

**International Seminar on Jobs in Global Production Networks
Crisis and Recovery
Faculty of Economics (Tha Prachan campus)
Thammasat University
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By Guy Thijs, DRD, ROAP Bangkok

Good morning,

Distinguished participants:

- Dr Ponna Wignaraja, Chairman, South Asian Perspectives Network Association (SAPNA) – Special Guest Speaker
- Dr Patamawadee Suzuki, Dean, Faculty of Economics, Thammasat University
- Mr Sumio Sakai, Deputy Director for International Cooperation from the Japan Institute for Labour Policy and Training (JILPT)
- Mr Kosuke Takeda, Labour Attaché, Embassy of Japan, Bangkok

Colleagues, Students, Ladies and gentlemen

It gives me great joy and pleasure to be able to address you on the occasion of this first international/regional seminar that the International Labour Organisation is organizing in cooperation with the Faculty of Economics of the Thammasat University. Special thanks are due to the Dean of Faculty of Economics and her colleagues for making this collaboration possible and the representative from the Japan Institute for Labour Policy and Training (JILPT) for the long-lasting support the Institute has been providing for this type of research.

I should also like to express a special word of welcome to the members of the Network of Institutes for Labour Studies, who have carried out research over the last couple of years on the promotion of decent work in the context of Global Production Systems in Asia and the Pacific. It is the results of this research which will form the basis for a good part of our discussions.

The origins of a series of studies undertaken over the last couple of years were based on the realization that Global Production Networks were creating opportunities for developing countries to integrate into the global economy – there is no doubt that some countries in the region have emerged as major exporters of manufacturing products and have had the opportunity to develop new skills to compete in the global market – yet at the same time there was a growing concern about the impact of GPS on employment, wages and working conditions.

The research in question was carried out under the Networking on Institutes for Labour Studies Project – a project executed by the ILO Regional Office for Asia and the Pacific

with funding support from Japan Institute for Labour Policy and Training. The seminar will draw on the outcomes of this research in three sectors, namely food and agribusiness, textiles and garments, and IT.

The concern about the impact of integrating economies into global production systems has become more relevant than ever as we are facing the economic crisis which has quickly turned into an employment and social crisis –particularly for countries that depended heavily on export to sustain their growth. The current global financial and economic crisis has indeed reminded us about the importance of decent work in such networks, as they have often served as channels of transmission -- passing the impact of declining demand on global firms in industrialized economies to their subcontractors in developing economies.

Although Asia-Pacific region is not the epicentre of the financial crisis, the magnitude and speed of the downturn has been astonishing in the region. Export depending countries in the region are severely affected, especially electronics, garment and automobile sectors. Millions have lost their jobs or have seen deep cuts in their working time and take home pay. Yet at the same time the region has over the last year shown that there is much resilience to this type of shocks and that counter-cyclical measures combined with efforts to boost domestic consumption can go a long way in buffering the impact

The G20 leaders' summit in Pittsburgh in September emphasized the impact of employment. ILO was the only specialized agency of the UN invited to participate in the meeting and present its assessment of the impact of the crisis on employment and counter measures taken by country.

ILO estimated that measures taken are on the way to creating or saving up to 11 million jobs in 2009 but that stimulus measures need to be maintained to curb unemployment and precarious work.

Developing nations at Pittsburgh pledged to keep emergency economic supports in place until sustainable recovery is assured, launch a framework for acting together to rebalance economic growth, and establish tougher rules governing banks by 2012. They also committed themselves to “putting employment creation and quality jobs at the heart of the recovery”.

The ILO fully supports these efforts not only in the G20 economies but in all of our member countries.

Strengthening country-level diagnostic and policy advisory capacity has been a key priority from the outset of the crisis.

In Cambodia and Indonesia, the Office is providing technical assistance in the development of employment-intensive and local resource-based infrastructure development.

In Bangladesh and the Philippines, technical assistance is being provided in the design of social protection schemes.

In Pakistan, support is being provided in developing an employment guarantee scheme.

Furthermore, the Office has reoriented its activities to ensure maximum synergies between its work on the crisis response, its Decent Work Country Programmes and support to the commitment made in the 2008 Declaration on Social Justice for a Fair Globalization.

I hope that the discussion today will help to identify the full impact of the crisis through global production networks (the impact on businesses, workers and their families) and will also contribute to a better understanding of effective policy measures for recovery.

I wish you a very fruitful and productive seminar. Also, I look forward to possible future cooperation with the Faculty of Economics of Thammasat University.

Thank you.