



Unleashing Reforms: Business, Jobs, and Governance

31st National Conference of Employers Manila Hotel, 20 April 2010 Linda Wirth, ILO Director

On behalf of ILO Manila, I wish to express my warm greetings to the officials, members, fraternal business associates and dedicated staff of the Employers Confederation of the Philippines on this highly auspicious event, ECOP's 31st National Conference of Employers.

It has been my great pleasure to work closely over the years with ECOP headed by its highly dynamic past presidents and the recently elected President, Mr. Edgardo G. Lacson. We in the ILO consider ECOP as a critical force in this country as it has been in the forefront of promoting the interests of companies, large and small and the ILO Decent Work agenda.

The global economic crisis has brought nearly all employers, from largest corporations to the micro enterprises to rethinking and redirecting their business roadmaps. Balancing acts to stay in business and keep workers employed was an extraordinary challenge. Many could not make it and had to let go of their businesses and therefore, their workers. For the survivors, employers and workers alike, it's still a day-to-day struggle.

In the recent past, as the international community struggled to recover from the global financial and economic recession, mitigate climate change, end poverty and stop the spread of H1N1 virus, the ILO in partnership with the Department of Labor and Employment (DOLE) and the Asian Development Bank brought together representatives and experts from governments, business, labour, international organizations and the academia from all over Asia. The goal was to confront the devastating effects of the global economic and financial crisis. The result of that Forum contributed to shaping strong national, regional and international responses that were critical to ease the damage to our economies and our societies. Last month, again the ILO convened a national Forum to discuss lessons learned and propose steps for going beyond recovery in the Philippines to shape sustainable, pro-job and pro-poor solutions.

In June last year, governments, employers and workers' organizations adopted the Global Jobs Pact as they recognized the urgent need to reduce the risk of long term unemployment and increased informal work, which is difficult to reverse. They agreed to put full, decent and productive employment at the heart of the crisis response, suggesting a wide range of potential policy



responses. This was considered critical especially as it is known from previous crisis that there is a considerable time lag for employment to catch up once the economy has recovered. Furthermore, before the current crisis in the last decade, growth rates all over the world have been on the rise, but inequality has also risen. This paradox reflects insufficient investments in productivity improvements, social protection and sustainability of enterprises in providing enough quality jobs to raise populations out of poverty.

In the Philippines, the government and the business sector worked hand-in-hand to minimize the ever growing inequalities. There was the Economic Resiliency Plan which is the country's stimulus programme; the DOLE and OWWA established standby fund for displaced OFWs; TESDA's intervention through training programmes for workers in the special economic zones, there was the CLEEP; the SSS eased their policy on loans to accommodate affected workers; the NARS programme was launched where jobless and new nurses were deployed to provide necessary services to the poorest areas of the country instead of volunteering to work at urban hospitals in order to acquire experience. These nurses even pay the hospitals to accept for giving them the chance to work. I want to commend the private sector for contributing to the salary of the nurses for as much as PhP8,000 per month. There were other numerous interventions by the government and social partners that are not possible to enumerate now.

Government and the business sector had been sharing information on employment, underemployment, the number of companies and workers affected, and other relevant information to come up with the big picture of the actual impact of the crisis, thus, allowing government and business to come up with appropriate responses.

The convergence of efforts by all sectors may have mitigated the crisis to a certain extent. The real challenge is knowing how palliative interventions can graduate into permanent solutions. According to Juan Somavia, ILO's Director General, labour market distress remains acute as a result of the crisis. If the special measures taken are withdrawn too early, the jobs crisis may worsen even further.

The ILO is working with its tripartite social partners for measures to identify effective solutions. Guided by the Global Jobs Pact, signed by tripartite partners during the 2009 International Labour Conference, the ILO suggests the following:

- Retain women and men in employment as far as possible, and sustain enterprises, in particular small, medium and micro-enterprises;



- Promote investments in employment intensive sectors, including green jobs and support job creation across economic sectors, highlighting the critical role of agriculture for employment and economic development in countries such as the Philippines;
- Facilitate more rapid re-entry into employment and address wage deflation;
- Protect persons and families affected by the crisis, in particular the most vulnerable and those in the informal economy, by strengthening social protection systems to provide income support and sustain livelihoods as well as security of pensions;
- Accelerate recovery of employment and expand opportunity by acting simultaneously on labour demand and on labour supply; and to
- Equip the work force with the skills needed for today and tomorrow's labour market

For women and men worldwide, and in particular for the most vulnerable and disadvantaged, the crisis will not be perceived as receding until they obtain respect for their rights, a decent job, a minimum floor of social protection and their voices heard. Improved policy coherence between employment and social protection measures and financial, trade and environmental policies is a vital ingredient in getting the world back to work.

Let me end this message by commending the vital contributions of the ECOP in the work of ILO in the country. The colorful history of the ILO on its 91 years of existence can not be written or re-written without mentioning the highly impressive and distinguished contributions of our social partners in the Philippines.

As a gesture of gratitude, allow me to thank you very much for keeping faith with us over the years as well as for keeping alive ILO's vision for equality, peace and social justice.

Maraming salamat po!