

**Opening Remarks by Mr. Shin'ichi Hasegawa
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At the
The Wrap-up Meeting of the ILO/Japan Regional Project on
Strategic Approaches towards Employment Promotion
(ILO/PEP), China Chapter**

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Beijing International Conference Centre

- Mr Vice Minister.
- Mr. Assistant Minister.
- Distinguished guests, colleagues, ladies and gentlemen

It is my great pleasure to be here this morning to take part in this wrap-up meeting for the Project on Strategic Approaches towards Employment Promotion; better known as 'ILO/PEP'.

First of all, let me start by congratulating all of you on the remarkable success of this project. Without your contributions and teamwork we would not be celebrating here today. Your efforts have helped many laid-off workers find productive employment.

This project can claim two major achievements. The first is in job creation, the second in private sector development.

Because of this project people who have been laid off have realized their potential to become entrepreneurs. They can create jobs for themselves. In addition, when they opened their businesses, they have become employers and created jobs for others.

Small enterprises are really the engines of the economy. They may start out small and fragile, but many of today's large enterprises started like this. What's important is to create the environment that small enterprises need to grow. That's done by adopting the right policies and providing the right support services.

I know this because I've seen it with my own eyes. Last year I had a chance to visit the project activities in Baotou. I met the project officials and also some of the micro-entrepreneurs supported by the project. And I'm particularly glad to see that some of those I spoke to then are here today.

I particularly remember talking to one woman entrepreneur. She explained how devastated she felt when she was laid off. How difficult it was for her to develop her food products business. The obstacles she had to overcome to stay in business and to keep on supporting her family.

But now she employs a dozen people, most of whom were also laid-off workers. She told me how the PEP project helped her to develop her management skills and get access to financial resources. She described the project to me as a "ray of hope".

This is one small success. But it's not enough.

We know that many people in China are still waiting for the opportunities this woman benefited from in Baotou. So I appreciate very much the efforts of the Ministry of Labour and Social Security to replicate this project model in other cities. The good news is that the success of “Start Your Business” training in the PEP project has been succeeded by the SIYB project, which the British Government began financing in 2004.

The Government of China has also adopted a policy to establish Credit Guarantee Funds in cities around the country. This will help laid-off workers get access to bank loans to develop their businesses.

Creating more and better jobs in China is a challenge. In April 2004, the Ministry of Labour and Social Security, in collaboration with the ILO, organized the China Employment Forum in Beijing. Many of the discussions at the forum focused on the promotion of Decent Work. For small enterprise development, Recommendation 189, adopted by the International Labour Conference in 1998, sets out the basis of our arguments. We stressed the importance of providing working women and men with rights at work and security, while ensuring commercial laws and regulations do not inhibit the growth of new businesses.

The existence of a well-trained and committed labour force is essential for any business if it is to achieve long-term economic success. It enhances productivity and improves competitiveness. But such a labour force is sustainable only if it enjoys fundamental rights at work, including social

protection and representation. It is because of this that the ILO regards Decent Work as a necessary component of enterprise development.

The ILO is a knowledge-based organization. We have many tools like the SYB training. We also have a worldwide network of technical staff. Through this network we circulate and exchange the latest technical information. We also offer continuous support services to our constituents, to help them make the best use of these tools.

In closing I would like to express my sincere appreciation to the Government of Japan for its generous support of this project. We are now in the process of preparing for the new PEP project, which will capitalize on the experiences gained in China. At the same time, we will continue to supply technical follow-up services to support what has been achieved through the ILO/PEP in China. I am confident that this meeting will allow us to consolidate the experiences from this project and agree upon the right strategy for the follow-up arrangements.

Thank you.