



## STATEMENTS 2011

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32nd National Conference of Employers

Manila Marriott Hotel, Pasay City

Greetings:

Mr Miguel Varela, Chairman of the Employers' Confederation of the Philippines  
Mr Edgardo Lacson, President of the Employers' Confederation of the Philippines  
Honourable Rosalinda Baldoz, Secretary of the Department of Labor and Employment  
Ladies and gentlemen, magandang tanghali!

It is an honour for me to be invited to address the 32nd National Conference of Employers. And before I start, I would like to congratulate the Employers' Confederation of the Philippines (ECOP) for their continued support of tripartism within the Philippines.

Since its establishment in 1975, ECOP has been the uniting voice of the business sector on issues such as job creation and labour law reforms and they continue to be a strong believer and supporter of tripartism.

As Director of the ILO Country Office since July of last year, I've personally witnessed, during this short period, ECOP's commitment to achieving sustainable inclusive growth and decent and productive work through social dialogue.

The Philippine Development Plan for 2011-2016 has as its primary objective inclusive growth that "massively creates jobs, draws the vast majority into the economic and social mainstream and continuously reduces mass poverty".

The Philippine Labor and Employment Plan for 2011-2016 was launched by the Department of Labour and Employment on April 27, with the support of ECOP and Workers Organisations. The Plan lays out strategies to attain inclusive growth through decent and productive work for all Filipinos.

I think we all agree that decent and productive employment is highly relevant in global, regional, national and local contexts.

Before assuming the post as ILO Country Director I held the post for more than 12 years as the Chief of the ILO's Global Employment Department. The results of my own research, and that of the ILO, World Bank, the IMF and leading economists have highlighted the fact that economic growth, no matter how high the growth rate, is not sufficient for sustained poverty reduction nor for stable and sustaining economic growth.

**We (collectively and individually) must rethink how we achieve sustainable economic growth and more importantly the role of economic growth in serving our communities.**

**Economic growth that is not inclusive is not only unsustainable but also can contribute to economic and social instability that can impact not only our communities but the country, region and global communities.**

**In the Asia and the Pacific region, there is a strong economic recovery in place and the region plays a vital role in a fragile global economy recovery.**

**Yet decent and productive work continues to be beyond the reach of many. 87 million women and men are unemployed in the region – with young people 3 times as likely as adults to be unemployed.**

**A large portion of the productive potential of women in the region in particular remains untapped.**

**While unemployment is a concern for all of us, we need to understand that often of great concern and even overlooked by many are the nearly 1.1 billion working men and women in Asia and the Pacific, or 60 per cent of the region's employed that are among the ranks of the vulnerable employment.**

**Not only are these men and women working in activities often without**

- **social safety nets,**
- **coverage of occupational safety and health,**
- **lack of reliable credit, or**
- **social protection**

**They are also trapped in low productivity and poorly remunerated work.**

**Vulnerable employment not only corners these individuals and the family in poverty but also often traps future generation.**

**In the Philippines, vulnerable employment remains at substantial levels. More than 2 out of 5 employed were considered vulnerably employed in 2010. Meanwhile, 1 out of every 4 employed workers is unable to lift themselves and their love ones out of poverty (working poor).**

**By working together - workers, employers and government, we can help not only break the cycle of poverty but as this untapped group of more than 1.1 billion increase their productivity and remuneration, they will also create a new market for good and services within the region – or new customers for many of you here today.**

**This virtual spiral of economic activities is only possible through a strong and effective social dialogue mechanism. In short, it is not only good for our communities but it also good for business and can only be achieved through social dialogue.**

**Social dialogue is at the core of the Global Jobs Pact which was adopted by the tripartite constituents of ILO in June 2009.**

**The Global Jobs Pact offers a set of policies aimed at ensuring that recovery from the global economic crisis address fault lines of globalization through decent and productive work.**

**It highlights the urgent call to put employment and social dialogue at the heart of recovery policies. Social dialogue, including collective bargaining, is an invaluable mechanism for reducing social tensions in times of crisis and designing policies to fit national priorities.**

**Social Dialogue is a strong basis for building the commitment of employers and workers to joint action with governments to overcome crisis, sustain recovery and achieve inclusive growth.**

**Employers and workers have the freedom to organize and engage in open dialogue. These are also conditions for strengthening democracy and social cohesion, and one of the measures of progress toward just societies, in which everyone regardless of class, colour, gender, or religious belief can fully develop their capacities for the great good of themselves, their families and their communities.**

**Tripartism is a process, a structure, and an output.**

**We must also keep in mind that Tripartism as participation is a form of democratic governance.**

**Recently, the world has witnessed social tensions and protests in North Africa and the Middle East. Over the course of the last decade, I have worked and travelled throughout the region. The social tensions can be directly contributed to:**

- **rising inequality and poverty;**
- **weak democratic governance;**
- **limiting basic freedom and human rights;**
- **lack of transparency and justice which in turn contribute to vulnerable employment.**

**Countries such as Egypt and Tunisia have moved to strengthen social dialogue mechanism as a way to address these and other concerns and placing their economic and social policies on the sustainable track.**

**In this light and under the guiding principles brought forward in the Global Jobs Pact, the ILO and our partners are working closely with government, workers and employers in Egypt and Tunisia.**

**Here in the Philippines the social partners continue to uphold social dialogue and tripartism when addressing challenges. Let me highlight a few points.**

**First, in dealing with a recurring economic crisis, government and social partners in the Philippines have given priority to negotiated solutions. Social dialogue through tripartite institutions and collective bargaining has a special importance and is a tool to address growth and stability.**

**Second, at the national level, existing institutional frameworks and established consultative bodies have been used to identify appropriate policies and their implementation.**

**Third, promoting social dialogue and ensuring the respect of fundamental principles and rights at work and other ratified international labour standards have been viewed as crucial in achieving inclusive and sustainable growth through decent and productive work.**

**The ILO welcomes the initiatives of the social partners to bring national labour laws into greater conformity with ratified Conventions and strengthen their application through a tripartite process.**

**Tripartism has a long history in the Philippines and reforms are crucial for the continued strengthening of tripartism and social dialogue at national, regional, local and enterprise levels.**

**Tripartism has the ability, when carried out in an open, transparent and mutually inclusive manner, to contribute to industrial peace, which promotes competitiveness of enterprises.**

**One a personal note, while I have been working in the field of labour and more specifically social dialogue for nearly 24 years, I have been living social dialogue for almost a half a century.**

**After the Korean War, my father returned home and began his career with General Electric as a Machinist and a member of the *The International Association of Machinists and Aerospace Workers* and ended his career more than forty years later as a Mechanical Engineer.**

**On the other side of the coin, my mother was a school administrator and ended her career after forty years managing a highly diversified staff of more than 2,000.**

**I truly believe that I witnessed social dialogue before I even knew the term each night at the dinner table. Social dialogue in our household was not really an option but truly a necessity.**

**Both my sister and I learned that while people may have different points of view they were often trying to achieve the same objective, improving the lives of their loved ones and their communities. By open and transparent participation in the process, we can not only allow our loved ones and communities to survive but truly thrive.**

**Based on my own experience, I believe that each of us can look back at our experiences from childhood or as parents and partners and see that most basic form of social dialogue and the role it plays in our lives.**

**On the occasion of the 32nd National Conference of Employers, I again applaud ECOP and its members for bravely putting upfront the issue of upholding tripartism to attain Decent and Productive Work.**

**As a way forward and as the ILO Country Director, I can confirm that the ILO is ready to support ECOP in its pursuit of industrial peace, decent and productive work and enterprise competitiveness through social dialogue. I wish you success in all your efforts and future undertakings.**

**Good Afternoon and Mabuhay!**