

12 September 2006

Istanbul Declaration on Integrated and Coherent Employment Strategies in the Face of Globalization

We, the Ministers and Heads of Delegations responsible for employment and labour market policies of Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Greece, Moldova, Romania, Serbia, Montenegro, the Former Yugoslav Republic of Macedonia¹, Slovenia, Turkey, as well as the Representative of UNMIK, acting on behalf of the Provisional Institutions of Self-Government of Kosovo, representatives of international social partners' organizations,

Meeting at the Sub-regional Conference of South-East European countries on "Employment Strategies in the Face of Globalization" hosted by the Ministry of Labour and Social Security of Turkey and the International Labour Organization,

Having considered the report of the World Commission on the Social Dimension of Globalization "A Fair Globalization: Creating Opportunities for all" and its impact,

Having considered the conference background paper "Employment and Development in South-East Europe in the Context of Economic Globalization",

Having considered the variety of situations in the above-mentioned countries with regard to their labour markets and employment strategies as well as the common challenges and opportunities they face in the context of globalization,

Having discussed how to implement policies aimed at achieving full employment in the context of globalization, how to address jobless growth in a globalized world, how to adjust labour markets to the imperatives of a fair globalization through flexibility, security and policy coherence, and the role of public policy, social partners and social dialogue in attaining the goals of decent work for all and a fair globalization,

Having noted the contributions of Slovenia and Greece, as EU Member States, to the European Strategy for growth and employment, as well as those of Romania and Bulgaria, as EU acceding countries and of Croatia and Turkey, as EU candidate countries, to cooperation with the EU in the field of employment under the so-called JAP process.

Whereby

Recalling the 2005 UN World Summit Outcome, in particular the commitment to Decent Work as a global goal (General Assembly resolution 60/1, § 47),

¹ Turkey recognizes the country Macedonia by its constitutional name.

Recalling the 2006 ECOSOC Ministerial Declaration “Creating an environment at the national and international levels conducive to generating full and productive employment and decent work for all, and its impact on sustainable development”,

Recalling the 2006 Communication from the European Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions on “Promoting Decent Work for All: The EU contribution to the implementation of the decent work agenda in the world”,

Recalling the ILO’s 2003 Global Employment Agenda (GEA) to make employment more productive, and the GEA Implementation document on operationalizing the employment component of Decent Work Country Programmes (GB.295/ESP/1/1),

Recalling the 2005 Conclusions of the Seventh European Regional Meeting of the ILO, and recognizing that workers face many new risks in globalized economies and thus have increased needs for social protection, and emphasizing transitions to decent work within the life cycle,

Recalling the 2003 Bucharest Declaration and the 2005 Sofia Conclusions of the Second Ministerial Conference on Employment in South Eastern Europe (“Bucharest Process”),

Recalling the Turkey National Plan of Action; Employment Promotion and Addressing Unregistered Employment through Social Dialogue,

Recognizing that although nearly all countries in the region have in recent years experienced economic growth in excess of world and EU rates and that, amongst them, countries with formerly centrally planned economies have made significant progress towards market economies, progress has been less than satisfactory in respect of employment and other dimensions of social development in most of the countries in the region, so that these countries continue to be confronted with comparatively low rates of labour force participation and employment in general and for youth in particular, large proportions of informal employment and a large incidence of poverty, and many of them with extensive emigration including many young and educated workers,

Recognizing the need of greater flexibility in labour markets in order to encourage the creation of new jobs and increase social inclusion, while, at the same time, recognizing that flexibility creates a need for more adequate social protection of those who must bear the costs of reform,

Recognizing that sustainable integration in the world markets, successful regional integration and cooperation in good neighbourhood as well as focusing national development policies towards more and better employment require both horizontally and vertically coherent economic and social strategies, to which joint initiatives in the Stability Pact countries like the Bucharest Process and on-going cooperation with the European Union have contributed considerably in recent years,

Have adopted the following declaration:

1. We are convinced that work is central to most people's lives. Decent work and a decent life go together.
2. We recognize that the rewards women and men derive from work, the way in which work is organized and how people are treated at work are decisive factors determining the economic strength and social cohesion of countries and regions. Creating an environment conducive to decent and productive work for all must be equally central to all aspects of government policy-making and implementation.
3. We assess the cultural diversity of the South Eastern European region as richness and a major challenge in building inclusive societies, good governance and competitive economies. Joining together as governments, employers' and workers' organizations to achieve the common goal of decent work for all unifies us and helps us to realize the richness of the regions most valuable resource – its people.
4. We consider the observance of human, economic and social rights enshrined in the International Labour Conventions as fundamental for the quality of work, which is essential for productivity. After having ratified all core Conventions enshrined in the ILO Declaration of 1998 in all countries represented we pledge to progress on their full implementation. We invite the ILO to promote the effective implementation of International Labour Standards globally as a basis for fair competition. This can for instance be supported by trade policies aiming to assure the observance of core conventions in production chains or by public procurement policies linking orders to promoting equal opportunities. We also commit ourselves to promote gender equality in employment policies and better access to the labour market for all groups exposed to the risks of social exclusion or discrimination, with a view to strengthening social cohesion.
5. We propose to include into integrated and coherent strategies for more and better employment along the lines of the ILO-GEA all policies that in one way or another impact on the quality and volume of employment, such as education and vocational training, enterprise development, research and development, labour market policies, wage and incomes policies, social security, sector and industrial policies, monetary and fiscal policies, trade policies, gender equality policies, and migration policies, in a context of promoting sustainable consumption and production patterns. We emphasize the ECOSOC Ministerial Declaration calling on all agencies of the multilateral system, the Bretton Woods institutions, and donors to think through in explicit terms how their policies, programmes and activities support the objective of full and productive employment and decent work for all. We commit ourselves to act both horizontally and vertically on policy integration and cooperation at the national, regional and international levels. Within our own mandates we seek increased policy convergence with the European Union, the OSCE, the World Bank and the UN agencies.
6. We acknowledge the vital role the private sector has to play in generating new investments and employment, and resolve to continue to support efforts to develop the institutions of a market economy, improve the investment climate and promote enterprise development, as critical factors for the creation of more and better jobs, including proper contract enforcement and respect for property rights and the rule of law, and pursuing

appropriate policy and regulatory frameworks. The birth of new enterprises and the expansion of existing ones are important for employment creation. New enterprise creation in expanding sectors is particularly important in some of our economies that are facing a major reallocation of workers and enterprise restructuring across sectors. We will therefore give particular attention to policies that promote micro, small and medium sized enterprises and women's entrepreneurship.

7. We pledge to continue building effective labour market institutions - including functioning institutions for social dialogue - and reforming existing ones, using social dialogue to find our own way while considering good practice elsewhere. We pledge to improve the functioning of social dialogue institutions which deal with employment policies, at all levels, including tripartite boards of employment funds. Reforms of labour market institutions and labour market policies have an important role to play in increasing performance through institutional conditions conducive to employment-rich growth, improved matching between labour supply and demand and activating both sides of the labour market.
8. We believe furthermore that where employers and workers and their representatives are able to cooperate effectively and build a sound basis for working arrangements that balance the twin imperatives of labour market flexibility and employment security and income security, this contributes greatly to social inclusion, good governance and competitive economies. Therefore, we pledge to move towards more flexible labour markets in a balanced manner, one that meets workers' needs for social protection as well as employers' needs for flexibility in hiring and retrenchment.
9. We commit to develop and implement strategies and policies that give young people, older persons and disadvantaged groups a real and equal opportunity to find full and productive employment and decent work. Promoting youth employment through, inter alia, skills development, employability, life long learning and labour market services is key to a strategy which aims to enhance the employment participation of women and men of all age groups. Balanced reforms of active and passive labour market policies and social security systems are best suited to promote transitions to decent work. Functioning labour and social protection institutions together with the rule of law contribute to fighting corruption and to transforming informal economic activities into formal ones.
10. We are convinced that both macroeconomic as well as structural and sector policies at the national level can play a major role in promoting more and better employment and increasing the employment content of growth. In SEE a multi-sector strategy is most promising to reduce poverty and to increase competitiveness. To avoid workers quitting agriculture swelling the ranks of the unemployed and under-employed, it is preferable to improve the productivity of employment in agriculture by applying better production and commercialization methods and switching to higher value products. In industry, strategies to move up the value chain are a viable complement where the competitive edge relying on low labour costs may soon be wiped out by newly emerging competitors elsewhere. The growth of services sectors also offers an important avenue to create more and better jobs and promote job-rich growth. Skills development and life long learning, as well as appropriate investment climate and enterprise development, must support this sector

strategy, which can contribute to reduce the high income-differentials between European countries.

11. We pledge to continue technical concertation and political cooperation in the field of employment policy reviews as undertaken in the “Bucharest Process” and to explore additional fields of cooperation. An obvious case in point is the transformation of informal into formal employment, for which our Turkish hosts have provided us with a good practice example. Another obvious case of policy cooperation is tax policy regarding employment taxes as part of non-wage-labour-costs, income and indirect taxes. Lowering employment taxes to reduce the relative price of labour as compared to capital, desirable to stimulate productive employment, cannot go hand in hand with a process where one country after another is jumping on the “tax rivalry bandwagon”, which leads to the erosion of the tax base needed to provide the economy and the society with the infrastructures and services for improving productivity. Economic and social systems based on good economic performance, social protection, education and social inclusion need an active state.
12. Furthermore, we pledge to cooperate in migration policies including the eradication of trafficking in human beings and forced labour, which is under way in cooperation with the ILO, the facilitation and use of remittances as a source of productive investment and social security.

We pledge to improve policy-design and coordination as well as effective policy implementation, monitoring and evaluation. We invite the ILO and other international partners to provide technical cooperation and capacity building in the policy and operational areas covered in this Declaration and other fields of regional concertation.