

**ILO/IOE/CAPE Regional Employers' Meeting on  
Human Resources Development for Competitiveness:  
A response to the crisis  
18-20 May 2009 • 7<sup>th</sup> floor, Amari Watergate Hotel, Bangkok**

**Speaking notes for Guy Thijs**

Mr. Brent Wilton, Deputy Secretary General, International Organization of Employers

Mr. Anantachai Kunanthukul, President of the Employers' Confederation of Thailand, and Vice Chairman of CAPE, and

Mr. Jean-François Retournard, Director ILO Bureau for Employers' Activities

Representatives of the Confederation of Asia-Pacific Employers,

Resource persons from the Asian Development Bank and the University of Adelaide, and ILO colleagues.

On behalf of the Regional Director of the ILO Office for Asia and the Pacific and myself, I am pleased to welcome you to this meeting on Human Resources Development for Competitiveness: a response to the crisis.

Let me begin by expressing our thanks to the ILO Bureau for Employers' Activities for their tremendous effort in organizing this meeting together with our meeting unit in the Regional Office. It was not an easy task!

When this meeting was first planned last year, the regional and global economic climate was drastically different from today. At that time, Asia was still growing fast, benefiting from large capital inflow, rapid productivity growth and strong external demand. But in an era of greater economic integration and rapid technology innovations, enterprises throughout the region faced tremendous challenges in recruiting new talent, especially in middle-management and professional and skilled worker positions, to remain competitive.

Today, however, the global context has changed significantly. This economic crisis, which began as a financial crisis in the United States, has quickly become an employment and social crisis. Its impact is deeply felt in both industrialized and developing countries in Asia.

Asia-Pacific is not the epicentre of the current crisis. However, the magnitude and speed of the downturn has been astounding in this region.

While the outlook is currently weakest in the region's industrialized economies, growth in developing Asia is projected to fall to less than half the rate achieved in 2007, with zero growth projected in the ASEAN-5.<sup>1</sup> A major slowdown is taking place in China, where growth is projected to fall to 6.5 per cent, in India, and in most other economies in developing Asia.

Workers and businesses find themselves on the front line in this crisis. As global demand for Asia's exports contracted, enterprises have scaled back operations and, in many cases, have shut down altogether. Millions of workers and their families have been impacted. Falling foreign direct investment has exacerbated the challenge of new enterprise and job creation. Skills shortages have eased significantly.

In response, governments, and businesses throughout the region have taken strong actions to mitigate the negative impacts of the crisis. But a recovery that is sustainable can only take place with a view to the medium and long term.

In this regard, human resources development and productivity must be integral components of the crisis response. Countries where countermeasures to the crisis take into consideration the medium-term objectives of improving the quality of the work force, supporting sustainable enterprises and investing in green jobs, among others, are likely to rebound faster and emerge more competitive once the global economy picks up again.

In addition, the development model that has driven much of Asia's recent growth and prosperity is expected to gradually shift. Many countries will rely less on export markets and, in turn, look towards domestic consumers to propel growth. Consequently, Asia's enterprises and work force will need to adjust. Developing human resources through responsive training and education will be critical to this transition.

Typically, during a period when there are fewer jobs and job vacancies the number of people undertaking training will generally increase. This is happening now in many countries and it can be an opportunity for employers work with training organizations to ensure that the training is in the areas that will be needed in the future. Employers should see themselves as not just consumers of training but essential partners in the whole national training process.

In the ILO, we regularly hear about the skills mismatch between the needs of employers and workers in relation to training that is provided. One way to address this is to increase dialogue at all levels and for employers to develop new effective partnerships between with training organizations at local levels and also to become involved at regional and national policy levels to ensure that training is relevant. Employers can also use this time to help upgrade the skills of trainers in training organizations by providing work experience opportunities or other mutually beneficial arrangements.

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<sup>1</sup> ASEAN-5 consists of Indonesia, Malaysia, Philippines, Thailand and Viet Nam.

The current economic downturn also provides an opportunity for employers to review their approach to workplace learning and to the employment of persons with a disability. Learning in the workplace is always taking place and it is in employer's best interest to ensure the correct things are learned and that workers can become multi-skilled which will thereby reduce the need for supervision and increase quality. I would also urge you to encourage employers to look at the many benefits of employing people with a disability and to help address the lack of employment opportunities for the 250 million disabled people of working age in the Asia Pacific region.

Finally, I would also like to spend a few minutes talking about the broader role of the ILO. As most of you are aware, the ILO has for a long time – nearly 90 years now - been tasked by the international community to develop and establish the norms that should guide States in the treatment of workers, including those in vulnerable categories.

As a rights based organization, the ILO is concerned with the plight of workers but also wants to ensure we have well functioning labour markets that can contribute to the economic development and prosperity of member states. We do not just bring our norms and standards in but also have expertise and hands-on experience to offer - based on decades of project work and advisory services. Moreover we are well placed to facilitate as a neutral broker the exchange of views and knowledge between different countries and constituents.

You have a difficult and challenging task during this time and I hope that this meeting will provide you with some new ideas and plans to share with your colleagues.

Thank you.