

TUAC: trade union advisory committee to the organisation for economic cooperation and development

“MEETING THE CHALLENGE OF DEMOGRAPHIC CHANGE – THE VIEW OF LABOUR”

Trade Union Statement for the G8 Labour and Employment Ministers’ Conference

London, 10-11 March 2005

SUMMARY OF MAIN POINTS

The trade union statement, prepared for the London meeting of 10-11 March, makes the following main points:

- Trade unions’ approach to modernising pension and social security systems remains based upon three principles:-
 - . Beyond a certain age, paid employment should not be necessary to enjoy a decent standard of living;
 - . Publicly administered social security should play an important role in achieving this objective;
 - . Retirement systems should be developed and negotiated in a tripartite framework (§4).
- Defined benefit pension arrangements are preferred by workers primarily because they provide more predictable pensions than do the defined contribution alternatives (§4).
- When account is taken of workers’ preferences for retirement and rates of economic growth in the future, most OECD countries will be able to provide very robust pay-as-you-go publicly administered pensions payable at age 65 with wage indexing. The maintenance of these systems is crucial if large portions of the workforce are to have any real choice about whether to work or retire (§10).
- With falling labour force growth in OECD countries, productivity growth will have to become a larger component of economic growth (§14).
- The most central problem remains the involuntary low effective retirement ages of those over 50 in several OECD countries (§22).
- Coping with this demographic challenge requires a comprehensive set of policies for improving the employment prospects of all age groups (§25) and trade unions call on G8 and OECD governments to implement comprehensive national programmes focusing on age management (§27).
- Stronger economic growth is essential to improving the employment prospects of older workers. Labour and Employment Ministers should urge OECD Finance Ministers and Central Bankers to take concerted and coordinated monetary and

fiscal policy action to strengthen economic and employment growth and boost the global economy (§28.)

- Trade unions support efforts to develop a smooth path for a flexible transition from work to retirement in order to contribute to active ageing (§32).
- Employers' attitudes towards older workers need to change radically. There is evidence of widespread age discrimination in internal and external labour markets across OECD countries (§33).
- Trade unions have extensive experience and expertise in organising workplaces and working time for specific categories of workers. They should be full partners in mapping out and implementing active ageing strategies (§41).
- Stagnating or declining population growth in most G8 and OECD countries contrasts with projected expanding populations up to at least 2050 in many other parts of the world with the bulk of population growth occurring in the poorest countries (§42).
- At the same time global labour markets are undergoing major changes. The need to prevent abuses of fundamental workers' rights resulting from such processes of globalisation makes the case for coordinated and effective international action to enforce core labour rights increasingly urgent (§43).
- Ministers should recommend to the G8 Gleneagles Summit a major programme of work on the employment implications of climate change to be undertaken jointly by the EU, ILO, OECD and UNEP (§44).
- Employment is one of the key challenges in developing countries and a top priority in Africa. Decent work should be sited at the core of all socio-economic policy in Africa, and its pursuit should be central in national employment and poverty reduction strategies (§45).
- It is imperative that governments take into account the impact of the HIV-AIDS pandemic on the situation of young people in the labour market and ensure health education is key in the development of young people for working life (§46).
- G8 Ministers are encouraged to participate fully in the general discussion on youth employment in the forthcoming ILO conference in June 2005. These discussions need to put forward key objectives for governments that could as a follow-up lead to a high level roundtable with African countries on the issue of youth employment (§48).
- The year 2005 could offer a real opportunity for a breakthrough on poverty, with the G8 summit meetings being the first step (§50).

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I. OVERVIEW

1. Two of the greatest concerns for workers in G8 and OECD countries are job-security as well as adequacy and sustainability of retirement incomes. It is therefore highly relevant that G8 Labour and Employment Ministers are meeting to discuss the challenge of demographic change. This must be viewed however in the context of the broader G8 agenda of globalisation, development and the potentially serious impacts of climate change on employment.
2. Globalisation, through the acceleration of international offshoring and relocation of industrial and service sector activities, has highlighted the sense of job insecurity amongst many workers in OECD countries. At the same time the dearth of decent work in developing countries and the continuing population growth pose a central problem of a growing oversupply of labour occurring side by side with poverty and unmet basic human needs.
3. Some of these challenges were discussed by G8 Ministers at their December 2003 Conference in Stuttgart. Trade unions welcomed the meeting's conclusion that the social dimension of globalisation needed to be taken more seriously at the multilateral level. The Chair's conclusions proposed the creation of an inter-institutional dialogue forum consisting of ILO, UNCTAD, WTO, World Bank and IMF. This was in addition to recommending the enforcement of core labour standards, respect for the OECD Guidelines for Multinational Enterprises, the "internationalisation of labour relations" and encouragement of the OECD and ILO to work together on growth and employment. Today, 15 months later, these conclusions are more relevant than ever yet they still have to be acted upon. Thus if G8 Employment Ministers' meetings are to be relevant the conclusions must be seen to have follow-up.

II. ENSURING SECURITY IN OLD AGE

Principles for retirement income systems

4. The international trade union movement has long advocated and been involved in creating retirement income schemes in their national contexts that provide older workers with the option of maintaining their standard of living and avoiding poverty after retiring from paid employment. The particular approaches to providing retirement income that have been supported by trade unions (and adopted by governments) have varied from country to country, but three principles have been universal on the union side: firstly, a commitment to the view that beyond a certain age, paid employment should not be necessary to enjoy a decent standard of living; secondly, publicly administered social security should play an important role in achieving this objective thanks to its relative advantage in dealing with issues of pension coverage, portability and indexing as well as its administrative efficiency and relatively stable financial base; and thirdly, that retirement systems should be

developed and negotiated in a tripartite framework. Trade unions have also promoted defined benefit pension arrangements primarily because they provide more predictable pensions than do the defined contribution alternatives. Whilst these principles have been applied most extensively in the G8 and OECD countries in the post-war period they are nevertheless important aspirational principles for trade unions throughout the world. They remain valid even when challenged by some in the current period of demographic change. They are at the basis of trade unions' approach to modernising pension and social security systems so as to safeguard their future.

5. A common definition of social security expenditure, both public and private, and data that allow better international comparisons of its various components are essential.

6. It is important to note that retirement security has been sought within the context of the trade union movement's promotion of decent employment for everyone who wants employment. This is manifest not only in campaigning for full employment, but also in calling for remedial action to deal with the chronic under-employment of particular groups at risk or on the margins of the labour force such as: women; immigrants; ethnic minorities; persons with disabilities; and older laid off workers. The trade union movement has also worked to improve conditions of work so that it is tolerable for workers of all ages, including older workers.

The impact of demographic change

7. These principles remain valid in spite of the ageing of the population that is taking place across the G8 and beyond. This phenomenon is most frequently associated with an increase in the portion of the population over 65 and, worldwide, the United Nations has estimated that the portion of the world population over 65 will increase from 6.9 per cent in 2000, to 14.2 per cent in 2040. This ageing process will be particularly rapid in East Asia: in China the portion of the population over 65 will increase from 6.8 per cent in 2000, to 21.8 per cent in 2040. Similar developments are projected for Japan and Korea.

8. Other important developments are the even more rapid ageing of 'the older elderly' - those over 75 - as well as an ageing of the active workforce. Despite the reports in some OECD countries that connect the ageing of the population with the ageing of the baby boom, this is not what underlies the ageing process. What underlies the process is increased longevity at all ages - especially older ages - which is unambiguously good news, reflecting socio-economic development and successful public health policies, as well as declining fertility, which is only good in so far as it reflects people's preferred choice.

9. The decline in fertility puts most OECD countries in a situation in which they cannot maintain their level of population through natural reproduction. This clearly changes the economic growth process as it is unlikely to be supported by labour force growth beyond a certain point in time. It does not however mean that growth in real output and in particular per capita real output should necessarily slow. This has led to a debate about supplementing population growth in OECD countries with increased immigration. However, given the need to facilitate social integration and

avoid political backlash in the receiving countries whilst contributing to the development of the sending countries, it is essential that migration is managed as an issue in its own right and not as a response to differences in population growth.

10. The trade union movement clearly anticipates substantial demographic change with important implications that stretch in many directions. But we remain firmly of the view that when account is taken of workers' preferences for retirement and likely rates of economic growth in the future, most societies will be able to provide very robust pay-as-you-go publicly administered pensions payable at age 65 with wage indexing. We believe that the maintenance of these systems is crucial if large portions of the workforce are to have any real choice about whether to work or retire.

11. However, the policy process has partly lost sight of the fact that older people are "an asset to society", as the G8 Turin Charter "Towards Active Ageing" put it. There is still a gap between the rhetoric on ageing and policies designed to enhance the health, social inclusion and social security of older citizens. Concerns regarding long-term demographic trends have neither caused a reconsideration of conventional three-stage life cycle approaches comprising education, employment and retirement nor have they given rise to more integrated approaches based on active partnerships between governments and public authorities, trade unions and employers.

Unnecessary pessimism about the future of pay-as-you-go systems

12. Much of the debate about the future of pay-as-you-go publicly administered pensions starts from the fact that the required contributions to these plans will increase in the future in response to population ageing. Often, this fact is seen as inherently unacceptable, especially in an era when many prominent politicians have committed themselves to lowering taxes.

13. But, no matter how pensions are administered or financed, if the incomes of pensioners relative to society as a whole are to be maintained, their share of national income has to go up in line with the rise in the proportion of the population who are pensioners. This fact does not change with changing financing regimes.

14. If in the past, the attitude had prevailed that the share of income going to pensions could not be increased, we would not have accomplished what we have in reducing old-age poverty in OECD countries.

15. While increased claims of the elderly on national income (and government budgets) are likely to go up, this does not mean that active workers need face declining living standards. Economic growth has led to OECD countries becoming richer the key issue is how wealth is distributed. Even in countries such as Korea that face very rapid ageing trajectories, real wage increases of only one half of one per cent per year will be sufficient to allow the earnings of active workers net of pension contributions to keep increasing while the share of income going to pension contributions increases. With falling labour force growth in OECD countries, productivity growth will have to become a larger component of economic growth.

Complacent about adequacy

16. Much of the commentary produced by both international governmental institutions and by national governments on ageing and pensions has been disturbingly complacent on the question whether incomes of the elderly are adequate. It is time to challenge the analysis that underlies this complacency.

17. Despite relatively low levels of labour force participation of people aged over 65 in OECD countries, the inclusion of their employment income still has a significant effect on comparisons of the incomes of over 65s with the rest of the population. Thus, in many countries, it is not appropriate to generalize from the incomes of over 65s to the situation of pensioners or retirees. Yet this comparison tends to dominate what discussion there is about income adequacy of the retired or pensioner population.

18. Comparisons of the income of those aged over 65 with that of younger age groups are also sensitive to other conditions of the recent past that soon may be inapplicable. In particular: relatively low rates of inflation have protected the real and relative income of older people who have been receiving non-indexed workplace pensions; high rates of return on financial assets through the 1980s and 1990s helped increase incomes from workplace Defined Benefit pension plans as well as from Defined Contribution pensions and individual savings plans; and sadly, low rates of real wage growth have held back the point of comparison for increased incomes of the elderly.

19. High rates of return on financial assets have already disappeared and are vulnerable over the longer term to the same demographic influences that have better known effects on pay-as-you-go plans. Thus pension systems that have large pre-funded components should not get the boost from this source in the future that they received in the latter part of the twentieth century.

20. Finally, it is worth noting that the core pension programs in many countries only link benefits to price changes, a number of countries having decided to go from wage indexing to price indexing. While price indexing protects the real value of pension benefits, it does not protect the relative income of the elderly in the face of real wage growth. With current long periods of retirement, price indexing will result in significant declines in relative income over the retirement period. A policy discussion is needed at OECD level on how to standardise adequate levels of retirement income.

Ways ahead: preferred and not preferred

21. If the relative incomes and retirees' rights to social protection are to be maintained in an ageing society, the share of national income claimed by retirees will increase. This reality has attracted a number of responses that the trade union movement does not accept as necessary or constructive. The following are typical examples:

- Converting public and/or workplace Defined Benefit plans to Defined Contribution is a conversion which exposes plan members to too much economic and demographic risk that they cannot pool or share;

- Funding more fully Defined Benefit plans: the potential gains of pre-funding are typically overstated and the pre-funded systems are forced to rely on a financial base that is far more volatile than the financial base of pay-as-you-go plans; and,
- Reducing (public) pension benefits: this approach is not necessary financially and is incompatible with the aspirations of working people.

22. We are of the view that in most countries decent pension arrangements are sustainable. In addition, we note that a large number of countries are not taking advantage of the available labour force. General rates of unemployment remain unacceptably high and particular parts of the labour force (women, immigrants, persons with disabilities, laid off older workers) remain chronically under-employed.

23. The most central problem remains the involuntary low effective retirement ages of those over 50 in several OECD countries. The goal must be to facilitate active ageing in quality employment.

III. A STRATEGY FOR ACTIVE AGEING

The scope for active ageing

24. Increasing the facility for workers over 50 to remain active will increase the sustainability of pension systems, but it is also necessary in its own right with the growing proportion of OECD populations in the over 50 age cohort.

25. Coping with this demographic challenge requires a comprehensive set of policies for improving the employment prospects of all age groups. However, particular attention needs to be given to a reversal of the current low activity rates of both women and older workers. This implies changing employment and labour market policies as well as providing a more flexible path to retirement. Reforms must provide positive incentives for current and future wage earners to enter and to remain in the labour force. At the same time they must increase the willingness of employers to hire and to retain older workers. Policies to address the demographic challenge raise important issues and should not be imposed unilaterally. Dialogue between the social partners is a prerequisite for reaching consensus and successfully promoting policies for active ageing.

26. Despite a growing consensus on active ageing since the Turin G8 Labour Ministers' meeting in 2000 policies designed to maintain prosperity in ageing societies are failing to tackle the challenges posed by ageing. They focus on the adjustment of retirement and pension schemes. Necessary adjustments regarding the interrelation between ageing, labour markets and employment policies as well as between ageing and employment practices of firms are not taking place sufficiently quickly. The issue of promoting equal opportunities between women and men is also neglected in the ageing debate.

27. Trade unions call on G8 and OECD governments to implement comprehensive national programmes focusing on age management. Such programmes should:

- Correct the misconception that age and productivity are negatively linked;
- Provide evidence that the ability to acquire new skills does not disappear with age;
- Promote the age specific re-design of jobs and work systems;
- Shed light upon the relation between employment strategies of companies and old age dependency ratios;
- Lead firms to take into account the social and external costs of laying off older workers.

Strengthening of economic and employment growth – a prerequisite for reducing involuntary retirement

28. Participation rates of older workers increase during a period of economic growth. In a tight labour market firms are forced to alter their policies of hiring and retaining workers. The most effective way of cutting the trend to earlier effective retirement and maintaining the employment of older workers is to ensure that there is increasing aggregate demand for labour. Labour and Employment Ministers should urge OECD Finance Ministers and Central Bankers to take concerted and coordinated monetary and fiscal policy action to strengthen economic and employment growth and boost the global economy. G8 policy-makers must establish a forward-looking framework for monetary and fiscal policy. Increased domestic demand should be prioritized to strengthen consumer confidence and job creation.

Increasing the effective age of retirement is not sufficient – the focus must go beyond the supply side of the labour market

29. Raising the statutory retirement age is neither the only nor the most desirable route for increasing the participation rates of older workers. A rise in statutory age alone does not necessarily bring about a rising effective retirement age. In order to reverse the trend towards involuntary earlier retirement, it is of the utmost importance to remove the pressures coming from high unemployment, corporate restructuring and low demand for labour by promoting more employment orientated economic policies. It is also important to tackle the rise in an end-of-career precariousness faced by an increasing number of older workers, in particular by workers lacking skills and by women.

30. For most workers the decision to retire early is not a voluntary one, taken on the basis of the “generosity” of pension schemes. Individual decisions for earlier retirement in general go along with the acceptance of reduced accrued pensions. A decision to take earlier retirement is most often an effort to prevent unemployment, to maintain self-esteem and to avoid the social stigma that goes with unemployment. However, for most workers early retirement has only been acceptable so long as they were not facing the risk of old age poverty due to reduced accrued pensions. This is underlined by the fact that with the growth of defined contribution schemes stock market falls have forced more older workers to stay on in the labour force.

Flexible work-retirement transition as an indispensable element of active ageing

31. It is desirable to facilitate a smooth transition from work to retirement. The implied flexible retirement aims at retaining older workers within the active population by decreasing their working time and, at the same time, granting income support. Such arrangements can help to reduce the social exclusion of older workers and are a way to keep valuable competence and skills within firms and to transfer know-how to younger employees; the burden on pension systems may also be reduced, insofar as people are able to work longer than they would do otherwise. The supposed “pension shock” associated with a too rapid transition from working to retirement may also be mitigated or removed. Also adjustment of the demands of work to health problems that might be associated with age may be smoother, enabling older people to stay longer in work than might otherwise be the case.

32. Trade unions support efforts to develop a smooth path for a flexible transition from work to retirement in order to contribute to active ageing. However, a voluntary decision by employees to agree to the extension of working life must be considered as a prerequisite of such an approach. We oppose the imposition of increased labour market obligations for older people. What is desirable however are schemes that match participants’ aspirations with a strong element of personal advice and support from counsellors. Older workers should also have the right to refuse compulsory retirement. Governments must include this in their own public sector employment practices. The implementation of a flexible work-retirement transition for government employees would provide a good example of active ageing.

Combat age discrimination in internal and external labour markets

33. Employers’ attitudes towards older workers need to change radically. There is evidence of widespread age discrimination in internal and external labour markets across OECD countries. According to recent surveys, the prevailing perceptions among employers regarding older workers are that they are difficult to train, unable to adapt to new technologies and are too cautious. This is also reflected in overt age recruitment barriers as well as in the fact that recruiting or retaining older workers is a little used strategy. Moreover, older workers are less likely to be promoted than younger workers.

34. Age discrimination occurs across the whole spectrum of employment and firm size. Evidence suggests that workers aged over 50 experience difficulties regarding both job promotion and access to further training as well as in successfully applying for jobs on offer. Yet, older workers are no less effective than younger ones. And businesses which have eliminated age discrimination in employment have benefited.

35. Ending age discrimination in employment enables companies to:

- Reduce staff turnover and make a more effective use of resources available;
- Build and maintain a broadly skilled and motivated workforce;

- Provide solutions both to the challenges of competition and to the requirement of customers, based upon a broad range of experience and expertise;
- Maintain and strengthen competitiveness, based on the ability to innovate, to increase productivity and to reduce costs.

36. That said, there is no clear evidence that attitudes and practices of employers towards older workers are improving substantially since the Turin G8 meeting. Companies must be convinced of the value of engaging in proactive policies of changes in work organization and working time and training in order to allow older workers to remain in freely chosen work. Combined incentive/disincentive systems (bonus/malus) should be implemented in OECD countries that reward hiring of older workers and penalise their lay-off.

Improve access to training for older workers

37. Older workers with low levels of foundation skills and a lack of previous training opportunities face particularly acute employment problems. Labour force surveys suggest that the key factor constraining training activities of older workers is more a lack of opportunities provided by employers than disinterest among older workers. Nevertheless, employers often tend to doubt the ability of older workers to learn new skills, despite ample evidence that these prejudices are unfounded. Some employers do not see the need to adapt to demographic changes because they believe that the global labour market will remain in oversupply. Others may hesitate to invest in the training of older workers because they question their learning ability. Yet research results show that, if appropriate training methods are used, older workers are able to learn new skills as easily as younger ones do. Also employers may have doubts about the returns on investment in older workers because they have a shorter remaining period of service in the enterprise.

38. It has to be noted that the need for genuine “lifelong” learning will be reinforced by the ageing of populations. Lifelong learning can help the adjustment of workers’ skills and competencies to labour market demand. It can help to improve the attachment of older workers to the labour market. Adapting skills will be more worthwhile than acquiring completely new ones given the relatively shorter time to recoup costs. In this regard it is clear that effective implementation of lifelong learning can help to facilitate the adjustment of workers’ skills and competencies. It is imperative that education and training policies be adapted to the specific learning needs of older workers.

Implementation of age-related design of work systems and career paths

39. In order to maintain the ability to innovate against the background of an ageing workforce it is of increasing importance to provide for an age-related design of work places, work systems and career paths. It is equally important to act before age-related problems arise. Thus, policies attempting to encourage later exit from the labour market must be combined with policies improving working conditions for all workers.

40. The aim must be to develop and maintain the ability of workers to perform tasks throughout the entire course of their working life. The necessary prerequisites, besides training, are a health promoting working environment also conducive to learning, innovation and motivation. Workers who work in a learning environment do not face the risk of a decline in trainability.

41. Trade unions have extensive experience and expertise in organising workplaces and working time for specific categories of workers. They should be full partners in mapping out and implementing active ageing strategies.

III. DEMOGRAPHIC CHANGE IN A GLOBAL CONTEXT

42. Stagnating or declining population growth in most G8 and OECD countries contrasts with projected expanding populations up to at least 2050 in many other parts of the world, notably South Asia, parts of Sub-Saharan Africa and the Middle East and North Africa. A fundamental redistribution of the world's population is taking place with the bulk of population growth occurring in the poorest countries.

43. At the same time global labour markets are undergoing major changes. Since the fall of the Berlin Wall and the emergence of China and India as major producers on world markets, the number of potential participants in the global trade and investment system has doubled from three to six billion people. The potential world labour force has more than doubled. China has now become a major manufacturing exporter. This has initially affected the low cost sectors of production and the workers employed in them, - the employment impact in parts of the textile, clothing and sports goods sectors has been clear in OECD countries over the past twenty years but the same challenge is now confronting many developing country producers with the ending of the Agreement on Textiles and Clothing at the end of 2004. Technology is increasingly allowing international outsourcing and offshoring in the service sector and with white collar jobs previously thought immune to international relocation. Pressures on employment standards have therefore for the first time had a more generalised effect across different categories of jobs. Moreover, foreign investment now operates in conjunction with trade - workers are confronted by the same firms, either directly as employers or indirectly through supply chains. The need to prevent abuses of fundamental workers' rights resulting from such processes of globalisation makes the case for coordinated and effective international action increasingly urgent. The WTO, World Bank and IMF in conjunction with the ILO and other relevant UN agencies and the OECD need step up action to enforce workers' rights.

44. The challenge that this poses is to ensure broadly based, sustainable growth and to implement the conclusions of the ILO's World Commission on the Social Dimension of Globalisation and recommendations of the Stuttgart G8 Conference that preceded them. There is an urgent need to re-link efforts to attain the Millennium Development Goals and to increase the resources of financing for development that is strongly supported by the international trade union movement, with the creation of decent work and workplaces. This must be in the context of halting climate change and achieving a sustainable model of growth and sustainable employment. Ministers should recommend to the G8 Gleneagles Summit a major programme of work on the employment implications of climate change to be undertaken jointly by the EU, ILO, OECD and UNEP.

The African youth employment challenge

45. Employment is one of the key challenges in developing countries and a top priority in Africa, given the level of development of the continent and the absence of social safety nets for the unemployed and the working poor. With the spiralling nature of youth unemployment in most African countries, development programs must adequately address the problem, with the aim of putting in place the requisite remedial and preventive measures. Piecemeal programs will not be sufficient. Rather what is needed are comprehensive policies that cut across various sectors of the economy – education, training, micro finance, agriculture, health, rural development, information technology. The recommendations of the ILO World Commission Report on the Social Dimension of Globalization emphasise Decent Work as defined by the ILO, create the conditions for fair globalisation and provide a message that is relevant to youth which constitutes Africa's future. Decent work should be placed at the core of socio-economic policy in Africa, and its pursuit should be central in national employment and poverty reduction strategies, taking into account age, gender equality and equity.

46. Policies must be targeted at youth and especially young women in order to reduce further incidences of youth unemployment. More emphasis needs to be put on youth making themselves employable. The development of entrepreneurial abilities through technical and vocational skills provides ways of enhancing youth employability and promoting self-employment. Subsequently, it is necessary for employment and education ministries to work hand in hand in ensuring measures for a smooth transition from school to work for young Africans. Regionally it is imperative that governments take into account the impact of the HIV-AIDS pandemic on the situation of young people in the labour market and ensure health education is key in the development of young people for working life.

47. In conjunction with these measures there is a need for governments to engage in dialogue with the social partners in order to undertake partnership in confronting the challenge that youth employment lays down and in creating decent work for young people on the African continent both at the national and regional level. This would include ensuring that employment legislation is developed to protect young workers with a view to eradicating child labour, ensuring the right to join a union and collectively bargain, a high standard of health and safety measures in the workplace and a living wage.

48. At the international level it is imperative for the countries of the G8 to support African countries in developing national policies and programmes that would create decent work for young people. This can be done through the sharing of experience, policies, programmes and expertise related to youth employment. As part of such an approach, G8 Ministers are encouraged to participate fully in the general discussion on youth employment in the forthcoming ILO conference in June 2005. These discussions need to put forward key objectives for governments that, could as a follow-up lead to a high level roundtable with African countries on the issue of youth employment.

49. Africa has to engage with the global economy and seize the potential opportunities that exist for the economic and social progress of the continent and its integration in the global economy. The New Partnership for Africa's Development (NEPAD) can help to pull the continent out from the malaise of underdevelopment and exclusion in a globalised economy. Poverty eradication must be its major objective. It is an important initiative that needs to be made more inclusive in particular with trade union participation.

50. Trade unions have been in the forefront of the fight against poverty through their campaigns for effective participation in the World Bank's Poverty Reduction Strategy Papers, the need to increase aid, debt reduction and cancellation, gain market access for products of least developed countries, increase foreign direct investment, enforce respect for human and trade union rights, campaign for the attainment of MDGs in Africa, intensify the fight against HIV/AIDS, and implement conflict resolution. In line with the Global Call to Action against Poverty, which Global Unions have endorsed, governments need to take decisive and concrete action that target the many faces of poverty. The year 2005 could offer a real opportunity to make a breakthrough on poverty, with the G8 summit meetings being the first step. Trade unions are also looking toward the United Nations General Assembly's first 5-year review of progress in achieving the Millennium Development Goals in New York (September 2005) seen as an avenue where progress must be made.