

OPENING SPEECH OF HORACIO DE MARTINI (CIETT PRESIDENT)

Lisbon, May 28th 2009

*“From San Diego to Lisbon:
How much have the financial and economic crises affected our industry?”*

Doctor, Vieira da Silva, Minister of Labor of Portugal, dear friend, Marcelino Pena Costa, President of APESPE (Asociación Portuguesa de Empresas del Sector Privado de Empleo), dear colleagues.

In the name of the International Confederation of Private Employment Agencies (CIETT) and the representatives of the 21 different countries present today, representing Europe, Asia, Africa and the Americas, we wish to thank our Portuguese colleagues for hosting and giving us the opportunity to visit your wonderful country.

First of all, I would like to acknowledge the efforts of APESPE in organizing an event of this kind, in this special moment in the World of Business. Thanks Carla, Deborah and Marcelino for your efforts and permanent support during these last months.

We would also like to thank all of you for joining us and contributing by your presence to the celebration of the CIETT 2009 ANNUAL CONFERENCE.

It was only seven months ago that we held our Conference 2008 in San Diego, California, United States.

On that occasion we mentioned that:

The world is crossing through a turbulent climate as consequence of one of the most serious financial crisis of the contemporary era.

Today we may comment that still *“the world is crossing through a turbulent climate as consequence of one of the most serious financial crisis of the contemporary era”*.

According to the latest figures published by the OECD, the number of unemployed is expected to rise by about 8 million over the next two years to reach 42 million.

Compared to last year, the number of agency workers has decreased with double digit figures in all large markets (USA, Japan, France, Netherlands, Germany, Spain and others). However, despite this worrying news, economic growth continues at a slower pace in some

countries, depending on geography. Emerging countries, many of them producers of commodities, are affected by the crisis, but, up to now, to a lesser extent.

Under these circumstances the market is functioning with increasing uncertainty in different aspects with regards to the World of Work:

- Uncertain decisions about the number of staff to maintain
- Extremely traumatic consequences as a result of reducing the work force.
- Governments desperately trying to find tools and resources to stop the increase in unemployment, considering the economic and social risk that it represents to have millions without jobs.
- It is taken for granted that the World of Work will be different after the crisis we are now suffering from.
- A much more skilled work force will be needed.
- Despite the global recession and the weakest employment outlook in decades, employers are facing a scarcity of talent in critical areas.
- The concern about talent scarcity leaves doubts that once economic recovery takes place, it will be harder than ever to attract and retain people with key skills
- And a long list of doubts and concerns.

This growing uncertainty and its widening impact creates an urgent need for action.

Our Confederation is helping policy makers in different countries with information and advice about how we may contribute to helping Governments increase employment with our knowledge and use of legal instruments to protect workers and employers through the triangular responsibility included in the Convention 181 of the ILO.

Information, participation in different conferences and an active commitment with the ILO, allow us to be recognized in many countries as The Entity with Global knowledge and expertise in employment matters.

Summarizing our contribution should be in these basic points of understanding:

- Agencies Work helps companies to face global competitive pressure, allowing them to adapt their cost base and staffing levels.
- As a result, the Agency Work industry will be the first to create jobs as soon as the economy recovers

- During difficult economic times, the matching role played by the AW industry between demand and supply of labour is even more crucial.
- AW increases the participation rate in the labour markets by providing more work opportunities to more people.

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- Agency work not only creates jobs that would not otherwise have existed, but it also accelerates and increases the number of jobs created when the economy recovers.

What we have to discuss during the next 2 days is where we are and where we're going. We know for sure that there will be an end to this crisis, even though nobody knows when it will happen. But recovery will occur, resulting in a different labour market. And we, as an industry, must be prepared for it.

In the Western World, we tend to have a negative conception of the word 'Crisis'. But we should keep in mind that, looking at its etymology (ancient Greek κρίσις, krisis), this word has a double meaning. It means a change - in good or in bad - that occurs during a disease. We should seize the opportunity the crisis is bringing to think about the future of our market.

As the OECD Secretary-General Angel Gurría said recently: "If the opportunity is seized to make lasting reforms that will improve long-term economic performance, we may look back at this period as one where we repositioned our economies to achieve stronger, cleaner and fairer growth".

So what can be done by our industry to ease the impact of the crisis and to promote the contribution of our sector to a better functioning labour market?

1. We should keep on calling for reforming labour markets in order to make regulation more effective and unlock the contribution of agency work to job creation. Therefore, the level of regulation on (temporary) agency work should be adapted in order to unlock the industry's contribution to better functioning labour markets. In some countries, there is a need to review and lift certain, unjustified restrictions imposed on the agency work industry (For instance, the use of AW in public administrations should be allowed all around the world). On the other hand, there is a need to legally recognise agency work in countries with no specific regulation or ban on agency work in order to facilitate the development of the industry and allow for more job creation. Ciett will keep on promoting ILO C181 as a relevant instrument to define regulation on our sector.
2. We should keep on educating policymakers and other stakeholders on the positive role the AW industry plays in the labour market in terms of job creation and transitions.

3. We as an industry should be associated with the design and implementation of active labour market policies. Public-private partnerships should be further developed by strengthening the cooperation between public employment services and private employment agencies.
4. We should ensure that our agency workers have access to the same rights with regards to social and unemployment protection. As examples, partial unemployment schemes have been extended to agency workers in Austria, Belgium, France, Netherlands, Germany
5. And last but not least, we should advocate again and again that our industry plays a key role in preparing the grounds for an improved job-creating economic recovery.

How well are we “surviving” the crisis and how well prepared are we for the rebound that will take place in the near future? This will be for sure the main topic of discussion of the CIETT Conference 2009.

To make this event productive, we have invited a number of specialists from all around the world to provide you with thoughts and advice on the topic of our conference

“The Agency Work Industry in challenging economic times: Threats and opportunities”

Have a great conference!

Thanks.