

**Global Jobs Pact and ILO Support to  
Member States in the Asia-Pacific Region  
in Response to the Crisis**

**Statement  
by  
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at the  
Technical Consultation on the “Impact of Global Financial Crisis on  
Employment and Labour Market of Bangladesh”  
Dhaka, 19 August 2009**

Honourable State Minister for Labour and Employment, Begum Monnujan Sufian,  
Secretary, Ministry of Labour and Employment, Mr. Md. Atharul Islam,  
Professor Mustafizur Rahman of Center for Policy Dialogue  
Representatives of employers’ and workers’ organizations, development partners, research  
institutes, academics and civil society, members of the press and media  
Guests, Ladies and gentlemen

Good afternoon to you all

Let me begin by expressing my sincere thanks to the Ministry of Labour and Employment for the support and collaboration in organizing this event, and to Professor Rahman and the Centre for Policy Dialogue for the excellent report.

As you know, this crisis, which began as a financial crisis in the United States, has quickly become a global economic crisis, and it has now turned into 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.

Workers and businesses find themselves on the front line in this crisis. As global demand for Asia’s export goods contracted, enterprises have scaled back operations and, in many cases, have shut down altogether. Millions of workers lost jobs and their families have been impacted. Falling foreign direct investment has exacerbated the difficulties of new enterprise and job creation. In addition, many migrant workers have lost their jobs and have been sent home.

While in recent months the global economy is beginning to pull out of the recession, stabilization is uneven and the recovery is expected to be slow. Growth in Asia is projected to be around 5.6 per cent this year, less than half the rate achieved in 2007. Next year, this growth is projected to reach 7 per cent, still below the pre-crisis growth rate.

But even if economic growth recovers labour market recovery will take a much longer period. The global job crisis could linger to six to eight years before we get back to the pre-crisis level of employment.

Governments in the region have shown strong leadership in addressing the impact of the crisis and many of them have announced fiscal stimulus packages. A central component of these measures is employment-friendly, infrastructure investments to boost employment, incomes and aggregate demand and to facilitate a swift economic recovery.

That is why government, worker and employer delegates at the International Labour Conference in June 2009 adopted a Global Job Pact. The Pact is an urgent call for action – at the global, regional and nation level – to put employment and social protection at the heart of recovery policies. The Global Job Pact is a general framework within which each country can formulate a policy package specific to its situation and priorities and which is in line with the ILO's Decent Work Agenda.

We in the region are working with governments, employers' and workers' organizations and are playing our role within the UN and multilateral system to support our constituents to weather the crisis, prepare for recovery and shape a new fair globalization.

Since late last year, the ILO has supported rapid assessment studies in many countries in the region to help identify the labour market and social impacts of the crisis. These studies were discussed at national tripartite meetings from Jakarta to New Delhi, and their findings and recommendations contributed to national policy responses. The meeting today, I believe, will do the same in Bangladesh

In addition to those rapid assessments, policy dialogue and knowledge sharing, we have been working to support the affected groups in the region in a variety of ways. A large number of women work in export and manufacturing sectors making them especially vulnerable to this downturn and the lag in employment recovery.

In response, the ILO is working in many countries to support retrenched women workers through skills development and vocational training in addition to entrepreneurship education. For example, through our Better Factories Cambodia project, we are providing technical advice to assist in the responsible management of retrenchments and the legal protection of workers, including in small- and medium-sized enterprises.

As mentioned before, the crisis is impacting international migrants quite severely, including thousands of Bangladeshi women and men working abroad. They are often among the first ones to face job cuts and lack the same protection as regular employees. Many have been sent home as the global economy has contracted and their families now face the spectre of diminishing or lost remittances.

In this respect, I refer to the speech by the Hon'ble Prime Minister of the People's Republic of Bangladesh in the Global Summit on Jobs Crisis held in June this year. Particularly, I refer to her Government's commitment to scale up training of migrant workers as well as efforts to improve their protection and welfare. She also proposed a forum for labour sending and receiving countries to resolve problems of the migrant workers.

We appreciate the initiative of the Government of Bangladesh to set up a Skills Development Fund. We support the Government's effort to take advantage of the global recovery and the subsequent demand for migrant workers through enhancing the employability of potential migrants and improving the management of labour migration.

I am happy to inform you that the ILO in collaboration with Ministry of Expatriates Welfare and Overseas Employment, IOM and UNIFEM is preparing a programme to provide protection for migrant workers and to assist the returning migrants in the re-integration process into their local communities

The crisis has another dimension. It has significantly impacted the youth. As new recruitment halts and employment creation declines, young jobseekers are facing very hard times and uncertain job prospects. Already in 2008, young people in Asia were more than 3 times as likely as adults to be unemployed.

In response, the ILO is working in several countries to support a smooth transition from school to work for young people. We are helping to build their access to life skills training, entrepreneurial education and career guidance and counselling. In this respect, I refer to a large programme on technical and vocational education and training programme which the ILO is currently implementing in collaboration with the Government of Bangladesh. Incidentally, we are not alone in this sector. There are other partners like ADB, World Bank and SDC who are providing their support to a strong technical and vocational education and training system.

We have been a strong advocate of the employment-intensive policy initiatives and continue to support many governments in the region. In Indonesia, for example, at the request of the Coordinating Ministry of the Economic Affairs, the ILO is helping to design and plan the infrastructure component of the country's US\$6.6 billion stimulus package to maximize its potential to create jobs.

Moreover, the crisis has brought new challenges to Asia's industrial relations systems. Throughout the region, industrial disputes have been reported as a result of workers' growing insecurity about job losses, wages and changing working conditions. In response, the ILO has organized and supported national tripartite meetings and forums to enhance collaboration and social dialogue in weathering the economic downturn in several countries.

Beyond job losses and industrial disputes, this crisis has highlighted the importance of establishing a basic social floor in all countries in the Asia region. Such a social floor could include improved access to employment opportunities, basic health care, protection and education for children, the elderly and people with disabilities, and social assistance for the poor or the unemployed, among others.

In this regard, I refer to the increased budget allocation of the Government of Bangladesh in the fiscal year 2009-2010 for measures protecting the poor and vulnerable is an important decision. The Hon'ble Finance Minister of Bangladesh, in his budget speech, mentioned that about 18.5% of the budget will be spent for existing or newly-introduced safety net schemes. This shows the Government's commitment and readiness to tide over the crisis affecting the poor and marginalized groups.

There is also a serious concern that the crisis will exacerbate the poverty situation in developing Asia. Children of poor families may be pulled from school and pushed into child labour in the face of falling household incomes and rising poverty.

To this end, the ILO's International Programme for the Elimination of Child Labour has continued to assist poor and vulnerable families in thirteen countries in the region, including in Bangladesh, India, Pakistan and the Philippines, to keep children in school and out of child labour. This has involved supporting conditional cash transfer programmes, school feeding programmes and other measures to reduce the indirect costs of schooling.

Supporting credit-constrained businesses, including SMEs, is important. In many countries in the region the ILO has been working with the educational sector to incorporate entrepreneurship training in the curricula of the technical and vocational educations and with local governments and the business community to strengthen support services and credit schemes for small enterprises.

Some countries have turned the global economic challenge into an opportunity for sustainable development. They have used part of their fiscal stimulus package to invest in environmental protection and support for both a "green recovery" and long-term competitiveness. In this regard, we are working with business, workers and communities to promote green growth and green jobs strategies in Bangladesh, India, Philippines and Thailand.

In Bangladesh, we are collaborating with the Ministry of Labour and Employment, Grameen Shakti, Waste Concern and others to undertake research, assess the potential of solar energy in rural poverty reduction, and conduct pilot training for solar technicians.

We are ready to assist governments, workers and employers in Asia on the path of crisis recovery and beyond. But we understand that a recovery that is sustainable can only take place through coordinated and coherent action and strong cooperation. We need support of others as well in this process.

To this end, we are ready to support the Government of Bangladesh, the National Statistical Office and other partners to enhance their capacity to collect regular labour market statistics to monitor the crisis impact on businesses, workers and their families, and the progress in recovery and towards Decent Work.

We in the ILO, with our distinct tripartite structure, have a special responsibility to promote an integrated approach to the crisis – to protect people, support productive enterprises and safeguard jobs. This is part of our Decent Work Agenda. We are partners in charting a way towards a sustainable recovery.

Thank you.