avenues. The goal is to inspire meaningful conversations that uncover common ground and mutual objectives for cooperation. These discussions serve

⁴⁴ In Pakistan priorities focus must be given to ministries and departments related to agriculture, livestock, information technology, mining and energy sectors to integrate the entry pints for Brazil-Pakistan cooperation into action plans of these ministries/departments.

as a foundation for exploring possibilities, igniting partnerships, and paving the way for future joint initiatives between the two nations.

Following the initial networking events, organizing subsequent high level follow-up meetings becomes crucial to convert the possibilities into potential partnerships between Pakistan and Brazil. These follow-up meetings/workshops may work to align goals, discuss specific project potentials, and establish frameworks for collaboration. This leads to a more detailed exploration of potential joint ventures, allowing both parties to define shared objectives and outline the necessary steps to initiate and sustain fruitful joint initiatives. The focus must be on setting clear pathways, ensuring alignment, and forging stronger partnerships between the two nations.

d. Developing Joint Plans between Brazil and Pakistan for **South-South Cooperation in the World of Work:**

Joint planning is essential for outlining roles, responsibilities, and timelines for joint initiatives between Pakistan and Brazil. The networks from both countries, working together, must develop detailed plans that clearly define each party's contributions, responsibilities, and the timeframe for execution.

Establishing communication channels becomes paramount to facilitate seamless coordination and track progress effectively. These channels enable consistent interaction, allowing for real-time updates, problem-solving, and ensuring that initiatives progress according to the agreed-upon timelines. Setting up robust communication mechanisms serves as a cornerstone for successful coordination and the smooth execution of joint projects.

Pakistan-Brazil SSTC, ILO and expected outcomes

Overall, the cooperation between Brazil and Pakistan remains on the lower side. There is a need to scale up the cooperation between the two countries under South-South and Triangular Cooperation. Brazil-ILO Partnership Programme for the Promotion of South-South Cooperation (2023-2027) can lay the ground for extended cooperation between the two countries, particularly in the domain of decent work and social justice, including economic and climate justices. The focus areas of partnership include:

- i. Sustainable enterprises, green jobs and climate action (just transition).
- ii. Recognition of prior learning for informal worker and social development of migrant workers (skills development and accreditation).
- iii. Empowering vulnerable groups (women and youth) in the rural economy through skills training and resilience (cooperation in the agriculture sector).
- iv. Digitalisation of social protection schemes.
- v. Formalisation of the informal economy.
- vi. Inclusive Labour laws extending to the informal sector.

International development partner, particularly the ILO, building on areas of exchange aligned to the national, regional, and global priorities of both the countries, can support the exchange of cooperation between Pakistan and Brazil. Using its Social Justice initiative in collaboration with Brazil government, the ILO can act as catalyzing force in deepening the SSTC between the two countries by assisting the two governments and private sector in:

- i. Diversification of Strategies: Pakistan and Brazil can diversify their developmental strategies through SSTC, leveraging partnerships with the International Labour Organization (ILO) and other international entities.
- ii. Resource Mobilization: The ILO can help mobilize technical, human, and financial resources to enhance the scale and impact of technical exchanges. In this regard, cross-border investments in green skills, capacity building for debt for nature swaps, and policies integrating jobs into climate action under "climate action for jobs" can be helpful.
- iii. Promoting Complementarity and Facilitating Partnerships: Focus on complementarity in developmental efforts and leveraging the ILO's role in facilitating strategic alliances. In this regard the ILO's initiatives under "South-South and Triangular Cooperation (SSTC) good practices" can provide an important mechanism to leverage resources and expertise between two countries.
- iv. Knowledge Dissemination and Adaptation: The ILO can support adapting development practices to specific country contexts of Pakistan and Brazil, ensuring tailored and relevant solutions.
- v. Monitoring and Informing on SSTC: The ILO's role in monitoring intergovernmental decisions on SSTC is crucial, providing insights to guide evidence based cooperative actions between Brazil and Pakistan.

Through SSTC, resources and expertise can be mobilized to achieve a greater scale for technical exchanges between Brazil and Pakistan, promoting complementarity and optimizing technical, human, and financial contributions from the cooperating parties. Developing synergy around decent work-capacity development and investment in education and vocational training, and skill development and social protection systems can help Pakistan and Brazil achieve the shared objectives of developing a productive labour force, employment generation and achieve a sustainable development. The expected outcomes of the ILO facilitated SSTC between the two countries include:

<u>Outcome 1</u> - Modernized Normative Action with a South-South Perspective:

Both countries will collaboratively modernize labour laws, drawing from each other's experiences and best practices in alignment with international labour standards. Joint training and capacity-building programs will be established, leveraging the South-South exchange of knowledge and expertise.

<u>Outcome 2</u> - Tripartite Constituents and Social Dialogue in South-South Context:

Pakistan and Brazil will enhance tripartite dialogue, incorporating a South-South perspective to discuss labour issues and share innovative solutions. Bilateral commissions will be formed to facilitate continuous dialogue and the exchange of best practices in labour relations.

<u>Outcome 3</u> - Employment and Just Transitions through South-South Cooperation:

Emphasizing South-South Cooperation, initiatives to create green job opportunities in emerging sectors like renewable energy will be jointly pursued. Skill development programs will incorporate learning from each other's experiences in managing just transitions in the workforce.

Outcome 4 - Sustainable Enterprises and Inclusive Growth:

The collaboration will encourage sustainable enterprise development, with an emphasis on SMEs. This includes joint projects and knowledge exchange on sustainable business practices, nurtured through a South-South collaborative framework.

<u>Outcome 5</u> - Gender Equality and Inclusivity in a South-South Framework:

Initiatives to promote gender equality and workplace inclusivity will draw on the experiences and successful strategies of both countries. This includes joint programs and exchanges focusing on enhancing women's roles in the workforce.

<u>Outcome 6</u> - Worker Protection through Shared Learning:

The development of bilateral safety standards and practices in high-risk industries will be based on shared experiences and learning under the South-South Cooperation umbrella. This includes joint training and resource sharing for occupational health and safety.

<u>Outcome 7</u> - Social Protection with South-South Synergies:

Social protection initiatives will be co-developed, with each country sharing its successful models and strategies. This collaborative approach will focus on inclusivity and cover the most vulnerable workers, leveraging the strengths of both nations.

<u>Outcome 8</u> - Policy and Institutional Responses for Decent Work:

Joint policy initiatives will integrate decent work into national development plans, with a strong emphasis on South-South cooperation principles. Joint efforts in international forums will advocate for social justice and decent work, drawing upon shared experiences.

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