



INTERNATIONAL ORGANISATION OF EMPLOYERS
ORGANISATION INTERNATIONALE DES EMPLOYEURS
ORGANIZACION INTERNACIONAL DE EMPLEADORES

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STATEMENT

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The global jobs crisis, caused by the financial crisis, provides an opportunity to reconsider a number of factors relevant to the operation of enterprises and whole economies.

The work of the ILO has now proved to be effective and relevant, as we see from the outcome of the Committee of the Whole and the proposed Global Jobs Pact. However, at the national level, the strategic implementation of the Pact now raises an important policy question.

Countries need to ask themselves which industries must be kept from collapsing to maintain a nation's autonomous economic capability. What industries should a country be trading in, and what measures are needed to ensure this occurs, whilst still maintaining a free and open economy?

The answers to these questions are clearly important, but may lend themselves to abuse. But this is not an excuse for avoiding what national stability and security interests dictate must be faced.

The first imperative in dealing with the outcomes at the national level is that the debate about the shortcomings of the process should not degenerate into attacks on the basic conceptual framework of the market economy.

Political leaders must avoid and not encourage protectionism, which led to disaster in the 1930s. With its long memory, the ILO itself is well aware of the dangers of a retreat into protectionism.

The second imperative in dealing with outcomes at the national level is that the policies for national stability and growth should be established on a national basis rather than left to pressure groups, lobbyists and electoral politics.

Highest amongst the priorities must be attention to the educational system, including training, at the national level. This creates human resources for the future; for domestic as well as international communities. This should be a common ground for tripartite constituents at the national as well as the international level, as rightly pointed out by my colleague Ms Ronnie Goldberg of the United States.

The G20 governments made, last April, a large scale commitment for fiscal and stimulus packages, but without clearly indicating which fiscal resources would meet these new obligations. The possibility of issuing government bonds is not small. Therefore, the credibility of government bonds will be at stake in the near future. The credibility of national financing and governments' abilities to collect tax will become crucial.

At this point, we need to avoid inflation and currency devaluation. All solutions are centred on our capacity to create GDP and increase GDP in the future. Increasing GDP is dependent on increasing the quantity and quality of

workers and increasing labour productivity at the enterprise level, provided that the market is there.

The message is that the real economy is expected to create real GDP growth in order to stabilize the economy, leading to recovery. In fact, the extent to which these new debts must be met will depend on the number of workers and the productivity of enterprises in achieving fruitfulness of human work.

International economic institutions, including the ILO and other United Nations agencies, as well as the G20, or the G8, need to be made more relevant to current economic and social changes, and to devote themselves primarily to issues affecting the long term health of the global economy.

This should be included in pursuing common ground for recovery, that is to say, the Global Jobs Pact. We need stability in politics, as well as in the economy at the national level. If the gap between the economic and the political orders of the world is not substantially narrowed, the two structures will start to weaken each other and the old dichotomy between capital and labour will soon emerge.

For employers at this point of economic and political disparity, it is important to re-establish and reconfirm their entrepreneurial role within enterprises and within the global market, in order to address common issues in line with the outcomes of the Committee of the Whole of the International Labour Conference this year.

The enterprise is a self-reliant entity, responsible for its survival under any hardship at any time. It is a logical organization, responsible for effective wealth creation, through domestic and global markets in collaboration between capital and labour. It needs not only to be sensitive to market realities and changes, but also proactive in adjusting the organization of work.

The final text of the proposed outcome identifies the importance of well designed measures at the enterprise level, implemented through social dialogue and collective bargaining. It is important to stress that the capability of workers and employers at the enterprise level should be increased to pursue the common objectives outlined in the Global Jobs Pact.

From the Japanese perspective, we will endeavour to apply the spirit of the Kaizen strategy of innovation to improve the work of wealth creation. We are confident that the joint efforts and ingenuity of workers and employers using Kaizen in the world of work will bear fruit.

We welcome that the Global Jobs Pact arising from the work of the Conference will play its part in assisting our efforts to meet the challenges of the economic crisis and will complement the innovation and with the Kaizen spirit that we bring to a meeting of this calibre.

Let us work together and let us not wait.