



Ninth European Regional Meeting

Oslo, Norway, 8–11 April 2013

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Report

Opening of the Regional Meeting

1. The Ninth European Regional Meeting of the ILO was held in Oslo, Norway, from 8 to 11 April 2013.
2. The Meeting unanimously elected Ms Anniken Huitfeldt, Minister of Labour of the Kingdom of Norway, as its Chairperson. It elected Mr George Papadatos, Minister Counsellor, Permanent Mission of Greece, Geneva, as Government Vice-Chairperson; and Mr Jorgen Rønneest (Denmark) and Mr Mikhail Shmakov (Russian Federation), as Employer and Worker Vice-Chairpersons respectively.
3. The Meeting set up a Drafting Group on the Conclusions composed of five Government representatives, five Employer and five Worker representatives. It also appointed a Credentials Committee in accordance with the *Rules for Regional Meetings*, 2008.
4. The Chairperson of the Regional Meeting welcomed the tripartite delegations to the Meeting and to Oslo. She recalled that Norway was among the 42 founding Members of the ILO, and remained a loyal supporter of the Organization in its efforts to bring social justice to all peoples in all regions of the world. The continuing prevalent financial uncertainty meant that now, more than ever, the world needed a strong ILO. She called on the Meeting to give clear indications to the Director-General as to the direction in which the Organization should move over the next four years so as to enhance still further its technical cooperation and assistance activities, and in seeking powerful and effective solutions to alleviate the effects of the financial, economic and social crisis. To this end she was confident in the strong support of the three groups – Governments, Employers and Workers – in providing concrete, practical and creative suggestions for action.

Panel of Heads of State or Government/OECD

How to tackle the consequences of the financial crisis

5. The Meeting held a panel of Heads of State or Government, with the participation of President Dalia Grybauskaitė of the Republic of Lithuania; of Prime Minister Jens Stoltenberg of Norway, Secretary-General Angel Gurría of the Organisation for Economic Development and Co-operation (OECD), Mr Javier Ferrer Duffol, Vice-President of the Spanish Confederation of Employers' Organizations (CEOE); and Ms Bernadette Ségol, General Secretary, European Trade Union Confederation (ETUC) on the subject of *How to*

tackle the consequences of the financial crisis. The Director-General of the ILO, Mr Guy Ryder, acted as moderator of the panel.

6. The Director-General of the ILO welcomed the panellists and expressed gratitude to the Government of Norway for hosting the Ninth European Regional Meeting. He reminded the audience of the magnitude of the continuing economic and employment crises in Europe and noted that there was no obvious resolution in sight. He called on the panellists to share their insights and experiences as valuable contributions to the Conference which sought both to discuss the situation and then to reach agreement in proposing effective actions to achieve recovery.
7. The President of the Republic of Lithuania introduced her country's experience with the remark that all examples were country specific and although there were lessons to be learnt from the Lithuanian experience it would not necessarily be appropriate to draw on the experiences in their entirety: one size did not fit all. Whilst noting that Lithuania was affected relatively late by the crisis she emphasized that when the crisis hit, it hit hard, with a drop of 15 per cent in GDP. However, within about one-and-a-half years, growth was restored and although it was difficult, this was achieved without outside assistance. She highlighted three interrelated and mutually supportive approaches taken by the Government of Lithuania to address the crisis: austerity, structural reform and stimulus. In all cases, it was necessary, although not easy, to foster national consensus on the way forward, particularly with regard to reductions of wages and benefits and the introduction of tax measures, at the same time ensuring that all groups in society shared the burden of austerity. She stressed that high-level policy-makers needed to set an example to build confidence among the population and, in this regard, she took a 50 per cent pay cut over three years to demonstrate her commitment and solidarity with the austerity programme. A strict programme of fiscal consolidation, involving a 12 per cent cut in the budget over two years, caused huge social costs including a 20 per cent fall in average wages, a 5 per cent cut to pensions and a 3 per cent increase in VAT. To ensure that workers and employers and the population more generally could accept these measures, the Government pledged that they would be temporary, and that when growth returned, certain austerity measures could be reversed. The Government also implemented structural reforms in the labour market including raising the pensionable age to 65. To balance austerity with stimulus, the Government implemented policies to protect the most vulnerable, to provide credit on favourable terms to small enterprises and start-ups and selected active labour market policies to address unemployment. She concluded by noting that although these policies inevitably caused suffering and social tensions, they were justified given the results achieved.
8. The Prime Minister of Norway welcomed participants to Norway and thanked the ILO for its role in organizing the Ninth European Regional Meeting. He underlined the importance of tripartite discussion, informing delegates that the Norwegian social partners had, that very morning, agreed on a wage settlement and that this had set a good tone for the Meeting. He underlined that the topic of the panel was very timely given the crisis affecting the world and the European region in particular and cautioned that even if or when the financial aspects of the crisis were resolved, there was a real risk that the social consequences and, in particular, unemployment, would have a more lasting effect. Before elaborating on the Norwegian experience, he also cautioned that when it came to policies, countries should not copy each other but rather learn from and inspire each other. The Prime Minister highlighted five issues which contributed to ensure that Norway was relatively unaffected by the crisis. Firstly, efficiency and growth could be combined with equity. The Nordic countries had demonstrated that inclusive societies were also dynamic societies and that there was no necessary tension between high taxes and a strong welfare state on the one hand and a competitive and efficient economy on the other. Secondly, there was a role for active labour market policies and social protection policies to reduce vulnerability, strengthen security and increase flexibility. He stressed that people, and

youth in particular, need to be equipped with the skills for work, to enhance their employability. Thirdly, he underscored the value of tripartite cooperation and strong social partners to reduce workplace conflict and enhance stability for both workers and employers, including when it came to reconciling fiscal consolidation with social needs. Fourthly, the Prime Minister stressed that part of the success in dealing with the crisis had been due to the high level of female participation in the labour market. This had a rights or normative angle but was also a major contributor to economic growth and productivity. He asserted that female participation in the economy was probably more important to the country than the revenues from oil and gas. He clarified that these revenues went exclusively to the national pension fund and it was the financial return from this fund that constituted the main part of the Government's revenue. Norway had not faced the problem in which many governments of Europe had found themselves through spending money they did not have. Fifthly, he suggested that another reason why Norway had weathered the crisis well had been by ensuring that labour markets were open to migrant workers, although he stressed that it was also important to balance this with policies to avoid social dumping, protect migrant workers' rights and to maintain established standards in the labour market. Collective bargaining agreements based on effective social dialogue and adequately resourced labour inspectorates were central to this.

9. The Secretary-General of the OECD pointed out that there were many serious social and economic challenges facing Europe and Central Asia. Referring to the recent *Economic Outlook Assessment* of the OECD, he noted that there was a rebound in economic growth but developments remained very uneven, citing the example of fluctuating job growth figures from the United States. He highlighted the very negative impact of the crisis on labour markets with many countries facing very high unemployment, underemployment and long-term unemployment rates with young people and low-skilled immigrants typically hardest hit. In addition to broad-based policies to improve the functioning of markets in an open and transparent manner and policies to encourage investment and competition, he highlighted the following measures for getting people back to work. Firstly, confidence in growth needed to be restored, partly through supporting aggregate demand. In this regard, many countries needed to repair financial systems, take action on banking reform and restore public finances. Secondly, he called for action on job-rich recovery given that average Euro area unemployment stood at 12 per cent and double this for youth unemployment. He stressed that even countries facing severe fiscal constraints could respond to this challenge with targeted and well-designed measures. Thirdly, it was necessary to improve employment prospects for young people with policies to avoid school drop-out and to better match the skills of young people with the needs of enterprises as well as to establish appropriate public employment services for youth. Fourthly, he stressed that governments should design specific programmes and policies to tackle the issue of long-term unemployment including through job subsidies and publicly subsidized programmes to help people regain work experience. In giving effect to these policies, he referred to a double whammy effect: there were now greater needs, but fewer resources available. However, he suggested that the implementation of effective reforms in many countries would not necessarily put a very high burden on government spending. In concluding, he stressed that, in general, reforms aimed at economic efficiency and performance were ultimately also good for jobs and labour market inclusion and that this would be a core theme at the upcoming OECD Council Ministerial Meeting.
10. Speaking on behalf of the Employers' group, the Vice-President of the Spanish Confederation of Employers noted that many countries, including Spain, had embarked on structural reforms and measures aimed at increasing labour market flexibility, consolidating public accounts and at recapitalizing financial markets. He noted that many tough reforms were already showing positive results although more was expected in the longer term. Notwithstanding the need to reign in public expenditure, he advocated a number of important policy responses to the crisis including investments in education, training and apprenticeship programmes, the need to reduce bureaucracy and red tape, to

ensure more efficient public services and more effective public–private cooperation, including with respect to pension reform. He maintained that the current levels of high unemployment were also the outcome of existing inflexibilities in labour markets as well as structural impediments and these needed to be addressed. He stressed that the reform agenda should include measures to stimulate private sector growth, through various enabling conditions and improved access to credit, so that the private sector could foster income and job growth. He concluded by reiterating the importance of effective social dialogue as a platform for developing policies for recovery.

11. Speaking on behalf of the Workers' group, the General Secretary of the European Trade Union Confederation (ETUC) noted that the promised growth in exchange for austerity had not yet materialized. Generally, it appeared that markets had not been reassured in relation to various structural reforms and prospects for growth and recovery across the Eurozone were generally poor. Precarious employment and the number of the working poor were on the rise and workers' rights were under increased attack. She said that European crisis responses had been a failure in social terms with unemployment still on the rise. Those responsible for the crisis, namely the speculators, were not paying for it. Instead, those paying for it were the people on minimum wages and other vulnerable people. This was not only unfair in moral terms but also socially dangerous. She called for a new path of growth, to include debt reduction but not at the expense of growth in jobs or workers' rights, emphasizing that unemployment could not be accepted as an unfortunate side effect of the measures taken. There was a need for a moratorium on austerity and on the cutting of benefits and minimum wages. Flexible labour markets were not the solution if they simply gave rise to precarious jobs. Instead, she called for a new investment plan with 1 per cent GDP in the EU to be channelled into investment initiatives and the creation of new jobs and contrasted this with the huge sums spent on rescuing banks. She stressed that it was important to shape a sound tax base on which to build such an investment plan and that this entailed fighting tax evasion and undeclared work, curbing tax havens and controlling what she referred to as the financial sector driven casino economy. She stated that deficits went up when public income went down. Moreover, changes in wage policies were necessary. She noted that a reduction in the share of wages whilst profits were on the rise was neither fair nor sustainable, and that without decent wages, that is, a wage of at least 60 per cent of the average, there would be no way out of the current crisis. She reaffirmed that in times of crisis, as at all times, the ILO had a crucial role to play in the promotion of fundamental principles and rights at work and in promoting social dialogue which was, in turn, fundamental to democracy. She concluded by extolling the benefits of the European social model built on social cohesion and social dialogue, noting that those countries that were performing best in the current crisis were those where the model was observed.

Introductory statements

12. The plenary sitting opened with statements by Ms Anniken Huitfeldt, Minister of Labour of Norway; Mr Gilles de Robien, Chairperson of the Governing Body of the ILO; Mr Oleh Shevchuk, Vice-President, Federation of Employers of Ukraine (FEU) and Mr Luc Cortebeeck, Honorary President, Confederation of Christian Trade Unions of Belgium (ACV/CSC) and an address by the Director-General of the ILO.
13. The Minister of Labour of Norway emphasized that messages from the ILO were crucial to policy-making in her country, highlighting significant historical labour relations moments. She drew attention to four key factors impacting Norway's stability and relatively low unemployment rate: social dialogue, particularly in times of economic crises and high unemployment; sound macroeconomic policies combined with active business and labour market policies; investment-led policy rather than austerity; and continuous focus on equal opportunities for women and men.

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14. The Chairperson of the Governing Body of the ILO highlighted the great opportunity for countries in Europe to learn from each other as well as the lessons learned throughout the ILO's history. He reminded participants that the ILO was at a key crossroad with a new Director-General creating new opportunities for bold initiatives, marrying social justice with freedom for women and men in Europe.
 15. The Director-General of the ILO welcomed all participants and thanked the Government and social partners of Norway for hosting the event, which provided the opportunity to take a long hard look at the state of the European world of work and to come to agreement on what should be done about it. He reminded the Meeting that the European model spoke to the aspirations of citizens throughout Europe to live their lives based on the ILO's founding principle that lasting peace is built on social justice: work needed to be done to make this a reality. Two points were reiterated: addressing the core ILO objectives – jobs, wages, social protection, the sustainability of enterprises, rights and industrial relations – required a focus on the wider policy context, including its financial dimension; and the complex and controversial issues confronting Europe required more and better strategies than had been brought to the debate. He called on the Meeting to provide frank, honest guidance to the ILO, together with its sister international and regional organizations.
 16. The Vice-President of the Federation of Employers of Ukraine, speaking on behalf of the Employers' group, reminded the Meeting that poverty, deteriorating working conditions and living standards, the gap between the rich and poor, unemployment and degradation of production undermined people's confidence, leading to new disappointments and social and economic tensions. Government efforts to address these challenges with far-reaching and necessary structural reforms were starting to bear fruit, but needed time to reach their full effect. He noted that the Employers group's main objective of the Meeting was to support the reform efforts through constructive discussions on approaches that facilitated transitions to the labour market, fostered job creation, addressed youth unemployment and also met the demographic challenge. He noted that the Director-General's Report missed the opportunity to provide an analysis of lessons learned from various approaches to reform. Drawing attention to the lack of professional training of youth in his country, he shared the experience of an initiative taken by Ukrainian employers to address this through the development of a national professional qualification system, which was approved by the Cabinet of Ministers.
 17. The Honorary President of the Confederation of Christian Trade Unions of Belgium and Worker spokesperson, emphasized the devastating economic, social and political consequences of the crisis on Europe, with no recovery in sight. He noted that the economic stimulus packages introduced in 2008 and 2009, which prevented a repeat of the Great Depression, were replaced by fiscal austerity measures, exacerbated by labour market reforms that hit the poor the hardest. Most of the austerity measures and labour reforms were implemented without social dialogue, in some cases weakening trade unions and contradicting ILO standards on fundamental principles and rights at work. He drew attention to the dire situation of youth unemployment, decreasing quality of jobs and weakening rights of young workers and the associated risk of losing a generation. He stressed the urgency of implementing the 2012 International Labour Conference conclusions, which called on the ILO and governments to identify mechanisms that facilitated transitions from casual and temporary work to stable and permanent jobs. He reiterated the Workers' group call to increase resources and support for apprenticeship schemes, noting that the EU Youth Guarantee Scheme was a good starting point. In conclusion, five priorities for the Workers' group were outlined: the key role of the ILO in arguing against fiscal austerity; the need to replace austerity by investments in the real economy and macroeconomic policies that put creation of decent jobs at its core; the need to recognize and respect international labour standards as a precondition for economic growth and social progress; genuine tripartite social dialogue; and the need to take up the

General discussion

18. The Minister for Social Protection of Ireland, speaking on behalf of the Irish Government and the Irish Presidency of the EU Council of Ministers, declared that Ireland's EU Council's Presidency was committed to moving from crisis response to support sustainable recovery. The momentum of national reforms must be maintained to achieve the goals of the Europe 2020 Strategy: a growth that was smart, sustainable and inclusive. The EU Youth Guarantee Scheme agreed at the February EPSCO Council was a first step in tackling the crisis. The Council also highlighted the increasing long-term unemployment and the need for more effective activation and better education and training. The speaker concurred with the finding of the Director-General's Report that social dialogue had been a casualty of economic adjustment in countries hit by the crisis. Ireland's experience underlined the need for social dialogue, which continued to play a critical role in economic policy at a very difficult time. Finally, she informed the Meeting that Ireland's Presidency of the Council of Ministers would urge other EU Member States to ratify the Domestic Workers Convention, 2011 (No. 189).
19. The Minister of Labour and Social Affairs of Germany emphasized the central role of social dialogue in the current job crisis. She cited the experience of Germany's economic downturn ten years ago and the crucial part social dialogue played in adopting important labour market reforms. In this relation, she made three proposals: adjust the framework of the European social model to today's reality; determine the right balance between fiscal consolidation and targeted investment; and bring to the table lessons learned from the Youth Guarantee Scheme and the ILO database on good practices on youth employment.
20. The Deputy Prime Minister and Minister of Labour and Social Policy of the Republic of Bulgaria noted that Bulgaria achieved financial stability through strict fiscal discipline during the crisis, but questioned the social costs. She emphasized the public unrest that followed leading to the resignation of the Government and the appointment of an interim Cabinet. Although a minimum package of measures was introduced to support the most vulnerable, she reiterated that fiscal discipline would not be undermined. Reflecting on the crisis of youth employment portrayed in the Director-General's Report, she stated a need for enhanced coordination and partnerships worldwide, with the ILO playing a leading role. She outlined the "Work for young people in Bulgaria" initiative (2012–13), employing an integrated policy approach relying heavily on the European Social Fund. The youth employment crisis combined with demographic changes called for clear identification of those sectors capable of generating economic growth and employment. In conclusion, she welcomed the efforts of the ILO to expand social dialogue through technical assistance to the countries in need.
21. The Vice-President of the International Organisation of Employers (IOE) pointed out that the crisis had impacted countries differently, requiring different responses ranging from cutting the budget deficit, improving competitiveness, making labour markets more flexible, to reforming social security systems. She called on the ILO to assist member States by providing its expertise in the areas of flexibility and social inclusion, addressing the informal economy, and sustaining the social security system for an ageing population. The Director-General's Report was disappointing as it was restricted to critiques of austerity measures while ignoring structural issues. She expressed the need for social partners to build capacity to be more autonomous, strong and responsible, drawing on the positive example of Norway's pension reform, supported by the social partners mentioned earlier that afternoon. In conclusion, she called on the ILO to support social dialogue of all tripartite stakeholders.

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22. The Minister of Labour and Social Policy of Italy drew attention to the effects of the crisis, the various problems confronting governments, workers and employers in Europe and the challenge of safeguarding the European social model during a period of uncertainty and fear. She noted the particular plight of youth, women and older people and stressed the need for achieving a consensus to strike a balance between sustainable job creation and a sustainable fiscal balance with fiscal consolidation measures complemented by employment and social policies to restore confidence. The Minister spoke of structural reforms in Italy, agreed through effective social dialogue and designed to reduce labour market segmentation, to reduce informal employment and extend social safety nets. However, achieving consensus on pension reform had proven more difficult. She regretted that there was insufficient fiscal space in Italy to cut taxes on labour as she saw this as a potential measure to foster employment growth. Finally, she highlighted the valuable work undertaken by the International Training Centre at Turin.
23. The Minister of Social Security and Labour of Lithuania noted that austerity measures to stabilize the financial system had negatively affected the labour market. She underscored the need to establish a good business environment to foster sustainable job creation. She described how Lithuania was implementing measures to reduce unacceptable and insecure forms of employment and to strengthen workers' rights including for part-time and temporary workers and stressed the urgent need to respond to the problems of youth unemployment, an ageing society and social security reforms. She reiterated that the Government of Lithuania promoted collective bargaining and social dialogue and recognized that the principles enshrined in international labour standards were important for making jobs better both for employers and workers.
24. The Minister of Labour and Social Security of Turkey stated that the crisis had now become chronic and recovery required sacrifices from everyone. Successful policy responses, he suggested, should seek a balance between fiscal stability and investment in job creation. He pointed out that Turkey was one of the countries less affected by the crisis, had emerged quickly from it and had enjoyed strong recovery. He backed this up with a number of positive economic and social figures to indicate that the strong economic and employment growth had achieved a big reduction in informality and ensured stable or growing budget allocations for social assistance and active labour market policies. He also highlighted various legislative measures to strengthen social dialogue, collective bargaining, occupational safety and health (OSH) and other labour market-related legislation in Turkey. Finally, he noted that Turkey had hosted the XIX World Congress on Safety and Health at Work (Istanbul, 2012) and concluded by reminding the participants that the current crisis was neither the first nor the last one and that measures to tackle crises must always be comprehensive and effective.
25. The State Secretary of the Ministry of Labour of Finland stated that the European crisis had different dimensions. It was of paramount importance that countries respect their international commitments and the basic rights of their citizens. Nevertheless, economic sustainability of policy measures must be the starting point for governments. Although Finland had a labour force with high skills and a comprehensive welfare system, the hardest hit parts of the population were youth, long-term unemployed and migrant workers. In 2013, Finland introduced a youth guarantee scheme and measures to further integrate migrant workers. Also, Finland extended the duration of unemployment insurance benefit for those who undertook vocational training, and childcare allowance for better work–family balance. Finland had a high level of trade union membership and implemented effective sectoral level collective bargaining agreements. The Government stressed that the country-specific recommendations of the Europe 2020 strategy must respect national wage-setting traditions and the right of social partners to agree on the desired minimum wage level among themselves, without government intervention.

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26. The Minister for Social Policy of Ukraine stated that in times of severe crisis, only systematic transformation could promote employment based on decent work. She noted that Ukraine had been strongly affected by the crisis and had introduced a wide range of measures to combat the effects of the crisis as part of the presidential programme of economic reforms which, together with other initiatives, included improvements to the pension system, modernization of social protection, personalized and targeted social assistance, better quality social services, active labour market policies, stimulus to small business and measures to address the needs of the most vulnerable.
27. The Secretary of State for Employment of the Ministry of Economics and Employment of Portugal stated that Portugal was one of the countries most adversely affected by the crisis and that the subsequent fiscal constraints had affected Portugal's capacity to apply the full range of policies to address the employment effects of the crisis. Despite this, Portugal had actively promoted international labour standards, strengthened active labour market policies, particularly for youth, reinforced labour inspection and maintained social protection systems. He concluded by highlighting excellent collaboration with the ILO, particularly through the Lisbon Office.
28. The Director-General of the Ministry of Labour of Slovenia stressed that ILO values were more important than ever during times of crisis and noted that recent reforms of the labour market in Slovenia were due to come into effect in April 2013. The main thrust of the reforms was to reduce labour market segmentation and implement flexi-security measures. The Slovenian experience showed that social dialogue and the joint commitment of the social partners was essential to the reform process. He concluded by stating that in times of crisis, individual interests might need to be sacrificed for the broader benefits of society as a whole.
29. A Workers' delegate from Turkey reiterated the demands made at the previous European Regional Meeting in Lisbon calling for urgent action to tackle the crisis. He highlighted concerns over the implementation of austerity measures and stressed that notwithstanding Turkey's dynamic economy, workers there still faced many challenges: unionization rates were low, the informal economy was large, there was a high level of occupational accidents, low levels of female participation in the labour force, precarious work was increasing and, although legislative changes had been made to give effect to collective bargaining and the right to strike, there were still restrictions for public sector workers. He called for further action to promote jobs for youth and women and the implementation of measures to protect vulnerable members of society.
30. The Minister of Labour of Romania noted that although economic indicators suggested that the situation in Romania had begun to improve, the country still faced various risks and challenges, with particularly high levels of youth unemployment, for example. She flagged the need for policies which struck a balance between job creation and fiscal discipline. In this regard, Romania had sought to mitigate the effects of austerity measures by increasing the minimum wage and by policies to restore the connection between wages and productivity, in order to stimulate balanced, equitable growth. She stated that such policies were grounded in tripartite social dialogue. Furthermore, the Government actively cooperated with the ILO and EU in order to ensure the coherence of its policies with respect to international labour standards and EU Directives.
31. A representative of the Ministry of Labour, Employment, Professional Development and Social Dialogue of France drew attention to three important areas: social dialogue to improve the development of quality jobs; the need to address the challenge of youth unemployment; and the need for policy coherence nationally and across Europe. He emphasized that sustainable economic and social development should go together and that rights at work and good social dialogue would underpin labour efficiency and productivity. He noted a number of measures that France had put in train to improve the job prospects of

youth and emphasized that these benefited from policy coherence across Europe and from the expertise of the ILO.

32. An Employers' delegate from Portugal stressed that difficult times called for new approaches. He underlined the importance of social dialogue for correcting imbalances in society and as a tool for exiting the crisis. He noted that flexibility did not necessarily equate to precarity in the labour market. In Portugal a tripartite agreement on competitiveness, growth and employment had been established and this should lead to sustainable solutions to the crisis. This social dialogue had produced better results and was particularly important in terms of the new demographic challenges facing Portugal and the European region more generally. Competitive businesses were the main creators of jobs and an important issue was to strengthen the ILO so that it could better support the world of business and thus promote decent work. The Portuguese Employers' delegate reaffirmed the commitment of the Portuguese employers to the ILO and to help it in its endeavours.
33. The Federal Minister of Labour, Social Affairs and Consumer Protection for Austria underscored the need for policy coherence and consistency across social, economic and financial policies to underpin sustainable solutions to the crisis both at the national level and with respect to policy advice from international actors such as the EU, OECD, World Bank, IMF and the European Central Bank (ECB). Social dialogue had played a crucial role in Austria, with social partners involved in formal decision- and policy-making processes and in drafting national laws. The Minister insisted that to have balanced outcomes, particularly during the crisis, all partners had to work together constructively and that although creating employment was key, the quality of this employment was paramount and the tenets of international labour standards should not be questioned. In Austria a functioning system of social dialogue explained why the labour market situation was relatively good, with the lowest unemployment figures in the EU and the second lowest youth unemployment levels. Austria had not rushed into a one-sided austerity approach but had also ensured that policies supported the creation of employment. In general a more balanced approach was needed across the EU and social dialogue was a precondition for achieving measures that were more sustainable. The Austrian Government wholeheartedly supported the EU's adoption of a Youth Guarantee Scheme and Austria had had a good experience with such schemes. These schemes trained youth and gave them skills to compete in the labour market and also gave them direct access to jobs and employment. These types of policies were an investment in the future and would serve to prevent future social problems.
34. A Workers' delegate from Belgium highlighted the many problems facing workers across the EU, noting that their rights were threatened and that the European social model was under severe threat. Unemployment in Europe was high and youth unemployment extremely high. The IMF had accepted that its growth estimates for many countries had been wrong, and President Barroso of the European Commission had called the situation in Europe a social emergency that could result in social disorder. ILO fundamental rights and principles and the EU Human Rights Charter needed to be implemented if Europe were to find a way out of the crisis. Solutions had to be based on the European social model and a vision of sustainable growth and living conditions, decent work and social inclusion. Underlying this were the crucial concepts and tools of social dialogue, collective bargaining and social protection. He drew attention to particular ILO Conventions on child labour, forced labour, minimum wages and wage fixing, employment policy and non-discrimination. He stressed that standards covering social dialogue underpinned all others and at this time of crisis, only policies and solutions identified through social dialogue would be acceptable to all parties. Social partners had to be consulted on all aspects of crisis responses and workers' fundamental rights had to be respected and implemented. He concluded by stating that this needed to be accepted by all institutions.

High-level tripartite ILO/IMF/EC panel discussion

Recovery from the crisis – Coherent policies for growth and jobs

35. The Meeting held a high-level tripartite ILO/IMF/EC panel discussion in which the Director-General was joined by Mr Min Zhu, Deputy Managing Director of the IMF; Mr Olli Rehn, Vice-President of the European Commission, Economic and Monetary Affairs and the Euro (by video link); Mr László Andor, European Commissioner for Employment, Social Affairs and Inclusion, Mr Harry Kyriazis, Executive Vice-Chairman, Federation of Greek Enterprises and Industries (SEV); and Mr Plamen Dimitrov, President, Confederation of Independent Trade Unions of Bulgaria (CITUB). The panel was moderated by Mr Espen Barth Eide, Minister of Foreign Affairs of Norway. The subject before the panellists was *Recovery from the crisis – Coherent policies for growth and jobs*.
36. The Minister of Foreign Affairs of Norway reminded the Meeting that the challenges in the region were deeply complex and varied but some common threats were evident in the presentations: rising unemployment and inequality; social protection and rights undermined; and social dialogue challenged. Experience showed that dialogue could ensure trust and cohesion, ease consensus building, protect the vulnerable and reduce risks of social unrest.
37. The Vice-President of the European Commission, Economic and Monetary Affairs and the Euro highlighted the common roots of the ILO and the EU and stressed the important contribution of the social partners in overcoming the crisis. He noted that the social effects of the crisis were still felt in Europe: unemployment, particularly amongst youth, had reached unacceptable levels; and the real economy was stagnant. At the same time, he maintained that confidence was increasing and recovery should become more robust in 2014. Accumulation of public and private debt was at the heart of the crisis of the region exacerbated by structural weaknesses and past political failures. Because the region's economic governance needed to keep pace with developments in the real economy and the finance world, the EU enacted tougher requirements for capital markets; explored a single supervisory mechanism for failing banks; and pursued better policy coordination among the Member States. He addressed the challenges of competitiveness, stressing the need to introduce reforms for sustainable growth and job creation through efforts to support research and development, training, entrepreneurship and business development including the flow of credit to small and medium-sized enterprises. An important measure was the increase in lending capacity of the European Investment Bank which allowed support for public investment in regions with economic difficulties. The region needed to continue labour market reforms and remove obstacles to job creation. Such reforms must respect collective bargaining and be in line with the EU Charter on Fundamental Rights. The EU Employment Package and the Social Investment Package were important measures to improve the employment and social situation. Better designed and implemented reforms were needed, an outcome of genuine social dialogue. In those countries that had successfully weathered the crisis, social dialogue had played a key role. In this context, he welcomed ILO support.
38. In response to a question from the President of CITUB concerning additional steps proposed where austerity measures had failed, the Vice-President of the European Commission noted the need for an economic strategy based on two pillars: fiscal consolidation and sustainable growth and development. The increase in public debt put a permanent drag on growth, requiring public banks to stimulate investment and repair the finance system and the banking sector in the EU.

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39. The Director-General of the ILO, noting the support for social dialogue and collective bargaining, asked why social dialogue had been displaced in some decisions of the EC.
40. The Vice-President of the European Commission reiterated the point that social dialogue was fundamental to the European model, and the national government of each country took ownership and responsibility to include the social partners in economic reform and adjustment.
41. The Deputy Managing Director of the IMF raised three key points in his intervention. Firstly, global economic recovery was moderate and patchy and remained weak in Europe as a result of weak growth, lack of aggregate demand and different levels of competitiveness in subregions. He stressed that, despite a 3.3 per cent global growth forecast, growth in Europe remained weak because of a debt overhang and lack of aggregate demand. He reiterated that structural reforms and competitiveness were major issues for the region, highlighting the need to promote aggregate demand and growth, protect the poor and invest in human capital. In addition, the region needed to increase labour market flexibility and promote greater labour market mobility. Noting recent collaboration with the ILO, he highlighted progress made since the Joint ILO/IMF Oslo Meeting in 2010: intensified cooperation with the social partners in various countries; shared expertise on the issue of the social protection floor; and increased mutual understanding. He concluded that the IMF was committed to making employment and growth and social dialogue part of its cooperation with the ILO.
42. In response to a remark from the Norwegian Foreign Minister referring to earlier policies of the IMF which had been based on the Washington Consensus and its current interest in job creation and poverty alleviation, the Deputy Managing Director of the IMF stated that Europe was moving in the right direction. Many countries were moving towards a budgetary balance situation and the creation of new fiscal deficit was reduced in many countries. He reiterated, however, that apart from fiscal consolidation, the region also needed to invest in human capital and infrastructure to strengthen aggregate demand. He concluded by emphasizing that a balance between austerity and growth was needed.
43. The President of CITUB emphasized the need to put job creation first, yet this had not been done in all countries in Europe, notably Spain, Greece and Portugal, which relied too heavily on austerity measures. This created inequality, which was not only unfair but did not lead to sustainable growth. In Bulgaria social unrest grew despite following the recommendations of the IMF. He called on the ILO to: intervene immediately in countries like Spain, Italy and Portugal; help rebuild trust in tripartite institutions; and take a proactive stance in rejecting austerity and promoting income-led growth.
44. The Executive Vice-Chairman of SEV put forward three messages: creating more and better jobs required sustainable and competitive private business; a competitive business environment needed structural reforms and an efficient, lean and frugal state apparatus; and employers, workers and the unemployed had a shared interest in the outcomes of these reforms and a shared duty to push them forward. Several countries had realized this and had taken the necessary measures, yet this was not the case in Greece. He clarified that, in contrast to what some people thought, social dialogue and collective bargaining in his country had been decentralized, not weakened; employers and workers at the enterprise level were working together rather than through national or sectorial agreements, drawing attention to the over 1,000 collective agreements now concluded at the enterprise level. Responding to a question from the moderator about the dangers of losing broad collective agreements, he noted that wages at the micro level were most important and the workers knew exactly what was happening, recognizing the difficulties of making horizontal decisions in the current situation.

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45. The European Commissioner for Employment, Social Affairs and Inclusion referred to the Nobel Prize received by the EU for its long-term achievements. For the most recent period, he hypothetically suggested four nominees: the Employment Package Towards Job Rich Growth in Europe, focused on boosting employment, labour mobility and strengthened employment and economic governance; the Youth Employment Package, and notably the Youth Guarantee Scheme, which had shown positive results in countries such as Austria and Finland; the Social Investment Package to help modernize welfare states; and a paragraph from the Conclusions by the European Council in December 2012 stating that the “European Monetary Union as well as the EU must have a social dimension with social dialogue”.
 46. The Director-General of the ILO focused on the issue of coherence, the subject of the panel discussion, highlighting the repeated reference to the importance of social dialogue and sharing responsibilities. Coherence among the IMF, ILO and EC had not always been easy or straightforward, yet a tangible step forward had been taken between the ILO and the IMF at the 2010 Oslo Conference and more needed to be done. He reassured the President of the Confederation of Independent Trade Unions of Bulgaria that the ILO intended to develop a stronger partnership with the EC. The issue of jobs, growth and rights did not rest exclusively with the ILO; the debates involved many players including the World Bank.
 47. The President of the Federation of Independent Trade Unions of Russia reminded the meeting that Europe was bigger than the EU and the Eurozone, asking how the panellists intended to assess the situation in “greater” Europe.
 48. The moderator asked whether the macroeconomic numbers presented by the IMF would restore trust and optimism in the region.
 49. The Deputy Managing Director of the IMF agreed that all of Europe was affected and faced challenges in job creation and growth including the emerging economies. He emphasized the importance of cohesion, noting that the mandates of the institutions were different but they shared the same vision. In the case of Bulgaria, macroeconomic stabilization was important but more social dialogue on wages and productive growth was necessary.
 50. The European Commissioner for Employment, Social Affairs and Inclusion noted that, although there were similarities with 1980s perestroika, there was a crucial difference – countries were seeking to join the EU determined to achieve integration for economic, social and political benefits.
 51. The Executive Vice-Chairman of SEV highlighted the fact that strategic goals were shared, but each country and markets differed, leading to confusion about horizontal solutions. International organizations had a role to play in this regard, sharing good practice and lessons learned, so individual countries could devise their own roadmap.
 52. The President of CITUB stressed that true social dialogue had to listen to the voices of the people. He called for a new policy mix from the ILO, IMF and World Bank.

High-level tripartite panel discussion

Job-rich growth and quality jobs

53. The Meeting held a second high-level panel, with the participation of Mr Sigbjørn Johnsen, Minister of Finance of Norway, Mr Maxim Topilin, Minister of Labour and Social Protection of the Russian Federation; Mr Bolat Zhamishev, Minister of Finance of the Republic of Kazakhstan; Ms Joan Burton, Minister for Social Protection of Ireland; Ms Renate Hornung Draus, Vice-President for Europe, International Organisation of Employers (IOE); Mr Roar Flåthen, President, Landsorganisasjonen i Norge (LO-Norway). The panel, which considered the subject of *Job-rich growth and quality jobs*, was moderated by the ILO Deputy Director-General for Policy.
54. The Minister of Finance of Norway stressed that human capital was the principal asset of all countries even those, like Norway, with abundant natural resources. Given the importance of human capital, he drew attention to the plight of young people in Europe, many of whom were currently unsure of their futures and struggling to gain access to the labour market. He warned that there were no quick fixes to the challenges of post-crisis recovery but it was clear that without economic growth, there could be no recovery. He referred to lessons learnt from Norway's recovery from crisis in the early 1990s. The "Solidarity Alternative" involved wage moderation for those in employment, a major tax reform, and a reform of the labour market to make it more accessible to young people. One of the lessons learned was that a strong welfare state fostered resilience to shocks and was necessary to support a more flexible labour market; indeed, a well-functioning welfare state was a prerequisite and precondition for sustainable, fair and flexible labour markets and also constituted a national competitive advantage. He flagged the importance of active labour market policies to make labour markets work better, especially for youth and called for better balance between the supply and demand for skills, suggesting that skills mismatches could be addressed through better apprenticeship programmes, among other measures.
55. The Minister of Labour and Social Protection of the Russian Federation referred to unemployment figures that suggested a relatively stable situation in Russia and contrasted this to countries more affected by the crisis. Currently, the unemployment rate was at its lowest, at about 5 per cent (10 per cent for youth). This had been achieved by a combination of proactive new instruments to support employment, and in particular youth employment, such as internships, apprenticeships, subsidies and support to the development of SMEs. Special attention had been given to ensure quality employment through investment in vocational education and training and higher education. He underscored the value of social partnership and highlighted the role of employers in providing vocational training. He stressed that the Ministry of Labour and Social Protection cooperated with the Ministry of Finance on measures to promote youth employment and mobility and that a correct balance had to be found between active and passive measures and the sequencing of programmes including the timing of their implementation and phasing out. He stated that pension and social security reforms are also subject to social dialogue to find levels of contribution and benefits that were conducive to growth while being fair to all.
56. The Minister of Finance of the Republic of Kazakhstan considered that the crisis should not be combated by fiscal consolidation alone but also by pursuing broad development objectives. Although Kazakhstan was an oil and gas producing country, the financial and construction sectors, which accounted for half the economic growth, had been adversely affected by the crisis and this gave rise to a sharp increase in unemployment. The response of the Government's employment programme was to combine fiscal consolidation with

allocations for infrastructure and housing development, as well as increased social expenditure to mitigate the effects of job destruction, with a particular focus on less-qualified workers. In addition, the strategic programme for industry aimed at diversifying the economy and at creating permanent rather than temporary jobs. The creation of quality jobs in modern facilities was encouraged through an improved business environment and this had been recognized through the progress made by Kazakhstan in global rankings of the business environment. Tax policy was simplified and eased especially with respect to SMEs, but the protection of workers in these enterprises still needed to be addressed more thoroughly. Reform of the pension system was a major challenge, including the need to secure the employment of women whose retirement age was raised by five years to be in line with that of men. He also outlined a number of policies to address the specific employment and social conditions of people in rural areas, particularly relevant to a country where half the population lived in such areas.

57. The Minister for Social Protection of Ireland explained that her Government placed great importance on creating an environment conducive to a productive and competitive economy and saw this as essential for generating more and better jobs. The “Action Plan for Jobs” entailed a sectoral focus on rebuilding Ireland’s competitiveness around ICT, pharmaceutical and medical services and the green economy by aligning skills with enterprise needs, supporting entrepreneurship and promoting SMEs and through better infrastructure and attracting inward FDI. Another programme, “Pathways to Work” aimed at getting people “work ready” with an integrated package of employment incentives and welfare/income support services with individual social contracts linking welfare entitlements to active job search. She also highlighted a particular concern to tackle the needs of jobless households in order to reduce intergenerational unemployment and deprivation. The Irish approach was consistent with the European Commission’s Employment Package and that it was grounded in social dialogue which was crucial to the legitimacy and ownership of the reforms. It was also predicated on demand factors, including anticipated stronger macroeconomic performance across the Eurozone.
58. The Vice-President for Europe of the IOE stressed that the European social model depended on dynamic and growing economies. She pointed out that Europe had lost competitiveness in comparison to other parts of the world and that this had serious implications. It put pressure on the social model and gave greater urgency to governments to reform the regulatory environment and to make it more business friendly. There was no single-issue policy response to this challenge but a need to break the vicious cycle of rising costs and declining competitiveness. She reiterated that demand for labour depended on enterprise competitiveness and that those countries which had enacted timely structural reforms were the very countries that had best weathered the crisis. Whilst fully endorsing the value and importance of social dialogue, she warned that social dialogue could not be expected to fix everything. Sound social dialogue required strong and representative social partners who were not present in all countries affected by the crisis. She also stated that, in a crisis situation, it was sometimes necessary for social partners to look beyond narrow self-interests when entering into negotiations.
59. The President of LO-Norway stressed the importance of ILO values as the foundation for sound social dialogue and ultimately for the creation of sustainable employment in Europe. He spoke positively of the Norwegian model of labour and underscored the importance of decent work with decent wages and pensions. He highlighted the challenge of addressing the youth employment crisis and suggested that in many countries, recovery was still a long way off. He reiterated that natural resources were far from being the only source of growth in Norway and expressed satisfaction that Norwegian enterprises typically set high standards at the workplace both in Norway and when they operated abroad. A key element of social justice was a fair and well-functioning tax system but many countries in Europe did not have this.

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60. The moderator of the panel allowed one intervention from the floor and this came from the Chairperson of the Federation of Independent Trade Unions of Russia. He reminded the audience that the title of the Meeting was “Job-rich growth and social justice” but social justice had been neglected by discussants. He spoke positively of ILO values and in support of sectoral and national collective bargaining arrangements and that these approaches to wage setting should not be replaced by enterprise-level negotiations as the latter were likely to lead to unstable, unfair and unsustainable outcomes.
 61. Before the moderator closed the session, the Minister of Finance of Norway made a brief intervention to stress the importance of trust, fair burden-sharing and a fair distribution policy to underpin all crisis responses.

Informal labour ministerial meeting: Reporting back

62. Labour ministers from the region had gathered for an informal ministerial meeting (IMM), with the participation of the social partners, to discuss the subject of *Youth employment in the crisis*. The IMM was moderated by the Chairperson of the Governing Body, who reported back to the plenary of the Regional Meeting, summarizing the main messages of the candid and lucid discussions held.
63. At the IMM, the Director-General recalled the terms of the ILO Call for Action, adopted by ILO constituents at the 101st Session of the International Labour Conference (2012), and highlighted the strong convergence between the ILO, G20 task force on youth employment, and the further commitment of the Russian Presidency of the G20 to tackling the youth employment crisis. On the basis of a presentation by the European Commissioner for Employment, Social Affairs and Inclusion, various EU initiatives aimed at addressing youth employment were highlighted, including the EU Youth Employment Package and the promotion of youth mobility in Europe. Participants expressed the desire to see closer collaboration between the EU and the ILO concerning these measures.
64. Structural reforms were acknowledged and austerity recognized, but many speakers launched an appeal to go beyond a simple focus on the state of the economy and national finances, calling for greater synergy between economic and employment policies. Many participants echoed the view that more should be done for early school leavers, who often found themselves at the margins of society.
65. The promotion of education, training and skills for youth was highlighted as crucial, noting that dual apprenticeships systems had given excellent results in many countries. Finding a first job was recognized as a great obstacle and challenge for young people entering the labour market. Many speakers highlighted the skills gap and mismatches and lack of professional orientation amongst youth.
66. Regarding the role of the ILO, the Call for Action of 2012 was a leitmotiv of the discussions of the IMM, well placed to gather experiences, analyse their relevance and cost effectiveness and share them. A number of countries called for the ILO to hold tripartite expert workshops to share good practices.
67. The Director-General outlined three important messages: unanimous support for the ILO to act as a platform of research, support and advice, able to compile analytical findings, good practices, and disseminate information to government and social partners; confirmation of the indispensable character of social dialogue; and the need to be attentive to the quality of programmes and jobs proposed to youth.

General discussion

68. The Minister of Labour of Belgium emphasized the importance of employment-friendly stimulus packages and social investment as a source of growth, as well as the use of social dialogue to enhance the efficiency of policies. The youth employment crisis called for a comprehensive strategy to build partnerships at all levels, to include investment in high-quality and sustainable education and training, dual education systems, traineeships and a positive approach to technical vocational training and education (TVET). She raised the challenge of keeping workers over the age of 55 years in the workforce. The ILO's partnership with other international organizations was necessary as was strict compliance with international labour standards.
69. The Assistant Minister of Labour of Serbia drew attention to the deterioration of labour market conditions across all age groups in the region. The EU 2020 strategy, the "Youth on the Move" project, the Youth Guarantee Scheme and the regional strategy South-East Europe 2020 were highlighted strategic measures to alleviate the employment crisis. Youth employment challenges in Serbia included: skills mismatch, low or no qualifications of a large part of the youth, high rate of school drop-outs, lack of vacancies, and a high percentage of youth working in the informal economy. State authorities needed to develop and implement specific measures focused on enhancing employability of youth and creating employment opportunities. The National Employment Strategy (2011–20) envisaged targeted active labour market policies to ease the transitions to work.
70. An Employers' delegate from Spain stated that real solutions were found in structural reforms, which should focus on delivering more effective social security, more efficient public administration, ensuring greater labour flexibility, promoting education, and tackling labour market reforms. Measures to promote consumption and investment, which were key elements for growth recovery, were necessary. Directives, laws, regulations and provisions at European, national, regional and local levels created excessive barriers to the efficient functioning of enterprises and unnecessary cost, deterring the creation of jobs. He questioned the report on the issue of greater labour market flexibility.
71. The Deputy Minister of Labour and Social Protection of Belarus stressed the need for balanced growth taking into account economic policies, financial discipline, social guarantees, and a basic level of protection, noting the value of the ILO Decent Work Agenda in this regard. Priorities in the implementation of the Decent Work Agenda addressed the promotion of new technologies, innovation, the development of effective government measures to support industrial activities, entrepreneurship and investment in occupational safety and health.
72. A Workers' delegate from Poland stressed the need to identify the sources of the present crisis. He supported the Director-General's Report on the negative effects of austerity policies and focusing fiscal policies on the demand side of the market. He recognized the value of international labour standards as a normative guide for policy coherence, calling for greater ratification and efficient implementation as well as full respect for the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), and the Right to Organise and Collective Bargaining Convention, 1949 (No. 98). EU legal regulations should comply with international labour standards. The spread of non-standard forms of employment should be urgently limited.
73. A Government representative of Switzerland shared his country's experience in remaining relatively stable during the crisis: the reasons for this included sound macroeconomic policies; healthy budgetary framework including investments in education, vocational education and training and lifelong learning to sustain growth, employability, productivity, and adaptability to change; cultivating social dialogue; and promoting investment in a

comprehensive social security system. The role of the ILO in Europe was to support social dialogue to restore trust.

74. A Workers' delegate from Ukraine referred to several initiatives in his country: a state programme (2013–14) to promote modern industrialization; promotion of the 2008 Declaration on Social Justice for a Fair Globalization, envisaging a wage reform by 2020; a Programme for Occupational Safety and Health for 2014–18; a programme for creating employment for 21.5 million workers; compensation for employers who created new jobs and offered more than the minimum wage; and an agreement with the EU for a free trade zone.
75. An Employers' delegate from the Netherlands stated that the Director-General's Report was critical of the EU policies for fiscal consolidation, yet they were essential for creating more and better jobs. The ILO request to delay such policies was not the right approach in the medium and long term. She supported the Director-General's call for social dialogue which required a constructive approach by the social partners. She noted that the Netherlands was rebalancing the flexi-security approach of the 1990s to reflect new realities in the world of work. She requested the Director-General to review his critical position on flexible forms of contracts; on wage moderation, which impacted business competitiveness; and on retirement age, given the demographic change and the impacts on social protection.
76. A Workers' delegate from Portugal highlighted three points: the troika interventions were disproportionate, leading to a collapse of collective bargaining; the Treaty of the EU, Article 9, promoted employment, social protection, social inclusion, education and health, but the outcomes of the troika interventions were not in line with it; the ILO Declaration on Fundamental Principles and Rights at Work and the Social Justice Declaration could not be compromised for competitiveness.
77. An Employers' delegate from Switzerland suggested that the ILO could better support reforms in the region by facilitating crisis discussions, gathering lessons learned and conducting fact-based analyses. He requested the ILO to revisit its position on flexi-security to win back credibility.
78. Speaking on behalf of the European Union and its Member States, a Government representative of Ireland welcomed the actions undertaken by the ILO on fundamental principles and rights at work and assisting constituents in developing national action plans. The EU praised the work carried out by the Office in several other areas: actions to develop national and local employment frameworks and reliable labour market information systems; support to enhance labour market governance and social dialogue; projects and advice to develop non-discrimination and gender equality policies; technical assistance to improve occupational health and safety frameworks; strengthening the institutional capacities of the social partners, labour administrations and social security institutions to design and implement adequate decent work policies in times of increased economic and social challenges. It encouraged the ILO to follow-up on these actions and to allocate appropriate resources to them. She drew attention to new EU initiatives for improved economic governance and for adding a social dimension to the European Monetary Union. On a multilateral level, the ILO should continue its contributions to the G20 and establish effective partnerships with international organizations to achieve policy coherence.
79. The representative of the International Confederation of Private Employment Agencies clarified the difference between informal work, which was illegal, and other non-traditional forms of employment. Private agencies contributed to growth and social justice when they were well regulated. The EU Directive (2008/104/EC) on temporary agency work offered an example of appropriate regulation. She stressed the value of promoting further ratifications of the ILO Private Employment Agencies Convention, 1997 (No. 181),

and expressed support for the Partnership between Employment Services (PARES) initiative of the European Commission. Her recommendations to enable private employment services to create jobs, restore economic growth and promote social justice focused on: balanced regulations, based on the flexicurity concept; better enforcement of labour market regulations; active involvement of the social partners and updating the social security systems, taking on board non-traditional work.

Shaping policies for job-rich growth

80. The Meeting split into parallel thematic panel sessions, the first of which was on the topic of *Shaping policies for job-rich growth*. The panel was composed of Mr Morten Petter Johansen, Ministry of Finance, Norway; Ms Liga Mengelsone, Director-General, Employers' Confederation, Latvia; and Mr Rudy de Leeuw, President, General Federation of Labour, Belgium, and was moderated by the Director of the ILO Office in Ankara.
81. An ILO representative highlighted three key elements from the first chapter of the Director-General's Report: first the necessity to reconcile macroeconomic and employment goals; second the need to ensure structural reforms that would lead to a job-rich recovery; and third, the need for policy coherence and the importance of social dialogue to achieve reforms.
82. The Government representative of Norway recalled the main objectives of the Norwegian economic policy framework targeting high employment, sustainable development, and fair income distribution thanks to well-functioning welfare schemes. Norway's good economic performance benefited from both good luck and good policies. The country's export-oriented economy benefited from high growth in China and other emerging economies as well as from the high oil prices but it also relied on sound macroeconomic policies and an efficient welfare state notably thanks to social dialogue. The association of a flexible labour market with comprehensive universal income insurance and active labour market policies facilitated necessary adjustments that had positive effects on employment.
83. The Employer representative said that enterprises required favourable structural conditions to be able to create jobs and growth. This meant appropriate infrastructure, open markets, sustainable public policies and a well-trained workforce. She recalled the recent experience of Latvia with its adjustment process relying on the introduction of flexicurity measures, skills development, education and training, the upgrade of public services, the provision of social security benefits for employability and reduced administrative burden for firms. Thanks to a well-structured and stable system of social dialogue in Latvia, these reforms were implemented swiftly and helped the country's fast recovery from the crisis. She insisted, however, that further measures would have to be undertaken to tackle the still high youth unemployment, the rise in poverty and continuous emigration to other European countries.
84. The Worker representative from Belgium emphasized that the "wealth of the world is created by workers". He stressed that the current austerity policies in Europe damaged both social rights and economic growth, creating the risk of growing social unrest. He also insisted on the fallacy of wage moderation which, in his view, was leading to a wage deflation spiral negatively affecting aggregate demand in Europe. Rather, structural reforms should focus on strengthening aggregate demand through an increase in public investment, tax reforms in favour of wage earners and a fiscal stimulus financed through a larger tax base. He also stressed the need for the financial sector to serve the real economy.
85. Several interventions pointed out the importance of the design of reforms for successful implementation. A Government representative of the Netherlands emphasized the need for social dialogue to reform parameters of the social welfare state, such as the duration of

unemployment benefits. A Government representative of Austria underlined the importance of policy coherence when reforming labour market regulation. A Government representative of Ireland highlighted the importance of the speed of the jobs recovery for successful reform, insisting on the Irish example where flexible labour markets had helped in contributing to a fast recovery despite ambitious fiscal adjustments. The Government representative of Belgium questioned whether enough was known to give concrete reform recommendations. The ILO representative replied that detailed evidence was available in several areas to help governments successfully reform their active labour market policies, such as the staffing of public employment services. Country-specific measures were important to ensure that tools were used appropriately. He pointed to evidence showing that in the case of a prolonged slowdown, temporary measures might not be sufficient and should be supplemented with structural reforms.

86. A Government representative of Austria questioned whether the current trend for collective bargaining at the enterprise level was the right answer to diverging trends in competitiveness in Europe. He asked the Office to undertake more work in this area to update earlier evidence on the importance of centralized agreements for faster productivity growth and wage developments in line with macroeconomic conditions. A Worker representative of Latvia asked how government intervention could help in lifting the level of collective bargaining to the sectoral or national level. The Employer representative of Latvia responded that in her country, collective agreements were taken at the most appropriate level, depending on whether sector-wide or enterprise-specific issues were involved.
87. The moderator concluded that both supply- and demand-side policies were important to achieve job-rich growth. Both the content and the pace of fiscal adjustment measures needed to be considered for a job-rich recovery; measures should include support for wages and tax policies. She underlined the importance of policy coherence both across ministries and across different international organizations.

Promoting quality jobs through effective social dialogue and collective bargaining

88. The second thematic panel was on *Promoting quality jobs through effective social dialogue and collective bargaining*. The panel was composed of Ms Rosanna Margiotta, Ministry of Labour; Health and Social Policies, Italy; Mr Emmanuel Julien, Deputy Director, Social Relations Department, MEDEF, France; Ms Zoe Tzotze-Lanara, Secretary for International Relations, General Confederation of Labour, Greece; Ms Barbara Gerstenberger, Coordinator in the Directorate, Eurofound. The Director of the ILO Office in Paris acted as moderator.
89. An ILO expert noted that the ILO and the EU viewed quality jobs as a precondition for sustainable economic growth and social development. Several trends in the crisis threatened the goal of quality of jobs: the increase in the share of atypical employment, the decline in real wages and its disconnection from productivity, the increase in working poor, the deterioration of working conditions and the dismantling of social dialogue and collective bargaining institutions. The ILO called for urgent policy reforms to improve jobs quality through social dialogue.
90. The Government panellist said the report over-negatively evaluated the state of social dialogue, especially as regards the countries of southern Europe. Important reforms had been adopted through social dialogue, with bipartite agreements concluded in Italy in 2011 and 2012 on various issues, including productivity and vocational training, although not on pension reforms. The Italian Government had adopted labour market policies and had reformed the labour inspectorate with a view to reducing labour market segmentation.

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91. The Employer panellist described the main objectives of the bipartite agreement concluded in France in January 2013, currently under discussion in Parliament. It aimed to facilitate recruitment while protecting workers. In a context of high unemployment, jobs were primordial; their quality came next. Social dialogue and cooperation between actors was key to dealing with the labour market challenge. The State should respect the autonomy of social partners and the ILO should strive to strengthen their capacities.
92. The Worker panellist said that social dialogue and collective bargaining had suffered in her country. The social partners were prevented by the Government and the troika from negotiating autonomously in respect of the minimum wage, which had been unilaterally cut by 22 per cent (32 per cent for workers below the age of 25). The report correctly described social dialogue as a casualty of the crisis. Forced decentralization of collective bargaining by the European Commission contravened the EU treaty.
93. The representative of Eurofound focused on job equality in Europe, shifts in employment in European labour markets and developments in wage setting and outcomes in Europe. Twenty per cent of workers in Europe were in the low-quality job cluster. The highest rate of low-quality jobs was found in small companies and in the private sector. The recession had led to polarization of labour markets in terms of wage structure. The crisis accelerated the trend towards decentralization of collective bargaining. Tripartite social dialogue provided more innovative solutions than bargaining at enterprise level.
94. A Government representative of Greece commented that highly paid jobs required retraining and investment in human capital. A Government representative of Austria underlined that in her country overtime was widely used by employers not wishing to hire more workers. She urged the ILO to adopt a more flexible approach regarding labour inspection.
95. A Government representative of Ireland speaking on behalf of the EU praised the work of the ILO in the region. Social dialogue and collective bargaining were still functioning successfully in Ireland, and yielding outcomes such as the collective agreement in the public sector of 2010.
96. A Workers' delegate from Portugal pointed to the relationship between low-quality jobs and precariousness. A Workers' delegate from Switzerland indicated that anti-union activities hindered social partnership and that trade unions should be protected by the legislation and by ILO Conventions. A Worker representative from Italy stressed that social dialogue became more difficult at national level. The ILO could play a major role in this respect.
97. An Employers' delegate from Belgium underlined that the discussion on atypical work had lost meaning, as such concepts as lifelong employment no longer existed. The focus should be on skills development to allow mobility from one job to another and to encourage entrepreneurship. An Employers' delegate from Denmark questioned whether social dialogue and concessions before the crisis were not part of the problem in Greece, a suggestion dismissed by the Worker panellist from Greece.
98. A Government representative of Norway underlined the role of institutionalized social dialogue in her country and its potential for improving the quality of jobs. The Government representative of Sweden indicated that more space should have been given to gender issues in the report. The ILO must focus on these issues in the future.
99. In response to points raised, the Employer panellist said it was not the role of the ILO to propose a new social model; it should help countries to develop their own policies and promote cooperation between them. The ILO expert emphasized the importance of internal flexibility in Austria during the crisis involving working-time adjustment. The crisis

highlighted the dual labour market with temporary workers being the first to be laid off. The ILO would continue to build social partner capacity in the region and would propose a more coherent and balanced framework for doing so. The Organization did not promote, it advocated appropriate industrial relations and labour market institutions. The Government panellist stressed that men and women had been equally affected by the crisis. Flexibility could produce negative effects if pushed too far.

100. The moderator concluded that social dialogue should play a key role and not simply be limited to conflict resolution, but should be at the heart of policy-making.

Tackling the youth employment crisis and the challenges of the ageing society

101. The third thematic panel covered the subject of *Tackling the youth employment crisis and the challenges of the ageing society*. The panel was composed as follows: Mr Johannes Schweighofer, Head, International Labour Market Policy Division, Federal Ministry of Labour, Social Affairs and Consumer Protection, Austria; Mr Brendan McGinty, Director, Industrial Relations and Human Resources Services, Irish Business and Employers' Confederation; Ms Marija Hanževački, General Secretary, Independent Trade Unions of Croatia; and Ms Pervenche Berès, Chair, Committee on Employment and Social Affairs, Group of Progressive Alliance of Socialists and Democrats, European Parliament. The panel was moderated by the Director of the ILO Office in Moscow.
102. The ILO expert introduced the topic by stressing that young people had borne the brunt of the current economic crisis to a disproportionate extent. The youth unemployment rate recorded the largest increase of all the three age groups and one third of unemployed youth had been without a job for more than 12 months. In addition, the NEET rate (youth not in employment, education or training) also rose sharply, while young people were over-represented in involuntary temporary and part-time employment as well as in informal employment. This situation clearly had devastating economic impacts and without any urgent and decisive action, there was imminent risk of a lost generation. This was the reason for the adoption, in 2012 of the ILO Call for Action, which contained the main principles and a comprehensive set of policy measures to guide constituents in shaping national youth employment strategies and actions. On the basis of a broad cross-country policy review it proposed a multi-pronged approach taking account of the diversity of country situations. It determined five areas for action: pro-employment macroeconomic policies; protection of youth labour rights; investment in relevant education and training of youth; effective and well-targeted labour market policies for youth; and promotion of youth entrepreneurship.
103. The ILO expert further stressed the demographic challenges facing the region with adverse implications for both the labour markets and the social protection systems. The implications of ageing for the economy and society as well as policies promoting employment of older workers would be discussed at the 102nd Session of the International Labour Conference in June 2013. In this respect the ILO expert emphasized the need for an intergenerational, integrated and life-cycle approach promoting employment of youth and older workers simultaneously; combining effective employment and social protection policies; and dealing with ageing over the whole working age life cycle. Promoting full and productive employment over the life cycle was the best response to tackling skills shortages, reducing dependency rates and sustaining fair pension systems.
104. The Government panellist first suggested a different measurement of youth unemployment (for example, by NEET rate) in order to reflect education decisions. Austria's low youth unemployment rate was due to the good labour market situation in general, but also to effective youth employment policies, in particular the apprenticeship system, and strong

government commitment, regardless of its political affiliation. However, employers' interest in offering apprenticeship places was declining and the drop-out rate was high. In Austria, old and young workers were generally not competing for jobs, although this might be the case in some countries.

105. The Employer panellist stressed the need for relevant education and training of youth in line with skills demand, which could be achieved through a strong partnership between business and educational institutions. He appreciated significant recent reforms of labour market institutions and mentioned some important initiatives launched by the national employment service, such as the Pathways to Work programme. He defended non-traditional forms of employment as a good stepping stone to open-ended contracts.
106. The Worker panellist stressed the scarring effect of high and protracted unemployment on young people's future careers, earnings and pensions but also pointed to increasing precariousness of jobs available to youth. Many young people were highly educated but available vacancies required low skills. This pushed them to leave the country, causing not only significant "brain drain" but also "brain loss" meaning employment in low-skilled jobs. Urgent committed action to rebalance employment policies towards promoting quality job creation was needed, together with higher expenditure on effective labour market policies identified through social dialogue.
107. The panellist from the European Parliament (EP) mentioned the important role of the EP in the adoption of the Youth Employment Initiative by the EU. Youth guarantees could be successful if the social partners were strongly involved in their implementation, sufficient funds were available and they led to relevant skills and decent jobs for youth. Simultaneous promotion of youth and older workers' employment was important for the sustainability of pension systems.
108. In the following discussion several Workers' delegates pointed to insufficient investment by employers in skills for youth. Young persons in low-paid jobs were unable to invest in training themselves, and they became trapped in such jobs. Employers argued that low-quality employment was better than no employment. Workers also questioned self-employment promotion, which in many countries was tantamount to bogus employment. Employers and workers agreed that such practices should be stopped while youth entrepreneurship needed to be supported through well-elaborated schemes.
109. Several Government representatives, notably from Spain and Turkey, briefly presented their recent youth employment programmes promoting employability and job placement for youth, with particular attention to disadvantaged youth, as well as youth entrepreneurship. Such programmes had to be formulated on the basis of social dialogue with involvement of youth. Finally, all participants emphasized an important role for the ILO in building and disseminating knowledge, facilitating exchange of experience and good practices and monitoring and evaluating youth employment programmes.

Promoting international labour standards and policy coherence in Europe and Central Asia

110. The fourth thematic panel dealt with the subject of *Promoting international labour standards and policy coherence in Europe and Central Asia*. The composition of the panel was as follows: Mr Pierre-Paul Maeter, Director, Federal Public Service for Employment, Labour and Social Dialogue; Mr Peter Clever, Member of the Executive Board, Confederation of German Employers; Mr Yves Veyrier, Secretary, International European Service, CGT-FO; and Mr Georg Fischer, Director for Analysis, Evaluation, External Relations, Directorate-General for Employment, Social Affairs and Inclusion of the European Commission. The ILO Regional Director for Europe and Central Asia acted as

moderator. The following is a selection of issues raised that suggest areas of future work by ILO constituents, the Office and the ILO's multilateral partners.

111. Much of the discussion revolved around how the ILO's international labour standards system could be used to help strengthen coherent policies for jobs, social justice, sustainable enterprises, economic recovery and international policy coordination, as well as to avoid a recessive spiral. Particular focus was placed on fundamental principles and rights as essential for social dialogue and the basis for balanced and, in some cases, innovative ways forward. One panellist termed them structural prerequisites for open economies. However, it was equally recognized that the larger corpus of international labour standards was extremely relevant to the current situation in Europe and Central Asia, as had been stressed in the 2009 Global Jobs Pact.
112. A second major theme was the value of social dialogue based on respect for freedom of association. Tripartite discussion and collective bargaining was viewed as a vital means of building consensus in society at large and in workplaces and was particularly valuable in times of crisis when difficult choices had to be made. It was also recognized that agreement was not always possible.
113. The social dialogue/welfare state system that characterized many European countries had served to mitigate the impact of the crisis but concern was increasing that these social and economic stabilizers were being weakened, particularly in some countries under acute stress. In many countries, the crisis also revealed the need for structural reforms in order to make social security systems financially sustainable and labour markets more flexible. Evidence showed that those countries that had implemented structural labour market reforms *before* the crisis had been more successful in mitigating the adverse effects of the crisis than others.
114. There was an interesting and important exchange over whether early warning indicators of imminent social and economic stress could be developed to inform anticipative policy action including through social dialogue.
115. The ILO's supervisory bodies were extremely vigilant regarding the application of ratified Conventions and had expressed concern about weakening of collective bargaining systems, as was the case in Greece. The extent to which such action could be understood in the context of economic emergency was discussed. The panel recalled that the long-standing position of the ILO's supervisory bodies was to promote and strengthen the institutional framework for collective bargaining and social dialogue with the aim of developing a comprehensive common vision for labour relations, in full conformity with the established principles of freedom of association and the effective recognition of collective bargaining and with relevant ILO Conventions. It also recalled that the possible avenues for constructive engagement could be based in the elaboration of adequate mechanisms for dealing with exceptional economic situations within the framework of the collective bargaining system. It was noted that governments should pay close attention to the findings of the supervisory bodies and recognize that their international partners should refrain from giving advice that might lead to the non-application of ratified Conventions.
116. The high degree of coherence between the basic constitutional texts of the EU, the Council of Europe, and the ILO was highlighted. The ILO had an extensive history of close engagement in the construction of the European social model. The European and Central Asian region had a very high rate of ratification not just of the core Conventions but of the full range of up-to-date standards. Discussion in the EU on how to build social dialogue and labour standards into the emerging EU economic policy coordination mechanism was considered essential by some speakers. The ILO should provide support and advice in this process.

117. International labour standards were not a rigid set of prescriptions but rather outlined a minimum level of rights, all the while establishing a flexible framework that countries could and should use to design policies that fitted their circumstances. Countries had to accept responsibility for solving their own problems and national social dialogue mechanisms had to address real and sometimes tough problems. The ILO could help facilitate solutions in coordination with national actors, as well as with European institutions and the IMF. A joint ILO/EC high-level seminar in Greece was planned for June; this would seek concrete ways forward with the Greek social partners.

118. It was important that social dialogue reflected the economic and social realities in society. Ultimately, workers and employers needed answers to very practical problems. International labour standards provided a basis, however, additional guidance on the environment of enterprises needed to be developed in order to offer feasible solutions. The ILO had to help countries build the right framework conditions to enable the transition from the informal to the formal economy, as well as step up its analytical work to service constituents' needs. The fundamental conditions that enabled the cohesion of economic, social and employment policies were threefold. The first condition was the shared belief that compliance with standards should be considered a structural obligation. The second condition was to define a preventative social approach to structural reforms, meaning the creation of an equal partnership between the ILO and international economic and financial institutions. Lastly, supervisory mechanisms of standards needed to be ensured.

119. Other issues raised were:

- the need to build and refresh social partners' capacity;
- the importance of tackling informality – an agenda item for the 103rd Session of the International Labour Conference (2014);
- building on the 2010 joint ILO/IMF Conference on the Challenges of Growth, Employment and Social Cohesion to reinforce the ILO's role in international policy coherence mechanisms such as the G20;
- the need to evaluate the Global Jobs Pact and demonstrate its continuing relevance;
- the importance of ongoing capacity building of governments and social partners, including through the active involvement of the International Training Centre in Turin.

120. The importance of a rights-based approach to social and political stability and a restoration of citizens' and enterprises' confidence was stressed by many speakers.

General discussion (cont.)

121. An Employers' delegate from Belgium noted the importance of bridging education and training and the world of work and improving the school-to-work transition. There was a need to arm youth with the skills that allowed for mobility as well as keep people employable throughout their working lives. He sought the harmonization of the statutes addressing blue and white collar workers. He recalled that the climate in Europe was such that there was no room or courage for policy-makers to move forward, instead focusing on fruitless debates on standard versus atypical contracts. Given the short life expectancy of businesses, especially SMEs, and the continuous change in the nature of jobs, it was necessary to reach out to real levers of change – job creation, promotion and stimulation of entrepreneurship, encouraging innovation and using social dialogue to shape policies.

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- 122.** A Workers' delegate from Azerbaijan highlighted the youth employment challenges in his country: high unemployment rates; growing informal economy; lost hope; and a large number of NEETs, many of whom were highly educated. Azerbaijan was committed to addressing the challenges through its National Action Plan on Youth Employment, implementation of the ILO's school-to-work transition survey, promotion of entrepreneurial spirit and retraining programmes. He drew attention to a general collective agreement (2012–13) aiming to create jobs for youth, stimulate mobility, improve qualifications and skills, especially those of young women, and protect youth rights.
- 123.** A Government representative from Hungary noted that the low rate of employment accompanied by low labour market activity was the main structural challenge in her country. The creation of a job-centred economy, through the promotion of sustainable growth, an increase in employment, strengthened mechanisms for developing competencies, and support for an enabling economic and legal environment were the priorities of economic and social policies in Hungary. She mentioned that the new labour code had come into force in 2012 and was currently under revision with a view to evaluating its implementation. The Government had also launched an action plan for preserving workplaces which aimed at reducing the administrative burden of employment. Furthermore, it introduced measures to improve youth transitions to work which required the social partners to play a key role in their effective implementation. With regard to the role of the ILO in the region, she highlighted the need for improved and better utilized research and analytical capacity of the Office; a more active role in the anticipation of skills demanded by the labour market; support for capacity building of the social partners to engage effectively and proactively in social dialogue and collective bargaining; and an active role in the international arena in shaping policies to address labour market challenges.
- 124.** An Employers' delegate from Georgia highlighted unemployment as the main concern of his country, noting the need to build mechanisms to activate the economy and cooperate on improving the education and training system together with the workers.
- 125.** A Workers' delegate from France claimed the crisis was a pretext for decreased regulation and "suicidal policies" with no respect of international labour standards in some countries in the region. Reflecting on her country, she noted wavering of the labour code and the resulting increase in precariousness, and the mass destruction of productive jobs. She claimed that EU Directives were taking advantage of the crisis to bypass international labour standards. In this regard, she requested the ILO to take a more central role in Europe.
- 126.** A Workers' delegate from Italy emphasized that urgent responses were needed to maintain jobs and provide unemployment benefits for those who had lost them. Collective bargaining was seen as the best instrument to find a compromise between enterprises' need for flexible forms of work and the rights and social protection of workers. He called on the ILO to find the right balance between growth, fiscal consolidation of public finances, labour rights and social inclusion.
- 127.** A Workers' delegate from Germany noted that the Director-General's Report drew the right conclusions; most fiscal consideration measures placed a burden on ordinary people, referring to high unemployment rates as an example. In his country, flexibility was not effective; collective bargaining prevented the dismissal of workers. Ordinary people needed to feel secure in the labour market – through fair wages, social protection, legal minimum wage and respect of international labour standards. He called on the ILO to play a strong and active role in Europe.
- 128.** A Government delegate from Denmark, speaking on behalf of the Nordic countries, acknowledged that in responding to the crisis, no one size fits all. She called on the ILO to

deliver high-quality, value for money programmes and insisted that ILO action should build on knowledge, research and experience and entail capacity building for constituents. She encouraged the ILO to prioritize in order to make an impact and highlighted three areas: promoting youth employment, gender equality and fundamental rights. All these priorities related to specific areas of critical importance for the ILO's work and should include social dialogue as a cross-cutting component.

- 129.** A Workers' delegate from the Russian Federation highlighted the importance of maintaining the values and mandate of the ILO and the social market model during times of crisis but noted that in many countries, reforms had served to weaken social partners, leading to growing inequalities and social tensions. He feared that this could ultimately threaten European civilization and reminded the Meeting that there could be no lasting peace without social justice. He emphasized a number of issues of particular concern to workers in the Russian Federation including downward pressure on wage rates, growth in atypical work, the need to strengthen lifelong learning, the need to improve social security coverage and levels of benefits and the need to strengthen social dialogue based on appropriate labour relations legislation and a supportive enabling framework.
- 130.** A Workers' delegate from Ireland began by noting the conspicuous absence of young people from the meeting discussions and stated that the voice of young people must be heard. She reiterated that youth unemployment was of considerable concern across Europe and that this was not only a tragedy for the individuals concerned but also posed the risk of a significant loss in the productive capacity of the economy as a whole for years to come. In Ireland, the most exposed category were the NEETs, youth not in employment, education or training, and called for supportive action to address this problem through measures such as strengthening vocational training and apprenticeships and a national youth guarantee programme as well as appropriate macroeconomic policies and productive investment. She emphasized that it was imperative to ensure that young workers were not exploited as a source of cheap labour, that their conditions of work and access to suitable social security entitlements should not be compromised. Governments had a key role to play in preventing the exploitation of young workers by having appropriate regulations and enforcement measures.
- 131.** A Workers' delegate from Hungary spoke about the importance and relevance of international labour standards and ILO technical assistance in Hungary. She expressed grave concern that during the current crisis, workers in Hungary had seen their rights compromised and conditions of work deteriorate. Recent changes to the national labour code – supposedly for reasons of economic and financial necessity – had introduced considerable flexibility to the employment relationship, allowed for atypical contractual arrangements, reduced trade union rights and diluted social dialogue. She explained that the social partners had only been involved in the preparatory process of developing the Labour Code after a first draft had already been prepared. Seeing that the first draft contained problematic issues, the social partners turned to the EU and the ILO for advice and support. The EU could not help as it claimed it did not have competence in the field of social dialogue and the right to strike. The ILO commented on the text of the Labour Code and integrated the tenets of international labour standards which had been ratified by Hungary. Thus, changes to the text were made that were favourable to the trade unions, although trade union rights remained reduced compared to the earlier Labour Code. This example demonstrated the need to fight for universally adopted fundamental rights. She stated that this was why international labour standards and the supervisory system were so vital and important. She concluded by stating that it should not be the case that the only way to tackle the crisis was by sacrificing basic human rights and the European social model.
- 132.** A Workers' delegate from the Netherlands reiterated and signalled her agreement with the Norwegian Finance Minister's comments made earlier in the Meeting about trust and fair

burden-sharing as core elements for social dialogue. Whilst noting that other countries had been harder hit by the crisis than the Netherlands, she indicated that unemployment was at its highest for over 30 years. There had also been a rapid growth in workers with temporary contracts, with poor conditions of work and less or no job protection and that for many workers temporary employment was becoming a permanent state of affairs. She also noted a rapid increase in self-employment in the Netherlands and suggested that much of this was low-quality work with low wages, no security, no autonomy and no chances of promotion or retraining. She highlighted the Dutch tradition for sound social dialogue within a supportive industrial relations system but warned that the crisis had broken people's confidence and that there was an urgent need to restore trust in the economic recovery and in social and political institutions. She suggested that it was inappropriate and counter-effective to propose a drastic reduction of unemployment protection and benefits in the midst of a crisis. She welcomed the Director General's call for "budgetary measures at an appropriate pace and not at all costs". She concluded by emphasizing that although social solidarity was very much founded at the level of the national state, the value and importance of international labour standards in laying the foundation for "social Europe" should not be questioned.

133. A representative of the General Confederation of Trade Unions, a subregional organization that covered the countries of the Commonwealth of Independent States, underscored the need for job-rich growth based on social dialogue and drew attention to three areas of particular concern in his subregion. Firstly, the need to give effect to and observe the implementation of international labour standards which were typically under threat in both the public and private sector in many countries of the subregion. Secondly, he expressed concern about the impoverishment of workers, given the downward pressure on wages and conditions of work. Thirdly, he called for improved tax systems with progressive income taxes as a basis for reducing inequalities and underpinning sustainable development.
134. Grand Chief Edward John of the UN Permanent Forum on Indigenous Issues highlighted three areas of concern from the perspective of indigenous people who, he noted, represented 5 per cent of the world's population but 15 per cent of the world's poor and marginalized people. Firstly, he drew attention to the need to give effect to international labour standards, particularly Convention No. 169 on indigenous and tribal peoples and called for a mechanism for indigenous people to engage directly with the ILO and its supervisory and programmatic bodies. Secondly, he called for the inclusion of indigenous people in ILO initiatives to promote quality jobs and in addressing inequalities in the world of work. Thirdly, he requested that particular attention be given to the needs of indigenous women, children and youth.

Consideration and adoption of the Oslo Declaration: Restoring confidence in jobs and growth

135. The Employer spokesperson expressed satisfaction with the Oslo Declaration, which put forward concise, balanced and concrete action-oriented direction for the ILO. The need for balanced reforms, responsible social dialogue and sustainable enterprises and synergies between the ILO and other international organizations were reflected. On behalf of the Employers' group, she recommended the adoption of the Declaration by the Governing Body of the ILO.
136. The Worker spokesperson felt that the Declaration captured the concerns of the Workers' group and provided a concrete mandate for the ILO, noting the value of the Global Jobs Pact. He endorsed the text and recommended its adoption by the Governing Body.
137. The Government spokesperson appreciated the short, action-oriented text of the Declaration and congratulated the Drafting Group on its work. Speaking on behalf of the

European Union and its Member States, a Government representative of Ireland welcomed the Oslo Declaration, which fully reflected the objectives of the Meeting: good participation, rich debate, a concise outcome document, policy coherence through the G20 and a coherent political message.

138. *The Oslo Declaration: Restoring confidence in jobs and growth* was unanimously adopted by the Meeting.

Consideration of the report of the Credentials Committee

139. The Meeting took note of the report of the Credentials Committee. Forty-two of the 51 member States invited, had been accredited. One prime minister, two deputy prime ministers as well as 38 ministers and vice-ministers attended the event. Of particular note, 41.4 per cent of the delegates were women. The report would be brought to the attention of the Governing Body, in conformity with article 9, paragraph 4, of the *Rules for Regional Meetings, 2008*.

Consideration and adoption of the report of the Meeting

140. The Ninth European Regional Meeting adopted its draft report, subject to some amendments.

Closing of the Meeting

141. The Government Vice-Chairperson noted that the Meeting had accomplished its objectives, adopting a Declaration with true “take home value”. He encouraged the Director-General to follow through on the action lines it presented.
142. The Employer Vice-Chairperson drew attention to the many important themes reflected in the Oslo Declaration, which guided both the ILO and its constituents. He reminded constituents of the need for clear, concise and realistic requests for assistance from the ILO. He felt the Declaration fell short on addressing issues concerning youth, ageing and the skills and qualifications needed for the future workforce.
143. The Worker Vice-Chairperson highlighted four key themes and messages evident throughout the discussions. The first was *confidence*, particularly trust in political institutions and social dialogue. Secondly, *equality and equity* – finding balance between economic growth and social inclusion in terms of the labour market was seen as essential for more productive society. *Efficiency* in regard to the politics of austerity was highlighted. This called for measures that included investment in the real economy with a more equitable distribution of the profits from labour. The final theme – *responsibility* – laid stress on the value of credible and efficient national social dialogue. He reminded the Meeting that the ILO Declaration on Social Justice for a Fair Globalization stated that the ILO fundamental principles and rights at work, through social dialogue, were the basis for recovery.
144. The Director-General congratulated the Meeting on its active participation in the general discussions, the interactive high-level tripartite panel discussions and the informal labour ministerial meeting on *youth employment in the crisis*. The most significant output of the

deliberations – *The Oslo Declaration: Restoring confidence in jobs and growth* – provided the ILO with clear guidance for its future work.

- 145.** In closing, the Chairperson of the Regional Meeting expressed her gratitude to the delegates and the Director-General for the fruitful discussions, the spirit of dialogue and the fruits of the labour, notably the *Oslo Declaration*, which would serve to guide the ILO and its constituents in the region.