

Director-General's Guy Ryder's address to the EUROFOUND Forum 2013

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Transcript:

Thank-you very much indeed Juan, and thank you to EUROFOUND and to our Irish friends for giving us the chance to participate this morning in this very important event.

Let me say that I think you have chosen a very good subject for your discussion: the issues of fairness and competitiveness in our economies and our societies. And you've decided to discuss these at an extremely important moment. It's also of course the moment when Ireland's European presidency is getting under way. But also - and forgive me the slight digression – it's the moment when Ireland celebrates its centenary of dramatically important events in its own labour history. And the Irish president has described the events of 1912-1913 as formative, not only in the labour history and the labour developments of this country, but of course of its own national history, and also events which led directly, in his view, to the creation of the International Labour Organization a few years later. And with great resonance for the issues with which Europe is having to grapple, and they are not easy issues today.

We know of course that there is a feeling that there is a relaxation of the tensions surrounding the financial system, a hope that we are emerging from the worst of the Eurozone crisis, and that is finding some reflexion here in Ireland. But, I do believe that we should not allow ourselves to be distracted from the realities of the world of work, of labour markets not only in Europe - about which you know of course a very great deal - but labour markets around the world.

The reality is that globally, world unemployment is still on the increase. It went up last year, our projections show that it will go up this year, and it will go up next year. So the feeling of urgency, the feeling of the need to intervene, to act, to change the developments which have been predominant for too long now is very much in our minds as we meet here today in Dublin.

Now, I benefit as I always do from following Commissioner Andor. You know it's good politics if you agree with the Commissioner, but it makes for very poor conference dynamics, it tends to get a little tedious to hear the same message from a lot of your guests. But let me perhaps try to pick up on what are some of the most important things that Laszlo said, to give a little bit of a global perspective upon them and to say something about how the ILO sees all this.

Commissioner Andor quite rightly put the emphasis at the beginning of his comments on the levels of poverty existing in the European Union, in the world and he talked about that being offensive to the values of the European Union. And Laszlo you spoke with great realism about the situation that we're in, and the way in which the social investment package can help. There are no magic escape routes from this crisis. There's a great deal of hard work and pragmatic political work to be done by the E.U. and I would say as well by the International Labour Organization.

Our partnership is a natural one, the values of which Commissioner Andor spoke are the values of the ILO, and they oblige us to join our forces in working against poverty, mass unemployment and social exclusion, and to promote fairness in labour markets and in our societies. Now I'd ask you to lift your heads a little bit from the European context and have a look at the global context. We all read our newspapers and we all see what's happening in other parts of the world. We had recently seen that "other" State of the Union speech from President Obama. And it was a remarkably pertinent speech for the issues with which you are dealing today. I detect in the United States through what was said about jobs, what was said about supporting the middle class, what was proposed in respect of minimum wages, a real determination in that part of the world to deal with issues of competitiveness and fairness in labour markets.

You see the new economics in Japan, and you see the extraordinary measures being taken in China to deal with inequality and unfairness in labour markets. These are extraordinary developments, and Europe has to take due cognisance of them. I think we're very used and with good historical justification to regarding Europe as THE global leader in issues of social dimensions of labour markets, the model, the partnership. Well, that's true and it needs to continue to be true. But believe me, the rest of the world is moving and the rest of the world is looking not only to Europe for leadership, it's looking to Europe also to act because everybody else is as well. And I know that yesterday we heard a lot about what's happening in Latin America. Let me just add as a final comment on this global perspective that the G20 Presidency under the Russian Federation has made jobs and growth a centre piece of its Presidency. coinciding with the very welcome commitments of the Irish Presidency of the European Union.

And we will be seeing in the G20 this year something which I regard as very important, certainly without precedent, and that is a joint meeting of G20 labour and employment ministers and finance ministers, making a very important linkage between two areas of policy that sometimes seem to be dealt with in isolation from each other, if not in conflict with each other.

And those of us who were fortunate enough to enjoy that great dinner last night and to listen to Minister Burton will have heard some extremely important reflexions on this link between finance and labour issues. She put the question: "Is there not a moment at which austerity becomes self-defeating?" It's a question that I think we've all been thinking about for a long time. What I would say is that there is a need to enter on to these difficult issues with a degree of readiness to think pragmatically and operationally and with the values to which Commissioner Andor has referred very much in mind.

Let me then turn to the more specific questions, the social investment package, the social dimension of European monetary union and the all-important question of the situation of youth in Europe and in European labour markets. The social investment package -- and we're waiting to see the details next

week with great impatience – offers an extraordinarily important opportunity to begin to move in a different direction. It is inspired by the absolutely correct notion that there is no necessary contradiction between competitiveness and social interventions of this type, indeed, as the background document prepared for this conference indicates there is every reason to believe that the right sorts of social investment can be a pre- condition and a very important support for competitiveness.

And yes, we do face challenges in the design of these packages. It's extremely important that we take the whole life cycle approach to social protection policies. Yes, they need to be targeted and yes, they do need to be moved by the objective of inclusion of people in labour markets. There are a couple of very important challenges behind some of the points that Commissioner Andor made: he talked of the need to invest at a time of fiscal consolidation, he spoke of the need to make the system simple while making them individualized as well, and these are of course massive and complex challenges ahead. But we should be clear that these policies should be designed well, not only because of the financial constraints acting upon us, but because of the need to bring people actively into labour markets. It is very much the need of the day.

The ILO itself has adopted recently a recommendation on social protection floors, and I believe that the ILO's own work in this area can be very much compatible with and supportive of the role that the European Union and the Commission is about to embark upon.

You know, this notion of competitiveness and fairness is interesting. As the background document indicates, some of the countries with very well developed social policies are those which are most competitive. You look at the lead tables and inevitably seem to find Switzerland at the top. I had the opportunity to discuss the reasons for the Swiss performance on competitiveness with their Minister of Labour last week and put the question "how do you explain Switzerland's competitive performance with the high level of wages that you practice in the country?" He gave me a very clear answer: Education, research in innovation, workplace practices that promote productivity and - this was the strongest element of all – social partnership. Social partnership is alive and well in Switzerland even if it may be questioned in other parts of Europe.

Colleagues, the social dimension of the EMU about which Commissioner Andor has spoken so persuasively, I believe to be perhaps the most crucial of the immediate challenges before the Union. Those of us who are old enough to remember, or to have participated in - and I can see a few of you – the construction of the social dimension of the internal market way back when, understand the full importance of this challenge. In a sense, the need for a social dimension to EMU stands along with the social dimension of the internal market, almost as an historical obligation of the Union. It cannot happen without that social dimension and it must be made to work.

And in that thought lie enormously important policy challenges ahead. We should listen very carefully to some of the very far-reaching things that the Commissioner said about what that social dimension implies and will require. The only thing I want to emphasize is the absolute importance of dialogue, of partnership, in putting a social dimension together. I think that the crisis has subjected social dialogue, social partnership to extraordinary stress tests, perhaps the most rigorous stress tests of the history of the European Union. And let's be honest, in some countries the stress test was too strong for the social partners to resist. And one of the victims of the crisis has been this type of dialogue, this type of partnership. It's always more difficult to stick the pieces back together if it's been broken, but that is the task ahead of us and I believe that we must turn to it.

My last thought is in respect of youth unemployment and what is going to be done about youth unemployment. One gets almost inured to the drama of youth unemployment in our countries, one quotes the figures, one has difficulty in grasping what they really mean in human lives. The question I always get asked, and I don't like it much is, "Do you think levels of youth unemployment are going to bring social instability to our countries?" And I'm tempted to say well they can, yes, but it's not the right question, because it is not acceptable to tolerate levels of youth unemployment, lived in millions of lives of quiet desperation, because of the idea that "it's under control, we can let it happen". Let's not wait, let's not use the danger of instability as a trigger for action. In the absence of open instability which will come, we need to act now.

I've heard again here this morning about what the Spanish call the "ni-ni" phenomenon, "ni empleo, ni educación", I'm told in Spain about the "ni, ni, ni": "ni empleo, ni educacion, ni se espera nada del Estado"; we don't expect absolutely anything from the State and by implication the European Union either – or the ILO. What happens now is vitally important because the first challenge is to let youth know that this is not just another meeting in another city in Europe. This is the moment when something happens, when the youth guarantee can start to change their lives, when they can start to believe again that the political institutions of their countries, the social actors in their countries are actually going to do something, actually going to offer some perspectives for the future. The ILO has its responsibilities in this regard. We will be making youth unemployment, if the Governing Body agrees, a priority for our future action. I want to do that hand in hand with the European Union and I very much hope that the decisions taken very shortly, in the light of the budgetary allocations made, will enable us to do something to break down what is, frankly, the alienation of European and world youth concerning our efforts, our institutions and our motivations.

Let me finish by saying, colleagues, that the ILO goes to Oslo in April for its four yearly European Regional meeting. I look forward to seeing Commissioner Andor, and many other colleagues there, again. That is a very important meeting for the ILO.

I hope it can be a moment when we can address some of the issues which I've raised with you and others have raised today, and we can move forward from what I regard as still very gloomy circumstances; a moment when things can begin to change, when we can begin to move on to something that we all want to see: Growth, jobs, competitiveness, and fairness in our European society and labour markets. Thank you very much for listening..