



Report

Introduction

1. The Seventh European Regional Meeting of the ILO was held in Budapest, Hungary, from 14 to 18 February 2005.
2. For the attendance of the Meeting, see the figures given in the report of the Credentials Committee.

I. Opening ceremony

3. The Meeting unanimously elected Mr. Gábor Csizmár, Minister of Employment and Labour, Hungary, as Chairperson of the Meeting and Mr. Michel Jadot (Government delegate, Belgium), Mr. Pavel Prior (Employers' delegate, Czech Republic) and Mr. Cándido Méndez (Workers' delegate, Spain) as Vice-Chairpersons.
4. Prime Minister Ferenc Gyurcsány of Hungary welcomed all participants at the Meeting. He saw three groups of social issues to be addressed: jobs, housing and health. Four aspects of the first of these were before the Meeting. First, jobs must be created but did not arise necessarily out of economic growth. Second, education and training needed to be constantly adapted to meet workplace demands: this was an area where families had to take more responsibility. Third, labour migration – whether regular or irregular – influenced local, inflexible, labour markets, a problem which his country had not yet dealt with. Fourth, personal or national cultures often weighed against acceptance of change of job location or learning to work with new technologies, especially from middle age on. A competitive economy and a cooperative society were mutually reinforcing. The Meeting should help the people and countries of the region find solutions which it would be the role of politicians then to apply.
5. Prime Minister Jean-Claude Juncker of Luxembourg, President of the European Union (EU) Council of Ministers, recalled his long association with the ILO and praised the strong tradition of continuity and devotion among the Organization's constituents. Europe had changed considerably in 15 years, to the point where Hungary, the present host country, among those which had made a remarkable transition, was now one of 25 EU Member States with shared ambitions. This Meeting brought those EU Members together with the countries of the Commonwealth of Independent States (CIS) and the Stability Pact. It was in fact the ILO which had provided the basis for the European social model, through the strength of its normative action. The ILO showed too how tripartism and social dialogue – its Golden Rule – could achieve consensus and move forward on that basis: and this might be a lesson for the possibly painful process of promoting the Lisbon Strategy and making sure it served human ends. So, while competitiveness had to be enhanced in

the EU, it must be an accompaniment to job creation and social cohesion. This in turn meant social dialogue at the national level leading to 25 implementation programmes. It was such inspiration and determination which created human history.

6. The Employer spokesperson (Mr. Michel Barde) saw the aim of competitiveness as a way of promoting sustainably higher living standards, following a strategy of research, reduction of bureaucracy and increased flexibility, with a common vision for the whole region.
7. The Worker spokesperson (Ms. Ursula Engelen-Kefer) hoped the Meeting would help build bridges: between governments, employers and workers and their organizations in Europe and lead to practical solutions making the opportunities of globalization available to all. This in turn required free and independent trade unions operating in accordance with fundamental labour standards, able to negotiate collective agreements with employers. The ILO's standard-setting system was a major contribution to this process and to current transitions in Eastern Europe; and the policy of raising the Organization's profile with the Decent Work Agenda was very positive.
8. Presenting his Report, the Director-General of the ILO (Mr. Juan Somavia) welcomed all delegates and particularly the Prime Ministers of Hungary, Kazakhstan, Luxembourg and Malta who would take part in the High-level Panel discussion. The present ILO gathering was a unique forum where EU, CIS and Stability Pact States could meet with tripartite delegations to discuss common concerns. Tripartism and social dialogue provided the creativity needed to find tailored solutions for diverse countries all pursuing the goal of decent work. But, while shared democratic values and lowered barriers aided integration, other divisions grew – between cultures, rich and poor, the economic and social. The Decent Work Agenda helped create opportunities and bridge those divisions; and the well-received message of the World Commission on the Social Dimension of Globalization was that agreement on the changes needed would speed the process. The EU's Social Policy Agenda demonstrated the common thinking here.
9. The four leading policy issues before the Meeting – youth employment, job flexibility, labour migration and pension sustainability – represented key transitions, moments of tension and potential, in people's lives. This life-cycle approach, in which gender aspects were mainstreamed, lent perspective to how ILO mechanisms apply to working people. Individual responsibility was essential, but within a framework of good governance and coherent policies where collective responsibility supported the ladder of opportunity, enterprise development and decent work. These transitions involved both risk and opportunity, as the Report to the Meeting indicated: the first choice of entry into work was crucial for the future of young women and men; job change needed to be well managed to avoid family upheaval and social and economic loss; labour migration had become increasingly diverse and provoked cultural and political reactions and, with an ageing population, high employment participation rates were essential to viability of pension schemes – as well as for the earlier transitions of life. All of those transitions in fact called for higher levels of employment than had been the case in 2004, when the 3.5 per cent growth in the economy of the European and Central Asian region had generated employment growth of only half a percentage point. This did not make for a politically stable situation.
10. The ILO, given its tripartism and especially with the training facilities of the Turin Centre, could help build bridges also among CIS and Stability Pact countries themselves, and this work could be scaled up. Cooperation between the ILO and the European Commission (EC) could be seen as the beginning of a global rights-based approach to productive employment, enterprise promotion and social protection, steadily integrated into decent work country programmes backed by statistical indicators. Meanwhile, the now almost universal ratification by the countries of the region of the eight fundamental Conventions

of the ILO – with only 16 ratifications missing – would be a global first, and dialogue with non-ratifying countries was proceeding to achieve this. Of course, implementation must also be pursued, and there could be no room for complacency when freedom of association of employers as well as workers remained a problem in some countries. This issue was addressed in respect of Belarus by the Sixth European Regional Meeting, following which the Commission of Inquiry under article 26 of the ILO Constitution was set up and had reported: President Lukashenko was urged to give urgent attention to the recommendations made.

11. Inclusive and equitable globalization was the challenge of the generation, and its governance would dominate national and international debate. The 25-Member EU was a crucible for a socially inclusive model reconciling productivity and competitiveness with fairness and opportunity. The drive for a better world lay in a strong tripartite Europe stretching from the Atlantic to the Pacific. Europe had the vision to overcome the Great Depression, defeat fascism, dismantle the Berlin Wall and build a progressively integrated continent on a strong social foundation, and it would continue to contribute to a more stable world.

II. Panel discussion: Will social dialogue survive globalization?

12. The Director-General moderated a High-level six-member Panel discussion on the relationship between social dialogue at different levels and globalization.
13. Prime Minister Lawrence Gonzi of Malta found it difficult for a small country such as his to compete against countries with much lower labour costs: people found globalization a threat rather than an opportunity, and this necessitated policies for investment both in modern technologies and retraining human resources, at the same time as addressing – through social dialogue – urgent issues such as pensions and health. Trade unions and others might then find it hard to accept needed changes, which called for the right strategy on social dialogue: he questioned whether consensus should be sought at a relatively general level, or whether long dialogue should be engaged to arrive at broader decisions. The criterion would have to be the results which were achieved. In this, worker and employer representatives had to exercise leadership, convincing their own supporters of the value of pursuing common goals.
14. Prime Minister Danial Akhmetov of Kazakhstan said that globalization also posed threats for a large but young State. Social partnership was needed to deal with the social problems arising as his country struggled to catch up technologically and compete in the world. Without knowledge transfer, the gap between rich and poor countries was increasing. His country had the advantage of stability and should make all possible efforts to develop with the significant natural resources at its disposal. Kazakhstan recognized the ideals of social dialogue but needed study and assistance to create a culture of partnership and the necessary institutions for social dialogue.
15. The secretary-general of the European Trade Union Confederation (ETUC) (Mr. John Monks) thought social dialogue was now in danger from a supposed “consensus” that the welfare state was too expensive, unions impeded necessary change and public services were always inefficient. Big European companies were relocating to countries where operations were cheaper, so that governments on both sides might seem powerless. This did not need to be the reality: in fact we should point to good models; for example in the Nordic countries, where effective social dialogue took place and enterprises were thriving. Unemployment in the industrialized countries could cause social and political unrest, which called for careful policies that accorded due importance to social and environmental

problems. It would be important to maintain the “consensus” on the successful European social model (based as it was on social norms and standards conceived in the ILO after the Second World War) and this should actively be “exported” in competition with the North American model. The Social Agenda recently adopted by the EC constituted an important element of the European social model.

- 16.** The President of the International Organisation of Employers (IOE) (Mr. François Perigot) saw social dialogue as an opportunity rather than a threat: but it needed to be defined and agreed if it was to provide a means of addressing the problems of globalization. The mode of social dialogue must now take account of new stakeholders and actors, non-governmental organizations: this should be associated in an appropriate way in cooperation with responsible representative organizations. Social dialogue too must now be globalized, in order to tackle issues at that level that would otherwise escape control. For this, a more informed picture of the situation was required.
- 17.** The Prime Minister of Hungary said that the challenges of globalization were only partly technology- and knowledge-related: a political process and open markets were also needed to help balance labour and employment. This had been the role of national governments, but that had now changed. For example in Hungary, commercial issues were decided by the boards of international companies, and governments’ economic sovereignty was subject to the European level, while actors on the labour side had not changed. This prevented national social dialogue from developing and acting as an effective tool. At the global level, politics were not intense enough and markets did not operate well enough: both social dialogue and political will were lacking. A United Nations or ILO model at the international level was required.
- 18.** The Prime Minister of Luxembourg and President of the EU Council of Ministers noted that globalization was viewed sometimes romantically, sometimes critically; but the essential thing was to harness it and make it beneficial rather than harmful. This might be done by global governance – or by social dialogue. Social dialogue would survive as a framework, but it should not be confused with the idea of soft consensus. The test must be results, and social partners must contemplate integrating government interests into their agreements. So an agreement which had government, employer and worker support must be preferred, even if incomplete. Many perfect treaties were not applied, whereas treaties that were imperfect might nevertheless be applied with good will and bring good results. Social dialogue had moved in Europe to the regional level: it must move further to the multilateral level, with the World Bank and the International Monetary Fund (IMF) listening to the ILO and understanding the European social model.
- 19.** Questions came from each of the three groups.
- 20.** The Prime Minister of Malta, in response, saw the contradiction in pursuing competitiveness and quality of life at the same time. Some of the basic ingredients, especially for a small country like his, had to be knowledge and human resources. Rapid change called for rapid response; and employer/worker partnership meant seeking and promoting common goals rather than an older give-and-take approach.
- 21.** The Prime Minister of Kazakhstan’s view was also that globalization was different now from in the past. For small or weak countries to compete, transfer of modern technologies was vital; and social dialogue should adopt a new aim of ensuring competitiveness.
- 22.** The secretary-general of the ETUC commented that, in order to promote international labour standards and economic progress, the answer was to persuade people that a mix of different policies was needed. It was thus right to follow the EC’s Social Policy Agenda in reconciling macroeconomics with fiscal, trade and other relevant policies.

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23. The President of the IOE confirmed the willingness of enterprises to engage in social dialogue and the pursuit of consensus to address the issues of globalization. But there must be reflection on the methods, and the ILO must look to other organizations. He cited India as an example of economic importance growing out of the acceptance of knowledge and technology.
 24. The Prime Minister of Hungary considered that social dialogue need not jeopardize competitiveness so long as it did not unduly focus on the short term rather than long-term shared values.
 25. The Prime Minister of Luxembourg and President of the EU Council of Ministers responded to a question on the role of the Bretton Woods institutions: he found the IMF lacked nuance in its policy advice, and it should not be assumed that adjustments always had to be made on the social front to deal with economic problems. The ILO should intensify its discussion with the IMF and the World Bank.
 26. The Director-General observed finally that the development of social dialogue required leadership, partnerships, and it could produce hard agreements and trade-offs. Reforms were certainly necessary, and the values of European social policy should be upheld. This meant some tough decisions, but Europe had the benefit of institutions not present in other regions. An overarching value system would give guidance and improve the fair chances of small countries alongside the larger. The sharing of knowledge was a common theme. Success should perhaps be measured on the basis of national perspectives rather than theoretical concepts.

III. Discussion of the Report of the Director-General

27. Many Government representatives described their countries' current or planned approaches to meeting the four challenges outlined in the Director-General's Report. To combat youth unemployment, governments were seeking to improve the match between education and vocational training programmes, on the one hand, and actual job openings and labour shortages, on the other, not only nationally but on a regional basis. Governments were also working to increase the efficiency of the employment services in assisting young workers.
28. The need for greater flexibility in labour markets was recognized by some governments and employers. Government representatives stressed repeatedly that flexibility was a crucial prerequisite for improving economic productivity, and that productivity was in turn a prerequisite for decent work. Several Employer representatives cited rigid employment legislation as a serious barrier to labour market entry. At the same time, security was considered as important as flexibility in improving productivity, since insecure workers could not be expected to cooperate in efforts to raise productivity. Workers' delegates stressed the need to strengthen security in changing times and all delegations considered international labour standards a vital pillar of true globalization with social peace.
29. Some Government and Employers' delegates stated that higher levels of migration were essential in order to address national labour shortages; but migration must be orderly and in line with the needs of both receiving and sending countries, as well as migrants and their families. The representative of the Government of the Netherlands stated that in general terms migration would not bring a solution to the ageing problem in the Netherlands. Several Workers' delegates said that the process of migration should be dealt with on a rights-based approach. Close cooperation was required between sending and receiving States; illegal migrants should be legalized and integrated into the formal economy.

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- 30.** As regards pension financing and demographic ageing, many Government representatives indicated attempts to raise overall employment levels and thus the ratio of pension contributors and beneficiaries. Several groups were targeted for special support to boost their participation rates, including women, persons with disabilities, youth and older persons. The importance of “making work pay” was underscored, as well as of providing financial incentives for older workers to remain active longer and retire gradually. However, the labour market access of other vulnerable groups, such as women and youth, was of special concern. Many governments were raising pensionable ages, restricting early retirement and encouraging supplemental savings, although this was a secondary solution.
 - 31.** The Minister for Work and Pensions of the United Kingdom highlighted the need to create opportunities to work and thereby opportunities to save. This in turn provided opportunities for decent income in retirement. To do this, he said we needed to make work possible, to make work pay, to make pensions possible and to make pensions pay.
 - 32.** The Minister of Labour of Luxembourg encouraged inter-enterprise social dialogue. Security was as important as flexibility and would minimize damage to the social fabric. The ILO could help by explaining the life-cycle and pension issues to men and women workers.
 - 33.** The Employer spokesperson had a positive view of the Report, but would have appreciated more evaluation of the various ILO activities that it described. He called for better coordination of various ILO offices (headquarters, subregional offices, the Turin Centre and national correspondents), closer cooperation between the ILO and the EC, and sharper focus on the Organization’s priority goals, especially those for which there was strong support from constituents. He called also for recognition by workers and employers that they each had insights and each sometimes were mistaken.
 - 34.** The Worker spokesperson said that for social dialogue to be successful the social partners must be strong. Dialogue between parties with radically different positions would not lead to any productive outcomes unless there were a return to basic values as a starting point. ILO fundamental standards – including the work of the supervisory system – and the Decent Work Agenda should form the core of such a renewed agreement on values. Functioning trade unions and a normative framework were prerequisites for social dialogue and the application of practical policies.
 - 35.** Employer and Worker representatives agreed that social dialogue could only be successful where there was freedom of association and latitude for collective bargaining. Both also cited recent violations in the regional context and called for remedial action by the ILO.
 - 36.** The State Secretary of Labour of Germany congratulated the ILO on drawing the attention of so many prime ministers to the issue of social dialogue. This illustrated the different approaches to decent work at the level of national governments. In his own country there was a move away from early retirement because of its effect on the pension system.
 - 37.** The Minister of Labour and Social Insurance of Cyprus welcomed increased ILO/EU cooperation and the concurrence of their goals. The Minister stressed the need for young people to gain an early entry into the labour market. Active labour market and skills policies were required to address the social implications of labour market flexibility. In pension reform a key common objective should be to guarantee adequate levels of pensions over the long term. He welcomed the EU Green Paper on managing economic migration.
 - 38.** A representative of the IOE emphasized the priority for the ILO of providing technical cooperation, especially in the present European context of needed employment creation. Competitiveness was a prerequisite for decent work, but freedom of association must also

be recognized. In some transition economies the enhancement of employers' organizations was urgent.

- 39.** The Commissioner for Employment, Social Affairs and Equal Opportunities, European Commission (Mr. Vladimír Špidla) noted that the ILO and the EU had converging agendas in a number of important areas. These involved creating the conditions for the kind of economic growth that produced new and better jobs, and the promotion of decent work for all. On the second point, he noted a common effort to find a new equilibrium between labour market flexibility and security for workers. Lifelong learning was a key tool in this effort. The Balkans, Caucasus, Republic of Moldova and Ukraine were prime targets for cooperation between the ILO and the EU, within the neighbourhood policy. He also referred to the new European Social Agenda adopted by the EC in February 2005 that covered much common ground with the ILO.
- 40.** The assistant general-secretary of the International Confederation of Free Trade Unions (ICFTU) said that the European social model must be implemented in the light of the Decent Work Agenda and core labour standards. The collective bargaining process was often imperfect, with poor representation; it should embrace life-cycle issues and also workers' rights in multinational enterprises (MNEs). She referred to several violations of workers' rights in the region, in particular in Belarus. The Deputy Secretary-General of the World Confederation of Labour recalled that decent work for all meant correcting the informalization of labour into which many young women in particular were obliged to go. He too welcomed ILO/EU cooperation, with the central role given to international labour standards.
- 41.** The Minister of Labour of Slovenia focused on the need for his country, in spite of a high overall employment rate, to adjust the education system to meet labour market needs and to increase the employment rate among the 55 to 64 age group through targeted active labour market policies. The ILO's assistance on these points would be appreciated. The Minister welcomed the enhanced EU/ILO cooperation in achieving common goals.
- 42.** The Minister of Labour and of Social Affairs of Spain said that his Government had put in place a new policy based on social dialogue and on the active, constant, continuous and sustained participation of the social partners, which aimed at creating more stable work of quality. In July 2004, the Government adopted a Declaration for Social Dialogue (2004) with the employers' and workers' organizations, on competitiveness, stable employment and social dialogue. Moreover, in December 2004, a Regulation on the Rights and Liberties of Foreigners in Spain and their Social Integration had been adopted, which, in line with the ILO's position on decent work, provided for a time-bound mechanism for the legalization of thousands of foreign workers and the enjoyment of the rights and obligations which when applied would permit full access to the labour market.
- 43.** The Under-Secretary of State for Labour of Poland said the ILO had helped his country establish social dialogue systems. But the ILO should have a wider role at the international level in promoting cooperation among organizations.
- 44.** The Minister of Labour of Ireland said that a strong social partnership culture in his country was challenged when decisions were now taken by other actors. The ILO could assist in promoting a more inclusive form of social dialogue and partnership.
- 45.** The Minister of Labour of Romania said that in his country active participation of people concerned was needed for a range of measures, such as reduction of the tax burden, business incentives, labour market liberalization, education and training for the young, and pension reform. That must mean reinforcing capacity for social dialogue. He declared that the new Government of his country had foreseen putting in place a series of measures concerning tax reductions, familiarizing the young with the spirit of enterprise, education

and training, the liberalization of the labour market and the modernization of the pension system. All these measures required the participation of many actors and thus the process was not possible without the reinforcement of social dialogue.

46. The Minister of Labour and Social Security of Turkey stressed the usefulness of social dialogue in dealing with labour market problems in his country, where the need for flexibility impacted on an already difficult situation of high and undeclared unemployment, especially among the young. The ILO was helping address the issue of informal economy and establish tripartite mechanisms to look also at migration.
47. The Minister of Labour and Social Protection of Azerbaijan thought that international organizations could help for example CIS countries, by promoting decent work in the face of the problems of globalization. The ILO should help especially by getting companies to respect fundamental principles and rights at work. Trade liberalization would also open up new markets for his country, thus increasing employment.
48. The Minister of Labour and Social Policy of Bulgaria was deeply satisfied with the Report. The measures taken in her country in relation to migration, youth employment, pension reform and social security had the full support of the social partners.
49. The First Deputy Minister of Labour and Social Policy of Ukraine said that the activation of social dialogue and increased role of trade unions had contributed to social peace in his country. The priorities of the new Government included a programme for the introduction of European social standards. He hoped for the ILO's cooperation in the reform of labour legislation, and in the areas of child labour and collective bargaining. He also proposed creating a European and Central Asian regional database with decent work indicators.
50. A representative of the Government of Belarus first referred to the conclusions of the World Commission and social protection policies in his country. He acknowledged the importance of social dialogue and said that his Government would endeavour to implement the recommendations of the Commission of Inquiry in Belarus, taking account of realities.
51. The discussion suggested that the ILO should serve as a clearing house for best practices in meeting the four challenges in the Director-General's Report. The ILO should develop a handbook of best practices in encouraging a new balance between labour market flexibility and security for workers. With the prospect of increased migration to meet labour shortages, the ILO should help ensure that migrants were afforded basic rights and protections. The ILO should actively promote social dialogue as an inclusive process – not decision-making by a few individuals behind closed doors but a broad, open and inclusive mode of policy-making.
52. Many Government, Worker and Employer representatives thought social dialogue the only effective tool for integrating economic and social issues in a globalized world. Unpopular reforms could not be imposed but must instead be formulated and implemented through social partnership, with public education and open discussion as key tools. Strong social partnerships could limit risks and overcome resistance; flexibility could only be effective if it stemmed from social dialogue; and competitiveness, active labour market policies, macroeconomic policies and social partnership must go hand in hand.

IV. Summary of parallel discussions

53. Four parallel sessions were held during the Meeting to address the principal themes of the Director-General's Report: (a) Refocusing on youth as the key to lifelong employment; (b) Strengthening the rights-based framework for managing migration; (c) Balancing

flexibility, stability and security in European labour markets; and (d) Ageing, labour market participation and pension reform.

Refocusing on youth as the key to lifelong employment

- 54.** The session was chaired by the Minister of Employment and Labour of Hungary. Panellists were: Ms. Jane Stewart, Deputy Executive Director of the Employment Sector of the ILO; Ms. Evelyn Toth, Workers' delegate from Croatia; Ms. Antje Gerstein, Employers' delegate from Germany; Mr. Peter Weller, Government adviser from the United Kingdom; and Ms. Proença Afonso, Government delegate from Portugal.
- 55.** For the Office, Ms. Stewart stressed the importance of decent employment for young people not only for their success at work and in their personal lives but also for their families, communities and country. While young people should be considered an asset for countries with an ageing population, they paradoxically tended to lack access to decent jobs; in Europe and Central Asia, youth unemployment was more than double the level of adult joblessness.
- 56.** Addressing the challenge of youth employment required first of all relevant education of good quality, to prevent, rather than cure, unemployment. The Tripartite Meeting on Youth Employment, held in Geneva in October 2004, had advocated an integrated and coherent approach combining interventions at the macro and microeconomic level, focusing on labour demand and supply, and addressing both the quantity and quality of employment. The EU Employment Strategy was an example of an integrated employment policy, but other countries in the region, such as Azerbaijan, adopted a similar approach. Any strategy for improving the employment prospects of young people should be part of broader economic and social policies in which employment should have a central place. Macroeconomic and development policies should be combined with intervention aimed at disadvantages connected with gender, ethnicity, social class, etc., faced by specific groups of young people. Active labour market policies and programmes, when well targeted at disadvantaged youth, were the appropriate tools for such intervention. The social partners had a key role in designing, implementing and evaluating youth employment policy; and the need to guarantee the rights and representation of young people.
- 57.** ILO activities were based on three major pillars: (i) expanding the knowledge base through research and school-to-work transition surveys; (ii) advocating decent and productive work for youth by building consensus and mobilizing partnerships at the national and international level; the ILO hosted and led the permanent secretariat of the Youth Employment Network – a broad United Nations platform for promoting youth employment; and (iii) assisting governments and the social partners in developing integrated youth employment policies and programmes. The ILO was committed to mobilizing support and action on youth employment across countries and between regions.
- 58.** Ms. Toth pointed to the precarious labour market for youth in Western Europe but even more so in Eastern Europe. Young people were suffering from high unemployment as well as overrepresentation in low-paid, part-time, temporary or casual jobs. The process of privatization and restructuring further weakened their position. Young women encountered additional problems: many experienced sexual harassment at work and discrimination in recruitment. Due to inadequate job offers, many young people opted for emigration causing brain-drain losses for their countries. In order to improve the employment prospects of young people, their access to education and training needed to be improved; and the implementation of macroeconomic and active labour market policies was indispensable. High involvement of youth in the informal economy, especially in south-eastern Europe and the CIS, deprived them of social protection, making their transfer to formal jobs more difficult. Young workers in casual and informal jobs often performed

in small enterprises were deprived of collective bargaining, which would otherwise defend their rights. The solution should be sought in the collaboration of governments, employers and workers on programmes promoting education and training and stimulating development of economic sectors providing job opportunities for young people. The ILO had a unique mandate to provide guidelines on such programmes, which would result in concrete actions, including better observance of rights.

- 59.** Ms. Gerstein advocated an integrated approach for tackling the youth employment challenge. The Youth Employment Network generated many important ideas in four areas: (i) employability, requiring more investment in education and training; (ii) equal opportunities, improving access of women to better jobs through, for instance, training in male-dominated professions; (iii) entrepreneurship, helping young people to start their own businesses; and (iv) employment creation. Training was the most important area due to high unemployment of low-skilled persons. Germany provides a good example of a well-adapted vocational training system, providing good chances also to disadvantaged groups. The lifelong learning framework of action created in 2002 provided annually many examples of the involvement of social partners.
- 60.** Mr. Weller spoke of his country's policies to help youth employment; a jobseekers' allowance for short-term unemployed and a New Deal programme for long-term unemployed, offering four options: subsidized employment; full-time training; community work; and voluntary work. Reform of the education system had also played an important part in helping to eradicate long-term youth unemployment. There was still a problem of young people who were neither in education nor in employment. He asked the ILO to undertake more research on issues such as young people working abroad and the impact of voluntary work on youth employment prospects.
- 61.** Ms. Proença Afonso pointed to the specific labour market problems of all young people in Portugal, including those with higher education. She mentioned four areas of government policy: (i) diversify available education and training ensuring its alignment with labour market needs; (ii) integration of training and work in enterprises to give first work experience and enhance employability; (iii) new Labour Code requiring employers to give training to unskilled youth and school drop-outs; and (iv) exemption of social security contributions to employers offering unlimited contracts to young people. She called for more involvement of the social partners in education and training, to make it more flexible and responsive to labour market needs.
- 62.** Many speakers on the floor pointed to the vulnerable situation of youth in the informal sector and the lack of their trust in the trade unions who were unable to defend their rights. Informal labour affected all three parties. Participation in trade unions was said to be low among the young, who did not find unions attractive enough: more education on the role of unions and workers' rights, but also on entrepreneurship, would be helpful. Social dialogue should also take place with mechanisms better adapted to the young. Gender inequalities emerged already among the young: women were very vulnerable in some countries to sexual exploitation – trafficking for prostitution, or harassment at work, or disguised forms of poor employment or temporary work. While decent minimum wages were an important tool for equity, minimum wages specifically for youth could have contradictory effects. Labour market information and forecasts were essential to adapt education and training to employment prospects.
- 63.** In response, Mr. Weller noted that governments had different priorities. Following the United Kingdom's success in virtually eradicating long-term youth unemployment, they were now focusing resources on other disadvantaged groups. Ms. Proença Afonso agreed that education and training were lifelong needs, and public employment services should also intervene more specifically in respect of young people, in particular as regards encouraging entrepreneurship. Ms. Gerstein recalled the responsibilities of governments

for education and training systems, and the responsibilities of employers for making workplace training available. Ms. Stewart underlined the need to address youth employment at the macroeconomic level; and the need to reach out to disadvantaged youth. The ILO could facilitate exchange of information on experience here. And she hoped governments would make their views known in the United Nations analysis of youth employment issues.

64. The Panel Chairperson stressed the need to exchange national experiences. The education system needed constant interaction with the labour market. Young people should be well informed of their rights and helped to exploit their individual potential.

Strengthening the rights-based framework for managing migration

65. The session was chaired by the Workers' delegate from Spain (Mr. Cándido Méndez). Panellists: were Ms. Pauline Barrett Reid, Director of the ILO Subregional Office in Moscow; Mr. Ivan Hnybidenko, First Deputy Minister of Labour and Social Policy of Ukraine; Mr. Oleg Eremeev, Employers' delegate from the Russian Federation; and Ms. Sofi Taylor, Workers' adviser from the United Kingdom.
66. The Panel Chairperson highlighted the need to address labour migration in a long-term perspective and to envisage comprehensive measures, including labour legislation, national policies, creation of better jobs, and equality of treatment. He stressed the importance of ILO Conventions Nos. 97 and 143 on migration for employment and the 1990 International Convention on the Protection of Migrant Workers, together with the centrality of tripartite cooperation to guarantee basic rights and ensure equality of treatment. Spain's recent regularization programme was a responsible exercise of tripartite cooperation between the Government, employers and trade unions to deal with serious problems. Each country's domestic policies must reflect international standards and cooperative approaches. Migration was in part the result of the absence of decent work in countries of origin, and thus required international tripartite cooperation to address it. The challenge here was to elaborate a European application of the conclusions and Plan of Action adopted in 2004 by the International Labour Conference.
67. For the Office, Ms. Barrett Reid indicated that migration had become a central policy issue throughout Europe and was fundamental to the ILO's mandate and concerns. Migration is a fundamental concern for the Decent Work Agenda; it could have positive and negative effects. Forces that drive migration were many and complex, including lack of employment prospects and debt in home countries, as well as demand in host countries. Migrants were concentrated in dirty, dangerous and difficult jobs – "3D jobs" – and in highly skilled professions, raising both protection and brain-drain challenges. Social consequences of migration included family destabilization as well as isolation, poor working conditions and lack of health care for migrant workers. Societal dimensions included discrimination, absence of legislation and labour protection and lack of social partner participation in policy elaboration. Workers' organizations had particularly important roles in organizing migrants, ensuring solidarity among workers and cooperating with employers to achieve multicultural workplaces.
68. Migration flows had generally increased across the entire region since the 1990s, with some countries experiencing dramatic increases, but situations in different parts of Europe were not homogenous. Harmonization of migration and asylum policies had progressed. Some Western European countries experienced the largest growth of immigration in the region. Developments in Central and Eastern Europe were bound up with EU enlargement and looming depopulation, with out-migration from accession States estimated at less than 1 per cent of populations over the next five years. Meanwhile, south-eastern Europe,

Caucasus and Central Asian States were worried about high emigration levels, loss of highly skilled nationals and consequent reductions in capacity for long-term development. The countries that had emerged from the former Soviet Union had to address the issue of millions of formerly displaced, newly foreign, transit and immigrating persons, with no legal or administrative mechanisms to manage these complex phenomena. Through the Issyk-kul dialogue, the countries of Central Asia and the Caucasus had prioritized improving the legislative framework, assisting placement in employment abroad, encouraging return of specialists, disseminating information and providing pre-departure training. There was wider interest in harmonizing migration policies and promoting freer circulation of labour within the CIS. The Russian Federation was increasingly dependent on migrant labour, currently seeking to address the lack of legal status and protection for migrant workers, as well as xenophobia.

- 69.** The ILO could play a central role in promoting policies to maximize the benefits and minimize the risks of labour migration, in particular through elaboration of the multilateral rights-based non-binding labour migration policy framework mandated by the conclusions of the International Labour Conference in 2004. It should also better promote the ILO migration for employment Conventions and other applicable instruments, facilitate regional social dialogue on migration and enhance regional cooperation.
- 70.** Mr. Hnybidenko noted the number of Ukrainian nationals facing poor conditions. If people did not have jobs, they would leave. Better legislation to govern migration was clearly needed in many countries; migrants commonly faced barriers and restrictions on movement and entry. Contradictions abounded, including different requirements for low skilled than high skilled. Remedies were required to ensure that migration took place in a legal and civilized way. Rules were required to ensure protection. The ILO should play a leading role to ensure that the horrors of abuse and exploitation disappeared.
- 71.** Mr. Ereemeev emphasized that migration was a key factor in determining economic development in all European countries. Since the 1990s, migration had become primarily labour and economic, and one of the most important elements of economic policy. Migrants represented 7 per cent of the economically active population in the Russian Federation. Important factors of migration included demographic deficits – the working population in the Russian Federation would drop by 5 million in the coming years; human resources deficits; and the tremendous importance of remittances for housing, consumption and education in home countries. The lead role of interior ministries was problematic, as they did not cooperate well with ministries of labour, economy, health or others. Two years ago, the Russian Federation’s social partners formulated a broad policy approach as an alternative to a control-based approach. Bilateral agreements might be an important option. Migration policy might remain a national prerogative, but common regional approaches and rules were needed, as was international coordination led by the ILO and the International Organisation for Migration (IOM).
- 72.** Ms. Taylor stated that protection of all workers depended fundamentally on the rule of good law enforced by effective public services and labour inspectorates; and on the collective solidarity of workers through self-organization in free and democratic trade unions. Migrant workers could not be effectively protected under law unless they had legal status and guaranteed labour rights. The Morecambe Bay tragedy in Great Britain galvanized social partners to achieve adoption of a new law regulating gangmasters. Europe’s present and future prosperity depended on migrant labour, as did the future of social security systems. Nonetheless, current patterns of exploitation of migrants reflected the unsustainability of current globalization. Racism and discrimination must be rejected, while the positive economic, social and cultural impacts of migration needed to be recognized. As human and labour market issues, migration policies needed to be developed through social dialogue. Governments must promote equitable labour market policies and decent work for all, and must protect the fundamental rights of all workers. All European

countries should ratify ILO Conventions Nos. 97 and 143. This Meeting was about implementing the plan of action adopted in 2004 at the International Labour Conference. The ILO provided a unique tripartite forum in Europe; workers supported establishing an international forum on migration under ILO auspices.

73. Government speakers from the floor described diverse conditions across Europe and varying policy approaches. One emphasized that solutions would need to be tailored to each country. Delegates of several countries noted similar emphases on policy lines of organizing legal migration in accord with labour market needs, promoting effective integration, combating illegal migration, enhancing labour inspection where migrants are working, and training officials and others. Two speakers expressed divergent assessments of relationships between immigration and demography, noting that current policy included selective admissions of highly skilled, restrictions on low-skilled admissions, and concern for integration of second and third generation post-immigrant populations experiencing high levels of unemployment and low-schooling attainment. Several speakers highlighted recent or forthcoming programmes to regularize populations of irregular immigrants. Others flagged concerns that regularization is perceived to encourage subsequent irregular immigration and may put people in hands of traffickers. Several innovative government initiatives were highlighted, including a specialized ministry department focusing on nationals abroad, interagency cooperation on labour inspection, tripartite skills recognition councils and a national high commissioner on ethnic minorities and immigrants. One speaker raised the need for harmonization of social security and health coverage protections between origin and host countries in the broader European context. Some speakers noted the need for policy and action to improve employability of refugees and immigrants. Advice and support should be available for employers. A number of speakers indicated that migration is a major concern for protection, organizing and social welfare. Some emphasized the need to strengthen legal protection of migrant workers, particularly by ratification and effective implementation of ILO and UN Conventions on migrant workers; the need for opportunities for legal migration and freer circulation of labour, as well as regularization programmes to eliminate clandestine migration and its inevitable abuse; full ratification and enforcement of ILO fundamental Conventions, as well as other labour protection instruments; and more effective measures to combat discrimination, racism and xenophobia. Several speakers asked the ILO to obtain data on labour migration.
74. A representative of the EC emphasized common concern for coherent policy in Europe and announced the publication of a Green Paper on managing labour migration. He highlighted support for the ILO Plan of Action on migrant workers and EU co-funding of ILO migration projects in Europe and Africa. A representative of the IOM noted that cooperation with the ILO was a component of its work.
75. In response, Mr. Hnybidenko stressed the role of the ILO in solving migration problems, since they could not be seen merely as national issues. Mr. Ereemeev concluded that migration was a natural phenomenon which had to be better managed rather than trying to abolish it. Ms. Barrett Reid summarized the many ways in which the ILO could contribute to addressing the issues, as revealed in the discussion.
76. The Panel Chairperson refined the conclusion further: to achieve migration goals what was needed was social dialogue and equal rights. The ILO offered a framework for progress based on the conclusions of the International Labour Conference in 2004.

Balancing flexibility, stability and security in European labour markets

77. The session was chaired by an Employers' delegate from the United Kingdom (Mr. Mel Lambert). Panellists were Mr. Peter Auer, Chief of the ILO Employment Analysis and

Research Unit; Ms. Czuglerne-Ivany, Workers' adviser from Hungary; Ms. A. Simonyi, Government adviser from Hungary; and Mr. Arnout De Koster, Employers' delegate from Belgium.

- 78.** For the Office, Mr. Auer examined the three key elements of the concept of “flexicurity”: flexibility (or adaptability), stability, security and their different combinations. He remarked on the life-cycle dimension of the concept, as different needs for flexibility and security might arise over the lives of people. Starting with stability/security, he noted that while Western European countries still enjoyed a relatively high level of stable jobs, this stability was not necessarily synonymous with a perceived sense of employment security. In the countries of Eastern Europe and Central Asia, despite an increase in the flexibility of labour markets, mobility in the formal labour market had not in general improved. There was an acute perception of job insecurity. Workers were hesitant to leave their jobs voluntarily and move on to others because of generally weak labour demand and unemployment protection. Hence, the perception of security seemed to be a decisive factor, even more so as it determined the actions and strategies of people. Some Western European countries had good labour market performance and among the best records of job quality and perceived security. These countries, such as Denmark, had labour market institutions that provided high labour market mobility together with strong security through active labour market policies. While the benefit for the country of such a combination was close to full employment of good quality, the cost was high taxes and expenditure on the labour market and social welfare system, and this could not be afforded by every country for political and economic reasons.
- 79.** Another fundamental element of flexicurity related to social dialogue: some policy choices related to trade-offs between flexibility and security required tough bargaining on issues such as employment protection, social protection, productivity and income. Negotiation and compromise linked to flexicurity could be facilitated at the national level by the organization of national tripartite seminars. Models and their relevance over time could also be questioned: clearly, there was no single optimal institutional setting for any specific country because all countries differed in terms of their national experience, culture and circumstances. It was recalled that labour market regulation could not alone shoulder the task of establishing sound labour market functioning and outcomes: effective macroeconomic policies, efficient wage policies, education and other policies were fundamental to progress towards full employment and decent work.
- 80.** Ms. Czuglerne-Ivany emphasized that needs for flexicurity were different between Eastern and Western Europe: she pointed out that certainly the “security” side of the concept should be strengthened in the Eastern European and Central Asian countries to achieve decent work; she also recalled that pure deregulation did not lead to job creation in the region. She also advocated that flexicurity should be based on social dialogue, but that social dialogue needed a common understanding of values and targets.
- 81.** Ms. A. Simonyi referred to the situation in the early 1990s in Hungary and explained how the country had tried to balance radical labour market changes by introducing adequate provision for social security and labour market facilitation, despite the criticism of the World Bank and the IMF. She appreciated the technical assistance provided by the ILO in advising her country on how best to link economic and social policy. She referred to the recently launched ILO flexicurity project that had stimulated much debate and contributed to activating social dialogue in Hungary; the concept of flexicurity had been integrated into the Hungarian Employment Policy Guidelines and into the National Action Plan for Social Cohesion.
- 82.** Mr. de Koster welcomed the concept of flexicurity as a “third way” to solve the apparent dichotomy between flexibility and security. According to him, however, security should mean activation and not welfare; moreover, costs should be closely monitored, as the

flexicurity model, such as in Denmark could be very expensive. While he appreciated the Director-General's Report, he noted that it lacked a clear commitment to the priority of job creation through economic growth. He added that growth and wealth creation must come before redistribution.

83. Many speakers on the floor emphasized that there was no universal solution, that it was impossible to have a "one size fits all" model: each country should try to identify possible trade-offs between employment, social and income protection, to find a reasonable balance between flexibility and security. Therefore, flexicurity should be examined, not only at the national level, but also at the sectoral and enterprise levels.
84. Many delegates were of the opinion that flexicurity was by no means a panacea for resolving labour market problems, but that it needed to be integrated with other policy areas, such as macroeconomic policy for growth, education, housing and family policies.
85. Several speakers hinted at the incoherence of advocacy in the multilateral system, for example between the World Bank, the IMF and the ILO; the World Bank and the IMF had advised on adopting more flexible policies but often also without explicit social partner involvement. The ILO advocated a negotiated flexicurity. More coherence could be brought to the debate through the ongoing policy coherence initiatives between the ILO and other organizations of the multilateral system. A Workers' delegate from Romania expressed his great concern regarding possible drastic changes in the Labour Code proposed by the World Bank that would sacrifice the fundamental rights of workers guaranteed by ILO Conventions and in line with the European Employment Strategy.
86. Several speakers questioned the relevance of flexicurity in countries with high share of informal economy, such as Ukraine or other CIS countries; that in the former transition countries there was a constant pressure on enterprises to adapt to changing environments, and that competition from multinational firms in particular made it necessary to give managers the highest degree of liberty possible, thereby enabling them to counter the competitive challenges faced. For these reasons there was no room for the security component of flexicurity.
87. Several delegates shared their experiences of certain forms of flexicurity and detailed specific measures of their national system. A Government delegate from Denmark noted that his country, despite having high overall employment rates, nevertheless had country-specific problems that needed to be addressed in order to secure continued welfare for all groups in Denmark in a globalized world. As an example, a special programme targeting the relatively high unemployment of one of the marginalized groups in Denmark – immigrants and refugees – was mentioned. This example illustrated the need to address matters of flexicurity in a country-specific process.
88. Finally, the Panellists expressed their appreciation for the rich debate that showed the varied and contrasting experiences in Europe and Central Asia. However, the concept of flexicurity was broad enough to be shared across countries in Europe. More evidence on good and bad practice was needed before more detailed changes in legislation could be proposed. However, the principles allowing adjustments to be made, while at the same time providing security with solutions negotiated by the social partners, were clear.

Ageing, labour market participation and pension reform

89. The session was chaired by the Government delegate from Belgium (Mr. Michel Jadot). Panellists were: Mr. Emmanuel Reynaud, Chief of the Social Security Policy and Development Branch of the Social Protection Sector of the ILO; Mr. Matti Salmenpera, Government delegate from Finland; Mr. Cristian Toma, Government delegate from

Romania; Mr. Bernard Boisson, Employers' delegate from France; and Mr. Rudy de Leeuw, Workers' delegate from Belgium.

- 90.** On behalf of the Office, Mr. Reynaud had reported that, having led the world in the development of national pension systems, the countries of the European region were confronted by two common challenges. On the one hand, the ageing of national populations was projected to place a major strain on scheme financing. On the other, Europe's profound economic and social transformation created a need to redesign the pension benefit package. Effective strategies to meet these challenges must involve action in three areas.
- 91.** First, it was now widely recognized that the replacement of social insurance with private individual savings would not help meet the financial cost of ageing, as previously claimed. Rather, all pension schemes, however financed, would experience problems under conditions of demographic ageing. Moreover, the difficulties of relying on individual savings to provide old-age security were revealed in Adair Turner's report on the United Kingdom's recent experience. What was needed instead was an increase in the portion of the population that was working and paying pension contributions. This could be achieved, in particular, by increasing employment rates among women, young people and older workers. Second, extending working life was one way of raising employment, and there was a broad consensus among policy-makers and experts that this was a logical response to increasing longevity. However, it was also an unpopular solution. Policy measures would have to be carefully crafted to take into account the needs and rights of older workers, especially those with difficult jobs or health problems and those who began work at an early age. The most promising approaches involved new economic incentives to remain in the workforce, options for gradual retirement, lifelong training to sharpen existing skills and build new ones, and anti-discrimination laws. Third, in addition to encouraging longer working life, pension reforms were needed to adapt schemes to new work patterns and needs in Europe's rapidly changing economies. In Central and Eastern Europe, many countries had recently scaled down social insurance schemes in favour of privately managed individual savings. Minimum benefits were needed to protect those workers with low earnings and irregular employment patterns, among whom women were disproportionately represented. It was also necessary to limit the private management fees that new private funds were imposing on workers and to improve the collection of pension contributions.
- 92.** Each country would need to find its own balance among these approaches through open social dialogue among governments, workers and employers. There were no standard solutions, and only "home-grown" reforms developed in this way could be expected to succeed. The ILO was well placed to support such efforts with a body of international labour standards, the capacity to support tripartite initiatives, and an international expertise on the whole spectrum of work-related issues.
- 93.** Mr. Salmenpera described a major pension reform enacted by the Finnish Government based on a strong social consensus. Projections showed that this reform would restore the long-run financial solvency of the pension system if workers responded to the incentives that the reform created for later retirement. The actual retirement age would need to increase from an average of just under 60 years to 62 or 63 years. Studies provided strong evidence that most older workers were capable both physically and mentally of extending their working life. However, there was little enthusiasm for this. Hence, the challenge facing the Finnish Government was to find effective ways of encouraging longer work. This involved creating jobs that were rewarding, provided a sense of dignity and presented opportunities to put to use previously acquired skills and knowledge.
- 94.** Mr. Toma said that pension reform was a high priority for the new Romanian Government. It was planning to recalculate pensions for those who retired before the 2000 reform and to

find ways to boost the coverage of farmers and the self-employed. Acceleration of the retirement age increase enacted in 2000 was being analysed. The Government had also announced its intention to review legislation adopted at the end of 2004 to divert a portion of public pension revenues to a new system of privately managed individual savings accounts. The review was viewed as necessary in order to avoid the financial shortfall that would result from this diversion of revenues from the public pension system.

- 95.** Mr. Boisson stressed that ageing had two aspects: one positive – increased length of life; the other negative – a reduction in the birth rate. He was surprised that this second aspect, which he believed essential, had not been addressed. Increased longevity must lead to a progressive prolongation of active life beyond its present length. This was the decision taken by France in its 2003 retirement reform. Such reforms required the development of productive employment as the only means of creating the wealth necessary for the maintenance of a good level of social protection. In an increasingly competitive world economy, this rendered essential the strengthening of Europe’s economic competitiveness. He described several ways in which France was attempting to boost employment, including an agreement on lifelong training signed by the five trade unions and three employers’ associations and new efforts to support women in their dual roles as workers and family-care givers. However, the most important tool was a creative economy that promoted entrepreneurship and innovation. Tripartite consensus could not always be counted on to produce positive policy outcomes, as illustrated by the French approach to early retirement. Governments should always consult with the social partners before acting, but a lack of consensus on the part of the social partners was not an excuse for government inaction.
- 96.** Mr. de Leeuw stated that increasing the retirement age was a poor solution to the pension-financing problems created by demographic ageing. Experience had shown that this approach simply shifted older workers into relying on other forms of social security benefits or left workers in poverty. The preferred solution was to establish positive incentives to continue working, including decent work for everyone and lifelong learning programmes. In addition, the demographic reserve fund created by the Belgian Government was a promising approach. Early (pensionable) retirement remained indispensable and was the only socially acceptable solution, in particular in cases of restructuring or in cases of jobs involving hardship. The partial privatization of pensions in many Central and Eastern European countries was resulting in some early problems: negative real returns on workers’ investments; high private administrative charges; financial shortfalls to public pension systems due to the diversion of scheme revenues to individual accounts; and growing gender inequities. Privatization was also failing to produce the hoped-for economic growth. Given these trends, it was important to identify damage control measures. He called for: (i) priority of public pension systems; (ii) decent pensions; (iii) equality between men and women; and (iv) a strong social contract.
- 97.** An Employers’ delegate from the United Kingdom commented that the demographics of falling birth rates and the general trend of people living longer were putting significant strain on the long-term viability of pension schemes. Ideas were suggested to improve the situation, including working longer and proposals to get young people involved in contributing to pension schemes. These proposals should be the subject of social dialogue.
- 98.** Several worker delegates took the floor to reiterate Mr. de Leeuw’s concern that a mandatory increase in the retirement age was a poor response to demographic ageing. They stressed that workers must have a genuine choice of whether to continue in employment or to retire. This choice would not exist if the statutory age were increased and early retirement was penalized. Several delegates from Central and Eastern Europe took the floor to express concerns about the early performance of partially privatized pension systems. The “hole” in the financing of the public pension system created by diverting revenues to individual accounts was seen as particularly threatening to future

retirement security. The representative of the Government of Israel noted that, in collaboration with the social partners, his Government had passed a law raising the retirement age from 65 to 67 years of age for men, and from 60 to 62 years of age for women. This would permit an increase in labour participation rates and, therefore, contribution levels to pension accounts.

- 99.** Mr. Reynaud identified two broad areas of consensus in the discussion: first, ageing was seen by all as a positive trend, a sign of social progress. However, increased longevity also posed some risks of a social setback: namely, that failure to address financing problems would lead to a destabilization of the pension system, that reductions in benefits would increase poverty among the elderly and that reforms would worsen social inequalities. Second, it was agreed by all that the main solution to pension financing problems lay in the labour market, i.e. in increasing employment rates. While there were no magic solutions, it was the responsibility of all – governments, workers, and employers alike – to find effective approaches. Social dialogue was essential in order to develop reforms that could succeed and endure.

V. Challenges ahead

- 100.** Following the reports on parallel discussions, the Meeting considered the prospects, in particular as regards the role of the ILO in the region.
- 101.** The Minister of Employment and Labour of Hungary indicated that national economic deficits were more responsible for worsening problems in member States than globalization. But the solutions could be found not only at the national level but in the pursuit of global objectives: employment, labour market efficiencies, decent work throughout the working life cycle and investment for flexicurity. He advocated the path of social dialogue pursued by his own country in that direction.
- 102.** Several Employers' delegates called on the ILO to reduce the expense of Regional Meetings in future by limiting them to three days. They wished the ILO to facilitate further social dialogue on how progress could be made in the light of realities. An Employers' delegate from Austria placed emphasis on assistance to small and medium-sized enterprises (SMEs) in Stability Pact countries, the Caucasus and Central Asia, in cooperation with national employers' organizations. An Employers' delegate from Slovenia was concerned nevertheless whether the European social model could be achieved in all countries without damaging competitiveness: the role of the ILO was not just to be a meeting point – rather the Organization was a stakeholder and an actor in the necessary processes. An Employers' delegate from Norway also stressed the need for the ILO to uphold its unique credibility and integrity among organizations: its roles were in industrial relations, occupational safety and health, promotion of the ratification and implementation of core Conventions, the promotion of social dialogue and tripartism, promotion of the social elements of corporate social responsibility and technical cooperation. The last of these should aim especially to strengthen employers' and workers' organizations' capacity. A representative of the IOE called for maximum coordination among the different responsible units of the ILO. He also identified the need to assist in the improvement of governance by addressing the scourge of corruption. An Employers' delegate from Spain emphasized the ILO's role in analysing demographic changes affecting youth employment and labour market reform.
- 103.** A Workers' delegate from the Netherlands underlined the positive role of migrant labour and urged his own country and others to seek solutions within a framework of ILO instruments and a rights-based approach. This was preferable to a position oriented on other business-dominated international organizations. An Employers' delegate from the Netherlands stated that the Dutch employers' organizations and their members, in close

cooperation with the Government, fully respected the rights-based approach as discussed and recommended at the 92nd Session of the International Labour Conference. A Workers' delegate from Poland felt the ILO should work further for implementation of the core Conventions, while tackling other issues of youth employment, social protection in the face of excessive privatization, and awareness raising on the importance and techniques of social dialogue. A Workers' delegate from Belgium reminded the Meeting of the sometimes unhelpful pressure on labour law and rights exerted by international financial institutions: governments should be consistent in their policies in the different organizations, and the ILO should have a strong presence in world governance. He considered the European social model and the ILO's standard-setting system complementary, coherent and mutually reinforcing. In addition to the core Conventions, the ILO should actively promote ratification and implementation of the Labour Inspection Convention, 1947 (No. 81), the Workers' Representatives Convention, 1971 (No. 135), and the Tripartite Consultation (International Labour Standards) Convention, 1976 (No. 144). A Workers' delegate from Estonia also called for due attention to be given to inspection, including in the informal economy and to cover the problem of undeclared wages. A Workers' delegate from Serbia and Montenegro saw absence of social dialogue and national strategy as the root of social and economic problems in respect of migration, and the ILO could assist in this area: trade unions should not be made a scapegoat. A Workers' delegate from France remarked on the leading role in this debate taken by Employers' and Workers' delegates rather than Governments. International labour standards were the backbone of the ILO, and a strong basis for argument in relations with the financial institutions: but the ILO must give itself – and governments must give it – the financial as well as the political means to do what is necessary to obtain the application of standards. The European social model could be a good one in so far as it was the fruit of social dialogue and negotiation. A representative of the ICFTU warned of the danger of the kind of violations of freedom of association seen in Belarus being allowed to spread to other countries: European countries could bring economic pressure to bear on that government, and the ILO must remain watchful against misrepresentation of its position and to ensure its recommendations were respected.

- 104.** Workers' and Employers' delegates to the Meeting applauded the centrality given by the ILO to the right of employers and workers to organize in accordance with Conventions Nos. 87 and 98, and they wished the Organization to continue to give freedom of association the necessary priority.
- 105.** The Meeting took note of the delegates' statements on the way to address challenges raised.

VI. Adoption of the report and conclusions of the Meeting

- 106.** The Meeting adopted its conclusions and report without a vote. The report of the Credentials Committee was duly noted.
- 107.** As regards the drafting of the conclusions, the Employers' and Workers' delegates noted that the discussion had been difficult and the resulting text reflected the negotiations which had taken place. The Employers' delegates considered that the conclusions did not fully reflect the rich discussions at the Meeting.
- 108.** As regards paragraph 5 of the conclusions, there was debate concerning draft wording referring to "common ground" between the ILO and the EC in relation to the latter's Social Agenda, 2005-10. The Meeting understood that the Social Agenda had just been adopted by the Commission but remained to be considered by the European Parliament. In this

light, Workers' and Government delegates accepted the Employers' delegates' proposal to delete that reference, but they wished the present report to record their regret at this deletion.

- 109.** As regards paragraph 20 of the conclusions, it was indicated that the majority of the Government delegates considered the text unduly weak. A Government delegate from Austria had wished to see more reference to the question of active ageing, the extension of working life and sustainable pension systems. A Government delegate from Belgium concluded that those problems must be addressed in a balanced way. In the absence of consensus on this particular point, the text of paragraph 20 appearing in the appended conclusions was adopted.
- 110.** The Director-General congratulated the Meeting on conclusions which were a sound footing for the future of the region. The uniqueness of this Regional Meeting of the ILO was reflected in the high level of participants, including four prime ministers and many ministers of labour, as well as leading representatives of the IOE and the ETUC. The relationship between the ILO and the EU in particular was important and had grown closer. He hoped the innovative format of the Meeting – with the Prime Ministers' Panel, interactive discussions and the Informal Ministerial Meeting – would be considered by the Governing Body. Moreover, the life-cycle approach to decent work too was developing significantly in a universally agreed framework of social dialogue and tripartism.
- 111.** The Minister of Employment and Labour of Hungary thanked the large number of participants at the Meeting for their support and cooperation; and the Meeting was closed.

Appendix I

Informal Ministerial Meeting (15 February 2005)

1. A brief informal meeting of ministers was held during the Regional Meeting, to discuss the follow-up to the report of the World Commission on the Social Dimension of Globalization. The meeting was chaired by the Chairperson of the ILO Governing Body, Mr. Philippe Séguin, and was attended by ministers or their representatives, as well as representatives of the Employers' and Workers' groups.
2. The Informal Ministerial Meeting was interested to be updated by Mr. Vladimír Špidla, European Union Commissioner for Employment, Social Policy and Equal Opportunities, on the EU's experience as a model of "managed globalization", based on the shared values and democratic governance discussed by the World Commission. In practical terms, this meant pursuing twin goals of decent job creation and economic growth in a spirit of renewed partnership and the Lisbon Programme of Action. And, in relation to the ILO, it meant in particular strengthening the rule of law and good governance through universal ratification and application of the fundamental Conventions. The European social model was the region's distinctive contribution towards fairer globalization.
3. The Informal Ministerial Meeting supported the important work of the World Commission, which had from divergent points of view found common ground. The ILO similarly converged with the EU Commission on the need to manage or harness globalization to serve social ends. The EU's Social Policy Agenda appeared also to underline the internal and external aspects of policy. At the global level it had become necessary at the coming review of achievement of the Millennium Development Goals to include specific mention of the role of employment in fighting poverty.
4. Social dialogue should be pursued at regional and international levels as well as the national, but it depended on governments and social partners to initiate and institutionalize this. Given also the desirability of intensifying the dialogue and interaction between the ILO and other international organizations, including the financial institutions, the decision of the Government of Germany to host a forum this year aimed at catalysing the policy coherence initiatives advocated by the World Commission was very welcome. A subregional tripartite conference for south-eastern Europe would be hosted by the Bulgarian Government in April 2005 to discuss the conclusions and recommendations of the report of the World Commission and their implementation. The informal meeting displayed convergence of views on the role of international labour standards, particularly the eight fundamental Conventions, and the approach they offered to managing the social aspects of economic globalization (such as delocalization and social dumping).
5. The Informal Ministerial Meeting reinforced the feeling of confidence on the part of EU Members, CIS States and Stability Pact countries alike, in the ILO's role and its ability to address the social dimension of globalization by strengthening all the actors, both social partners and labour administrations, on the Organization's principles.

Appendix II

Gender equality side event

The need for social dialogue on gender equality, the greater visibility of women in the labour market and gender-sensitive labour market information were highlighted by a panel of speakers from ILO constituents held on 16 February. Over 150 delegates from ILO constituent bodies participated in a useful East-West exchange of experiences. The discussion highlighted the challenges faced by countries in Central and Eastern Europe in the process of transformation, as well as the countries in Western Europe, of creating flexible labour markets to ensure competitiveness while at the same time providing decent jobs and income security for workers.

A presentation of the main findings of a comparative report on the gender dimension of labour market flexibility and security in Central and Eastern Europe was made. Following this, the Minister of Youth, Family, Social Affairs and Equal Opportunities (Mr. Kinga Göncz) of Hungary, the Employer spokesperson (Ms. Christiane Bertrand-Schaul) and the Worker spokesperson (Ms. Karin Beate Theodorsen), drawing from their own experiences, recommended to delegates and the ILO that the needs and concerns of men and women workers must be the subject of dialogue between the social partners. Gender concerns, and in particular women's concerns, must be made visible in all discussions on labour issues and mainstreamed in all ILO activities. It was noted that this would only be possible if there was adequate representation of women in constituent organizations at decision-making levels, in their delegations, in bargaining teams and in business. It was seen as important to increase participation rates of women in the labour market, but this would mean that issues such as work-family responsibilities, pension scheme reform, part-time work, gender pay gaps needed to be addressed. Up-to-date sex-disaggregated labour market information was essential to facilitate informed discussion and the ILO had a role to assist governments in this regard.