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Statement

by

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CHECK AGAINST DELIVERY!

Mr. Chairman,
Distinguished Panellists,
Distinguished Delegates,
Ladies and Gentlemen,

I am very pleased about the opportunity of taking part in this panel commemorating the fifteenth anniversary of the World Summit for Social Development in Copenhagen. Even fifteen years later, the Declaration of Copenhagen is an **ambitious and important step** on the way to a fairer and more cohesive society where people are at the centre of policy-making.

In my opinion, one of the most important achievements of the Summit of Copenhagen was to confirm social development as an integral part of any serious, sustainable development policy, and to **raise awareness** on the topic among policy-makers and the general public. The Copenhagen Declaration and Programme of Action is the first worldwide recognition of **basic workers' rights**, including the prohibition of forced labour and child labour, the freedom of association, the right to organise and to bargain collectively, and the principle of non-discrimination. In addition, the Declaration reconfirmed the commitment to the aim of promoting "**full and productive employment**" after many years of purely economic priorities at international level.

Today we are facing the **biggest economic challenge** in decades. We find ourselves in a situation where people who become unemployed and are confronted with social hardship expect help. We all know that **these people did not cause the crisis!** We should therefore keep in mind that the policies we are discussing today also send a signal to the policy-makers of tomorrow – a signal about social justice and social cohesion in our societies.

Up to now, Austria's low **unemployment rate** has increased only moderately by international standards. We believe this is due to our prompt reaction with joint forces to the deteriorating economic and employment situation. In addition to macro-economic stimulus packages, which amounted to about 2% of Austrian GDP, we also launched two **labour market packages**. In 2009 we spent 44% more on **active labour market measures** compared to the year before – and with a 30% rise in unemployment, we provided more funds per unemployed person than in 2008. In addition, we significantly raised the number of staff of our Public Employment Service.

In our response to the crisis we have placed special emphasis on the following measures:

1. **maintaining existing employment,**
2. **creating new jobs or redistributing work,**
3. **training measures, and**
4. **improving the social safety net.**

Today I will only present the last two of these measures:

First of all, the training guarantee:

Young people are of particular concern to me. Finding your first job is often difficult, but it is disastrous if young people feel left alone and unneeded at a time when they want to contribute to society and become part of the workforce. Therefore, I am proud to say that we have a **training guarantee** for school leavers in Austria, which means

that anybody under the age of 18 who cannot find an apprenticeship place in a company can complete his or her apprenticeship in a central training institution. We now also guarantee either training or employment for unemployed persons up to the age of 25 within six months after losing their job.

Secondly, regarding the improved social safety net,

I would like to mention our new "**Means-tested Minimum Income**":

We have adopted a reform that is going to integrate long-term unemployment assistance and social assistance for people who are able to work. The idea is to harmonise transfer payments and to make it easier to integrate (or re-integrate) people on social assistance benefit into the labour market.

This programme provides:

- better **labour market integration** through access to the career development and further training programmes of the Public Employment Service,
- unrestricted **access to medical services**, and
- **uniform minimum standards** for all recipients of these benefits.

... because my guiding principle for the future is to secure employment and improve social cohesion.

Let's not forget that, especially in times of economic crisis, social policy has a very important stabilising role. In OECD countries, the stimulatory effect of social transfers is two and a half times higher than that of economic stimulus plans. A well-organised, well-functioning **welfare state** is the foundation of a country's security and stability. Solid social protection is a fundamental condition for a **stable and democratic basic order**.

In developing social policies, our focus should be on empowering people and giving them the opportunities they need to live the life they choose.

This includes:

- fair participation of all people in society,
- equal treatment of men and women,
- distributive justice, and
- fair burden-sharing between generations.

The welfare state is not only a cost factor but also a productive force. **Social transfers** improve social inclusion and the participation of disadvantaged groups in our societies. They also reduce the risk of transmitting poverty from one generation to the next. It is unacceptable that some groups of people are at risk of marginalisation from a very early age. Furthermore, people who receive social transfers tend to spend most of their income on consumer goods, which has a stabilising effect on the economy. The Austrian_welfare system helps people get back on their feet again. This is not only a question of **solidarity** but also of **social justice**.

And let's not forget that social, employment and economic policies are interdependent and should interact positively. It is very important in a dynamic market not only to meet the demands of flexible labour markets but also to give high priority to **minimum social and labour standards**. And it is not only social policy aims that

count here. Good working conditions, fair wages, a satisfying work-life-balance, good education and training, and social dialogue also make a lot of **economic** sense!

In this context, let me remind us all that the Declaration of the Social Summit in Copenhagen for the first time included international labour standards as an important reference for national labour legislation and policies. Last year the **International Labour Organisation** celebrated its 90th anniversary. ILO conventions and recommendations cover a wide range of subjects concerning work, employment, social security, social policy and related human rights. I believe that opening **social dialogue** at all levels is the most important pre-condition for **fair globalisation**. The ILO "Global Jobs Pact", which is designed to create jobs, protect workers, provide social security and foster social dialogue - also in times of economic crisis - is one step in the right direction.

I would therefore like to stand up for social market economy, for supporting developing countries in implementing ILO standards, for social partnership at all levels, for a world trade system that takes **social aspects and decent work** into consideration, and for a socially oriented international financial system.

Mr. Chairman,

when I was talking about awareness-raising earlier in my statement, I was also thinking of eradicating poverty - although at the time of the Social Summit, the fight against poverty was not at the top of industrialised countries' political agendas.

Today things are different: the Spanish EU Presidency has just launched the **European Year against Poverty and Social Exclusion**, giving a clear signal for a stronger social dimension on the European level. The European Year will unite all actors in the fight against poverty, and raise public awareness of the situation of disadvantaged people living in poverty and social exclusion. The groups most affected have not changed since the Social Summit: they are still women, people with disabilities, and older people.

In this context, I attach great importance to the **regional dimension** of the Declaration and Action Plan of Copenhagen. In Austria, we are trying to elaborate regional strategies within the framework of the **European Year against Poverty and Social Exclusion**. As we all know, the challenges we face differ from region to region, and regional and local actors have valuable knowledge of the problems in their respective areas. We therefore believe that regional strategies for fighting poverty and social exclusion can be very effective.

Let me **conclude**, Mr. Chairman, by saying that 15 years after the Copenhagen Summit, many efforts are still needed if solidarity is to defeat inequality, and the financial and economic crisis has not made our task easier.

Especially against the backdrop of the financial and economic crisis which is stressing national budgets and afflicting the vulnerable everywhere and poor countries in their entirety with great severity, we need to continue our efforts to implement the Copenhagen Declaration on Social Development and its Programme of Action.

Doing so will be all the more worthwhile since many of the Millennium Development Goals build on and carry forward the thrust of the Copenhagen Declaration. In its development cooperation, Austria has been putting particular focus on MDG 1 – overcoming extreme poverty and eradicating hunger –; MDG 3 on gender equality and the full participation of women in all economic, social and political processes; and MDG 7 on managing our natural resource endowment sustainably, in particular by promoting renewable energy and energy efficiency. In this context, we look to the “Rio+20 process” to give renewed impetus to integrating poverty eradication with socially and ecologically sound development paradigms.

Only by renewing our efforts can we hope to **end poverty for good** and ensure full employment and social integration while managing the environment sustainably - in the interests of stable, safe and just societies for all. Let's never forget to put people at the centre of our policies!

Thank you for your attention.