
Keynote Speech - Globalization and the Future of Youth in Asia

Director-General, ILO
Mr. Juan SOMAVIA

I want to thank the United Nations University, and in particular Rector Hans van Ginkel, for hosting this event with the Ministry of Health, Labour and Welfare and the ILO Tokyo Office.

The University is a think tank for the UN and a vital bridge between policy makers and the world of research. In the fields of international relations and development thinking we have to review our intellectual tools, many of them shaped before we entered the present era of globalization.

We need to shift away from education for conformity to education for creativity.

Rector, you are leading the way in getting up from the easy chair of scholarly comfort to explore the horizons of analytic innovation.- thank you for it.

It is indeed an honour and pleasure to be back in Japan-a nation that is such a vital voice in the entire international system and has played a key role in the ILO.

The Japanese government is a permanent member of our Governing Body since rejoining the organization in 1954, and Japanese worker and employer delegates are regularly elected too. Our organization, as well as the entire UN system, has been enriched and energized by Japanese ideas, insight, talent and, perhaps most of all, commitment to multilateralism.

Modern Japan has grown out of a vision that puts people's security and entrepreneurial creativity as driving forces behind your development options and socio-economic policies. It builds on your own experience that without qualified human resources at all levels, your other resources will not flourish.

Competent and skilled workers employed in companies committed to innovation and social responsibility in a society that is not indifferent to its weaker members, has proved to be a remarkably successful formula which many want to emulate.

Today you are faced with the challenge of preserving those values while adapting to a fast paced and fast changing global economy. I have no doubt that you will succeed in finding the right national solutions based on your proven capacity for dialogue and consensus building.

I would like to reflect on two interlinked global issues: youth employment and the shaping of a fair globalization. And in doing so I want to invite you to think about the role of Japan and of Asia in working with the ILO on these topics of vital significance to our future.

A useful concept to begin with is Human Security which Japan has done so much to advance on the global agenda. The report of the Commission on Human Security, co-chaired by Sadako Ogata and Amartya Sen, was a major contribution to deepening our understanding of the full meaning of security.

This is a subject dear to my heart. I have long believed and argued for the need to go beyond the traditional concept of security. The need to reinforce People's Security was the core message of the South American Peace Commission which I helped to establish in the 1980s.

Security is about more than law and order or what we loosely call "international security". And it has become more complex with the multiplication of local conflicts and the emergence of terrorism globally.

Yet for most individuals, families and communities in the world today, the most pervasive forms of insecurity are growing poverty and social exclusion in too many countries. Growing global unemployment. Growing impacts of all sorts of violence in the home and in society.

This is also touching the better off. More and more middle class families are wondering if their children are going to have the same chances they had.

Unless we concentrate on human security--people's security in their daily life--classical notions of security alone will not lead to stable societies.

Getting there means looking at policies through the diverse eyes of people, rather than as objects of policies based on one-size-fits-all solutions.

What is the meaning of democracy, some ask, when it is not delivering the decent job I need to provide for my family?

For the generation who struggled to restore democracy in Latin American in the seventies and eighties, there is an understandable reaction towards policies that, as the results of a recent regional opinion poll showed, are causing around three quarters of people to fear that they would lose their job in the course of the next year. Worse still, it adds that more than half would not mind an undemocratic regime if it solved their economic problems.

These questions aren't unique to any society or region. They are pervasive. And they are real.

We need some new ways of connecting the work of international institutions to the lives of people if we are to increase security in the full "human" sense of the term.

When I was elected Director General, I launched a major review to see how the ILO could best respond to help people meet the social challenges of the global economy.

As I consulted our worker, employer and government constituents, talked with many people from many walks of life, the same message came through loud and clear. "Give me a fair chance at a decent job."

Work that will provide for the health and education of the family. Work that will ensure basic security through life, adversity and old age. Work that respects human rights. Productive work based on a competitive economy.

We reorganized the ILO around the foundation of Decent Work based on four pillars-job creation and enterprise development, workers rights, social protection, and social dialogue.

The Decent Work approach permits each country to find the optimal combination of the four objectives in the context of their own realities and the challenges of globalization.

Using the decent work concept as a development tool the ILO is helping countries to place employment at the heart of their poverty reduction strategies and is encouraging international development institutions to support this policy thrust. This is particularly important for young women and men. Although decent work is the main route out of poverty for most people it is not yet an international policy priority. But a consensus is emerging that it should become a global goal.

Worldwide in the coming decade, over one billion young women and men will start looking for their first job. More than half will be in developing Asia.

Unless we improve our ability to ensure that young women and men do get a job whatever their level of education, the current total of 88 million unemployed youth worldwide will continue to climb. And these figures do not cover the young people subsisting in the informal economy. Today, the young face official jobless rates that are two and three times that of adults.

It is little consolation to know that this generation of young men, and especially of young women, is the best educated and best trained ever. We are getting more children to school but we are failing to get them into productive and decent work.

As the Conclusions of a recent ILO Tripartite Meeting on Youth Employment stressed, this challenge “calls for an integrated and coherent approach that combines interventions at the macro- and microeconomic level, focuses on labour demand and supply, and addresses both the quantity and quality of employment”.

My colleague Jane Stewart who is leading the ILO sector responsible for our work on youth employment will speak in more depth on our approach tomorrow.

In response to this challenge and at the request of UN Secretary General Kofi Annan, we at the ILO are leading a global Youth Employment Network to help do just that. The World Bank is our partner.

The idea is to learn from each other’s experiences about what works and what does not and establish a track record that other countries will wish to follow.

Ten countries have stepped forward to volunteer as lead countries: Azerbaijan, Brazil, Egypt, Mali, Namibia, Rwanda, Senegal and in Asia, Indonesia, Iran and Sri Lanka.

Each country is developing national action plans, following the recommendations of a high level panel set up by the Youth Employment Network sponsors. Incidentally, we call ourselves YEN.

I might also add that with more than half a billion young people entering the Asian labour market in the coming decade YEN is particularly relevant. This is a good area for Japanese leadership. A regional project could make a major contribution to the life chances of Asia’s

young working women and men.

Maybe it would be possible to put some Japanese Yen behind an Asian YEN initiative!

Here in Japan there is growing concern for the so-called young NEET-that is, not in employment, education or training. This is a trend we're finding in many countries.

Getting the insights of young people - social and psychological -- is critical to policy formulation. They face a diversity of situations and we have to respond with the right approach applicable to very different national conditions. But we still have a long way to go.

We talk a lot about solidarity among generations in the context of environmental challenges--passing on to children cleaner air and water; as well as not dumping on them the consequences of unsustainable fiscal policies.

But I can't imagine a more important expression of generational solidarity than if adults who are managing the world today provided young people with the opportunity of dignity at work. The parent's and grandparent's generation has the power, the means and the responsibility to come up with the solutions.

A key element for success is to ensure that we have a model of globalization that creates opportunities for all - parents and working age youth - and in the process condemn child labour to the archives of history.

The Twenty-First century is set to be the era of globalization. And the ILO has positioned itself with a Twenty-First century concept, decent work for all.

It is well-rooted in our Constitution that mandates us to be the international advocates of social justice as the foundation of peace.

There is no doubt that in all our countries globalization has provoked strong feelings both for and against.

Breaking out of what I have called this "dialogue of the deaf" was the main reason the ILO took the initiative to set up a World Commission on the Social Dimension of Globalization.

The Commission brought together 26 personalities from across the spectrum--geographically, ideologically, in fields of experience. It was co-chaired by two sitting Presidents. President Halonen of Finland and President Mkapa of Tanzania. The Commission was enriched by a

number of members from Asia-including Taizo Nishimuro.

Mr. Nishimuro will tell you more about the process but let me just say now that he played a very important role in building bridges between the world of business and the different worlds of trade unions and civil society activists.

His ability to listen, to be convinced, see things from the other person's point of view and then try to work out how all the varying interests, ideas and perspectives might find convergent paths, was really important to our conclusions.

I wish to place on record here in Japan my personal appreciation of his contribution to the work of the Commission.

This was an independent Commission that went about trying to find common ground by looking at the challenge in an integrated way. And the Commission put its trust in dialogue holding consultations and conversations around the world - including several in Asia-in the Philippines, China, India and an Asian regional meeting in Bangkok.

It found in these dialogues that, in the main, people did not take an ideological position for or against globalization. They had a very practical test. What is it doing for my chances of finding and keeping a decent job? This was a decisive influence on the way the Commission formed its conclusions.

There are four key messages I would like to highlight.

First, start at home. National policies matter in all countries-developed and developing. And they can yield better or worse results in dealing with globalization. A strong and effective state. Productive and efficient markets. An honest, open and well-functioning public and private sector.

Stronger capabilities of individuals, enterprises and social institutions which support widespread participation and dialogue. Respect for freedom of association, gender equality, among others.

The report highlights the key role of entrepreneurship and an enabling environment for investment and enterprise creation, with corporate social responsibility.

It backs the ILO's advocacy of social dialogue as a means not just of resolving disputes but also of improving productivity and working conditions.

In sum, there cannot be a successful globalization without a successful localization.

Second, even if countries make the right policy decisions at home, those choices can only take hold and be sustained on an international playing field that is level and fair. So we need to focus on fairness.

Today, there is a feeling by many that globalization has developed in an ethical vacuum based on a “winner-take-all” mentality.

The rules favour the strong-be it the individual, the community, the enterprise, or the country. And there is very little recognition that not everyone, not every country, can take advantage of openings right away.

The fairness issue shows up in the unbalanced pattern of trade liberalization, in migration, in the contagion effect of instabilities in capital markets, in commodity prices and ill judged conditionalities.

We are learning how to make wealth faster than we are learning how to share it justly.

Third, **make decent work a global goal**. Work is the lens through which most people see globalization. Global markets must deliver jobs.

One of the greatest political challenges in the world today is about creating jobs and the linkage between employment, stability and security.

Unless the goal of decent work is moved up the priority list, the benefits of globalization will not be fairly shared.

Amongst other things if we are to have an intelligent and humane treatment of migration we need to base our policies on responding to the demand for employment where people are born and generally want stay and want to live.

The last International Labour Conference gave us a mandate to work on a rights based non-binding multilateral framework on migration for work, that adequately considers the interests of sending and receiving countries as well as the migrants themselves.

Fourth, **rethink global governance**. Global markets are moving far ahead of economic and social institutions.

We need to upgrade the way global institutions perform and talk with each other, and adapt the post World War II architecture to 21st century priorities.

Today we still have disjointed decisions on trade, or finance, or labour, or education, or health policies, or development cooperation. Too often, they are conceived and applied independently. Worse still, some financial and monetary policies can be contradictory to sound social policies.

But globalization is an integrated phenomenon. And a fair globalization needs integrated solutions and integrated policies.

There are many policy fields where such an approach would be beneficial but none more central than sound policies to promote full employment.

The best place to start therefore is by working together on policies to promote sustainable and balanced growth, investment and entrepreneurial development that expands the opportunities for decent work.

This would respond to a major democratic demand in all countries and demonstrate the capacity of the multilateral system, acting together, to find creative solutions to address it. We all know that if we don't solve the employment challenge, global stability is at risk.

As I said at the beginning of my talk, it is a privilege to speak from this platform of the UN University in Tokyo.

Here we all feel that the future belongs to Asia. What we don't yet know yet is how inclusive Asian societies will be. Will globalization expand social divides or build a bridge between the haves and have nots?

I for one, believe that this region will find its own route to greater social cohesion and more opportunities for all.

But it will be more difficult if the present model of globalization is left on auto-pilot. Balanced and reasonable changes are necessary; but most importantly possible.

Yes, they are possible - a fair globalization that creates opportunities for all, is possible.

One of the reasons I feel confident about this is the growing high level political support for the report of the World Commission and its reasoning.

During the course of this year several top level meetings of various types have backed the ideas of decent work and a fair globalization. In April, the China Employment Forum brought

together key policy makers from all over that country with international visitors to map out the contours of a decent work strategy for China.

In September, we had a special African Union summit on employment and poverty reduction which endorsed the Commission report and a decent work approach to poverty reducing development.

In October, the Group of 24 finance ministers from developing countries highlighted the importance of the World Commission report in their statement to the Annual meetings of the IMF and World Bank.

Next year, we will have a Summit of the Americas on work for poverty reduction and democratic governance. And in October 2005, the theme of our Asia and Pacific Regional Meeting in Korea is Decent Work as an Asian Goal.

Shaping a fair globalization around the goal of decent work for all will not be easy. Difficult decisions are ahead. But unless we have a vision and a commitment, change does not happen.

Furthermore, I believe we owe it to the next generation to end the scandal of unemployment rates two or three times that of adults.

We must manage to translate the potential of the best educated generation in the world's history into the most productive workforce in the world's history. If we do, we can solve the problems of poverty, meet the Millennium Development Goals sooner than at the present rate, and shape a fair globalization that people in different regions feel comfortable with.

And Asia is the crucible in forging these steps forward.

Thank you.
