

SPEECH OF THE GREEK MINISTER
OF LABOUR AND SOCIAL SECURITY

Mr Andreas Loverdos

at the 99th Session of the ILO

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Ladies and Gentlemen

On behalf of my government, I would like first of all to express congratulations to the ILO and the Director-General for the good work that is being done in this 99th Session of the International Labour Conference. Especially, Mr Somavia's Report on Growth with Decent Work is an essential and valuable contribution to the political debate on this issue.

Greece, my country, is going through the most difficult period of its history since the 2nd World War, but shall win this battle.

In the five minutes of my speech I would like to present certain major issues that I have to deal with as Minister of Labour and Social Security.

Within a few months we have made many and significant changes regarding relations in the labour market and the social security system. The changes in the relations in the labour market favour competitiveness – in an environment of unemployment exceeding 12% – whereas the changes in the social security

system rationalize the system, maintaining social justice to the greatest extent possible, and, at the same time, lifting the fiscal threat which has been created by the pension system.

More specifically, the dramatic deterioration in the financial conditions of the social security system is due to: a) the demographic changes, b) the squandering of the potential of the "PAY-AS-YOU-GO" system, which has allocative functions and c) the patron-client relations in the politics of my country during the last 35 years. In this context, we struggle to drastically reduce the undeclared/uninsured work (a specific aspect of which is domestic work, in all its types [domestic workers, gardeners, private tutors, etc], which is an item on the agenda of the 99th Session of the ILO).

Rapid changes are currently taking place in Greece in order to overcome the crisis. Workers are bearing the greatest burden; employers, however, must prove that they are capable of meeting the obligation to promote action for development, which will pull our country out of the recession and reduce the existing 12% unemployment rate. Despite our difficulties and with the support of the European Social Fund, our State finances actions to enhance youth and women's entrepreneurship, subsidizes the employers-employee's social insurance contributions, promotes actions for training, retraining and life-long learning, and implements programs targeted on vulnerable groups of workers, such as those aged 55-64 years.

Nevertheless, while we are fighting this great battle, the situation is disappointing as far as the combat against speculation in the international financial markets is concerned. Although there have been positive developments in the reduction of the uncontrollable and speculative action of the "gamblers" of the international financial system in the USA and in

Germany, in the recent conference of the G20 we were disappointed to see them unable to react. This, however, means that the peoples struggle goes to waste. The rationalization of public expenditure and the efforts for development seem to be of no importance against speculation, the exaggeration of CDS markets and short selling.

Therefore the international community must react through its established institutions. Especially ILO, an institution with such a long history, with authority and prestige, can and must actively work to this direction. Employees and individual states should not be let to carry alone the burden of the crisis. The regulation of the financial system at the global level is essential to ensure both the growth of our economies and the chances of our citizens to find and keep a decent work.