



CHECK AGAINST DELIVERY

**Statement by Juan Somavia
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to the 7th ILO European Regional Meeting
(Budapest, 15 February 2005)**

Chairman, Prime Minister Gyurcsany, Prime Minister Juncker, Prime Minister Akhmetov, Prime Minister Gonzi, Ministers, workers and employers, delegates, guests.

We are fortunate to convene our Europe and Central Asia Regional Meeting in such a welcoming country as Hungary and such a fine meeting place as Budapest. Mr. Prime Minister, thank you for your hospitality.

It is an honour to welcome you all to what, after the stimulating remarks of all our opening speakers, promises to be a richly productive conference.

The four heads of government joining us today symbolize our theme of *“East-West: A Common Future”*.

Prime Minister Juncker is the leader of one of the founding states of the European Union as well as the current President of the Council.

His presence and long involvement with the ILO ensures that the conclusions of our discussions will feed into the machinery of EU policy making. He is a powerful advocate for tripartism and a friend of the ILO.

Prime Minister Gonzi, like Prime Minister Juncker, is a former Labour Minister. Malta is also a country where tripartism is deeply rooted and that has enabled the country to develop a successful national development strategy in a complex and competitive global market.

Prime Minister Akhmetov is leading his country down the road of tripartism, too. This is quite a new experience for Kazakhstan which will have profound significance not only for his great country but for the entire Central Asian region.

And our host, Prime Minister Gyurcsany, also brings Hungary’s special experience of tripartism in action. Hungary was the first country emerging from the era of Party-controlled unions and employers’ organizations to establish a tripartite council. It has survived and adapted to meet the new challenges of democracy, the market, international economic integration and membership of the European Union.

Thank you all for your support. We look forward to hearing from you.

Dear Friends, Chers Amies, Queridos Amigos,

We may take it for granted, but this ILO gathering is the only regional institutional space where country members of the European Union, the Stability Pact, the Commonwealth of Independent States and the Council of Europe come together, to address in a tripartite manner, issues of common concern in the world of work.

And these are not easy times. Whether it's moving towards open economies and open societies, or modernizing the welfare state and traditional industrial relations systems, or promoting private and public initiative, investment and competitiveness, or dealing with outsourcing, insourcing or precarious forms of work – there is no one size fits all solution.

The challenges are great, but so too is the creativity of tripartism and social dialogue.

In every country, we see new solutions emerging to meet the changing agendas of workers and employers. And as our activities report shows, the ILO is working with you in so many fields.

And amidst all these complexities, there is one shared aspiration.

The goal of decent work is striking a common chord amongst the diversity of the continent. Not as a standard but as an objective that every election reminds us is at the core of people's aspirations.

Why is this?

Your countries are becoming more closely integrated—developing strong shared democratic values and open markets. Yet, at the same time, lower barriers have given rise to greater vulnerability and social tensions.

Economic boundaries are disappearing, but divides are growing—between generations, between cultures, between rich and poor, between economic growth and social progress.

Better policies to enhance the capacities of enterprises and workers, families and communities, institutions and countries are possible. Creating greater opportunities and bridging divides can be done. Decent work in a fair globalization is an attainable goal.

It will not happen overnight but it will happen sooner if today we have the vision to agree on the changes that can take us there.

This is the message of the World Commission on the Social Dimension of Globalization. A message which has found considerable resonance around the region.

In this regard, I am particularly pleased to welcome Commissioner Spidla. He brings the acquired wisdom of a former Prime Minister and Labour Minister. He has also developed a new European social agenda, which is extremely relevant to our debates.

From the ILO perspective, the EU Social Agenda demonstrates our common thinking on a range of questions, not least on making decent work a global goal.

In preparing for this Conference, our consultations led to a focus on four leading policy issues: Youth employment, job mobility, migration, and pension sustainability. They are central questions for all 50 countries represented in this room and for millions of workers and thousands of enterprises.

These represent key transitions in people's lives – moments of anxiety and tension – yet also moments of hope and possibility if societies manage them well. This life cycle approach highlights how ILO instruments and mechanisms accompany working people throughout life. It is also a methodology that mainstreams gender equality into the core of policy making.

Good governance and coherent policies can make a profound difference in these four key periods of working life.

Of course, individual responsibility is essential. But it is our collective responsibility to ensure that the ladder of opportunity—the support structure of decent work and enterprise development—is there and that the rungs are solid.

I will not go into a detailed summary of the reports analysis of these four transitions. We will have special sessions on each topic tomorrow and on Thursday.

Each of these steps in working life presents both opportunities and risks for individuals and for society.

First, for young people, starting right with a successful entry into work after education makes a huge difference to the likely course of one's working life. Across Europe and Central Asia one in six young women and men have no regular job. This is double the unemployment rate of adults.

Second, changing jobs or finding a new job after being laid off is a critical moment in life. If this transition is not well managed, it is likely to result in uncertainty, family break up, social unrest and economic waste.

A third transition is migration for work. Europe and Central Asia are becoming increasingly diverse, with all the attendant cultural tensions and political reactions.

Our report examines the major labour migration issues facing the region and the contribution it can make to taking forward the 2004 International Labour Conference decision that the ILO should take the lead in developing a non-binding multilateral framework for a rights-based approach to labour migration.

Fourth, we turn to the transitions facing older workers. Average life expectancy for the 50 countries in this room now stands at 73 and is expected to be over 80 by 2050, with some quite a bit longer than that. We must build societies and adapt our pension systems so that all ages live in dignity.

A high employment participation rate is fundamental to pension sustainability. But this is true not only for pensions, it is equally valid for the transition from school to work, from job to job, from country to country.

For policies to be effective at all these four transition points, there is one common ingredient: we need economies that generate enough quality jobs for all willing and able to work.

And the harsh reality is that, as new ILO numbers released yesterday show, the global economy is not creating enough jobs or stemming the tide of the growth of the informal economy.

The Europe and Central Asia region saw a healthy 3.5 per cent growth in 2004, but employment grew by half a per cent.

In many ways, 2004 was a lost year for jobs, and not just in Europe. The world economy grew by 5 per cent, but unemployment fell by only half a million.

This global situation is not politically sustainable.

In thinking of our work together, I believe that our unique tripartite Organization can build bridges of cooperation on labour issues within the CIS and Stability Pact countries and between them and the EU.

In this regard, the ILO's International Training Centre in Turin is playing a key role, alongside our colleagues here in Budapest, in Moscow and Geneva.

We are constantly requested to do more and, with additional support, we could effectively scale up our activities.

The ILO and the European Commission have an ambitious technical cooperation agreement that I see as the beginning of a global rights-based approach to productive employment, enterprise promotion and social protection. It is being steadily pulled together into integrated Decent Work Country Programmes, backed up by the development of relevant statistical indicators.

A big success story across the region is that we are fast approaching universal ratification of the eight Conventions that contain the fundamental principles and rights at work. Out of a possible 400 ratifications in the region we are only 16 away from 100 per cent regional ratification—a global first. And in dialogue with the countries concerned, we know this goal is within reach.

We all know that ratification does not always mean implementation. That is why we must never become complacent about defending freedom of association and promoting social dialogue.

In several countries of this region, employers do not yet enjoy full freedom of association and workers face barriers to freely organizing themselves. This inhibits the development of representative negotiating partners.

At our last Regional Meeting, the Workers' Group drew attention to growing concerns about freedom of association in Belarus. They were right. The Governing Body thought so and set up a Commission of Inquiry under Article 26 of our Constitution.

Their report is now before the authorities of the country and I take the opportunity of this meeting to urge President Lukashenko to give urgent and serious consideration to the action needed to meet the recommendations of the ILO Commission.

Let me conclude by saying that the essential question for our generation is how to shape a fully inclusive and equitable globalization that creates opportunities for all. This governance issue will dominate national and international conferences debates in the years to come.

The rest of the world rightly sees the Europe of 25 as the crucible for a socially inclusive model for its own economic integration, for its relationship with its neighbours, and, hopefully, for proof that you can reconcile productivity and competitiveness with fairness and opportunity.

We cannot expand the reach of democracy and ignore the demands of people for decent work. And if you ask me where in the world is this drive and initiative for a better world most likely to emerge, it is in a strong tripartite Europe that stretches from the Atlantic to the Pacific. It is from you.

I know it is difficult and complex; an uphill struggle. But look how Europe overcame the tragic divisions of two world wars, the Great Depression, defeated fascism, dismantled the Berlin Wall and all it symbolized, and had the vision to create a progressively more integrated continent with a strong social foundation.

I know that you, in the richness of your diversity, have it in you to succeed in your countries and contribute to a more stable world.

Thank you.
