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Promoting full employment and decent work for all

*Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort*

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Ladies and gentlemen,

I would like to begin by thanking the Secretariat of the UN's Department of Economic and Social Affairs for inviting me to take part in this panel.

This 46th session of the Commission for Social Development provides us with an excellent opportunity to examine different experiences in promoting decent work.

This event illustrates that full employment and decent work arouse a great deal of interest and are relevant objectives for all countries. I am honoured to share with you today Europe's experience in this area.

In doing so I will address three specific points:

- first, I will highlight the European Union's strong commitment to promoting decent work;
- second, I will describe the EU's experience in implementing integrated economic and social policies;
- third, I will outline ways in which decent work can help put emerging economies, countries in transition and developing countries on the path towards sustainable development.

I – The EU's commitment to decent work

I would like to state clearly once again that the EU is actively involved in advancing the objective of decent work for all throughout the world.

This commitment is in line with that of the United Nations World Summit of 2005, which recognised the promotion of decent work and fair globalisation as a universal objective.

This significant step gives the concept of social development, which is at the heart of this Commission's work, its full meaning: what unites us is the conviction that we must ensure development is for the benefit of all.

All of the European institutions are committed to this goal. The European Commission was first to take the initiative, and the European Council and Parliament supported its proposals to involve all Community policies.

I would also like at this point to welcome the representatives of the European Parliament and EU Member States.

The European Union intends to put both its internal and external policies to use. We have already made significant efforts with regard to trade policy, development policy and external relations. We have also initiated political dialogue on employment and social policy issues with emerging economies and with regional organisations in Latin America, Asia and Africa.

However, our actions will be successful only if pursued within a partnership approach. The Commission wishes to emphasise cooperation, working closely with European Union partners, international organisations, third countries, the social partners and other civil society organisations.

The Conference we held in Brussels ten days ago on the subject of decent work led to considerable interest from our partners. The event thus confirmed not only the European institutions' commitment to decent work but also the support of the social partners and NGOs.

II – Europe's experience shows the added value of integrated economic, employment and social policies

Decent work does not merely involve job creation: it encompasses employment, workers' rights, social protection, the social dialogue and equal opportunities. The European experience of integrated economic and social policies illustrates the added value of this kind of approach. That is the second point I would like to discuss.

Since the beginning of the European integration process fifty years ago, Europe has gradually established an ambitious social policy based on the affirmation of social rights such as employment law, health and safety at work and equal opportunities for men and women. These initiatives are part of the *acquis communautaire* that is common to all Member States and of the candidate countries' conditions of accession.

1. "The Lisbon Strategy", named after the city in which it was approved in the year 2000, has further heightened our commitment to decent work based on more ambitious measures.

This strategy is an interesting experience, as it follows the objective of an integrated approach. It is intended to combine the objectives of fairness and economic performance while at the same time developing economic, employment, social and environmental policies which dovetail effectively.

Under this approach, employment and social policy are seen as productive factors, helping to improve productivity, competitiveness and social cohesion. Studies conducted both within and outside the European Union have confirmed these positive effects.

The European social partners were actively involved in developing this approach, which has achieved results in terms of job creation, job quality, equal opportunities and modernised social protection.

The EU is thus unique in being a regional entity with a strong social dimension geared towards decent work, mainly on the basis of the following:

- mobility throughout the European Union for European nationals and long-term legal residents; this mobility includes rights, for example in terms of social security;
- policy coordination instruments: the European Employment Strategy, the Open Method of Coordination in the areas of social inclusion and social protection, the European Social Fund, transnational consultation of employees

2. Although much remains to be done, the European Union has achieved considerable success in the area of the Lisbon Strategy.

With regard to employment: the European Employment Strategy has helped increase significantly:

- the number of jobs (+ 1.5% in 2006 and 2007)
- the rate of employment (which is currently 64.4%, the highest since the beginning of the decade);

With regard to working conditions and the quality of work, where we have made some progress, even in Member States which recently joined the European Union. For example, with regard to accidents at work in the new Member States, the index

has fallen from 100 to 84 in six years (1998-2004). And we will be even more ambitious with our new strategy on health and safety at work;

With regard to the social dialogue, where the social partners have played their part in modernising the employment market. In particular, they have made it possible to better combine security and flexibility. Examples include:

- the framework agreements on part-time work, fixed-term contracts and parental leave
- the major agreement on employment reached between the European social partners in maritime transport, which includes significant parts of the ILO Convention (November 2007)
- the social partners' contribution to the recent work on flexicurity (October 2007);

With regard to equal treatment for men and women, where European law provides an effective legal framework in the areas of:

- salary
- employment conditions
- employment opportunities
- social protection;

With regard to social protection and social inclusion:

- our flexicurity strategy is based on an integrated approach which includes the promotion of social protection;
- social inclusion remains an important challenge, given the increase in inequality, and our European strategy and the financial instrument of the European Social Fund are intended to help those furthest away from the labour market to return to it and reintegrate.

3. The examples of successful integrated policies apply to all Member States, including those which have recently joined the EU. We have made a success of EU enlargement, retaining a certain unity of values at the heart of the European social model, while at the same time fully respecting the diversity that is also our wealth and our strength.

However, we are not inward-looking. We also pay particular attention to the international context, as we cannot develop a social policy without taking account of the global situation.

III – The benefits of decent work for emerging economies, developing countries and those in transition

In the context of globalisation, the promotion of decent work is as relevant within the EU as it is outside: decent work is an asset for all countries and regions of the world.

1. Decent work is a universal concept: it is just as relevant for developing countries, emerging economies and countries in transition as it is for industrialised countries.

But universality does not imply uniformity: the promotion of decent work must also take account of each national context.

One point, however, holds true throughout the world: investing in decent work is not only a commitment to fairness and justice but also a move towards better economic performance, more effective public policy and better governance.

2. First, with regard to fairness, the facts are clear. In areas where there is a shortage of decent work, the standard of living and quality of life of men and women are markedly lower.

This means that half of the world's population has no social protection and 80% of workers do not have adequate social protection.

Moreover, in some countries, 80 to 90% of the workforce works in the informal economy and contributes up to 60% of local GDP without having access to social protection.

There is also the employment report 2008 recently published by the ILO, which states that, despite world growth of more than 5%, the unemployment rate remains the same, at 6%. In particular, some countries with very high growth rates are not creating jobs.

Furthermore, new jobs being created are often not in the category of decent work, of which there is a huge lack: according to the ILO, five in every ten people have insecure jobs. In developing countries this often means working in the informal economy with low pay, dangerous working conditions and little or no social safety net or social cover.

There is also concern that in some countries, working conditions are not improving despite strong economic performance. For example, the Chinese authorities are concerned about their high rate of accidents at work, especially in the coal industry.

3. In addition to the benefits for workers, emerging economies have a further interest in promoting decent work, as decent work increases productivity, thus improving efficiency and competitiveness. And improving workers' circumstances also creates internal demand, which is necessary for economic growth.

It is increasingly clear that inequality has a negative effect on economic performance, and this must be taken into account. We have too often been told that we need to choose between redistributive policies and productive investment – but this is a myth: Europe's experience and the experiences of many other countries show that investment in human resources and social cohesion is a factor in performance.

By reducing poverty, improving health and working conditions, investing in human resources and particularly in education for young people and women, productivity is increased. This approach boosts economic growth.

By way of example, I would like to look for a moment at social protection. This need not be a luxury that is only for developed countries. Every woman and every man should have access to social cover in order to ensure decent living conditions. Social cover for all is also useful in economic terms.

According to the ILO, it would take less than 2% of world GDP to provide minimum social cover for all poor people in the world.

Globalisation means that, to be competitive over time in the international economy, we must not take a low-cost approach, as low-paid jobs and poor health and safety conditions cannot ensure competitiveness in the medium and long term.

We believe that an effective policy needs to combine macroeconomic policy, employment policy and social policies which go hand in hand with promoting the social dialogue.

4. Decent work is an asset with a view to ensuring good governance. Employment, social protection and social inclusion, fundamental social rights and the social dialogue encourage good governance. This is not merely my opinion, it is the outcome of recent studies conducted by international organisations such as the ILO, the OECD, regional development banks and the European Union. These studies indicate that the promotion of decent work for all implies a strong governance dimension.

The fact remains that there are still significant shortcomings in this area, particularly – but not only – in developing countries, countries in transition and emerging economies.

But the national authorities have the power to put in place proper labour market institutions, social protection institutions and proper employment policies. They can also bring the informal economy into the legal framework.

In any event, living and working conditions for all must be improved, both in the formal economy and in the informal economy.

The participation of other actors is also crucial, whether in developing countries or in other countries, including in Europe. We need to encourage the participation of:

- international and regional organisations
- the social partners, through strong and credible social dialogue
- NGOs
- businesses seeking to promote fairer globalisation via corporate social responsibility, of which there is an ever-growing number.

If everyone involved commits to this objective and works together to ensure decent work, we will have the main elements needed to advance our cause.

In conclusion, I would like to emphasise the need to work together towards a common goal. I believe that the will is there and is shared by all.

It seems that there is great potential for mobilising support for the decent work agenda and a broad consensus regarding the added value of development strategies which combine employment and social protection, social rights and social dialogue.

Progress now needs to be made in the design and implementation of these development strategies. This requires conceptual and methodological support, for example from international organisations and in particular the ILO and the United Nations.

Thank you.