



## STATEMENTS 2011

### Opening Address at the Succeeding in Business Programme Training of Trainers and Enterprises

By Mr Lawrence Jeff Johnson  
Director, ILO Country Office for the Philippines

14 March 2011  
Sta. Rosa Laguna, Philippines

Undersecretary Trasmonte of the Department of Labor and Employment  
Executive Director Lagunzad III of the National Wages and Productivity Commission  
Representatives of the Regional Tripartite Wage Boards and the NWPC Central Office  
Our partners from employers' organizations and the private sector  
Colleagues from the ILO  
Ladies and gentlemen, *magandang hapon* (good afternoon)!

Thank you for joining the Training of Trainers and Enterprises of the Succeeding in Business Programme.

The first run of the ILO's Succeeding in Business programme or SIB in the Philippines was launched in the context of the global economic crisis.

Although the impact of the global economic crisis varied between countries, we have seen how the crisis has dramatically affected the lives of many women and men. It has led to the highest level of unemployment ever recorded, reaching nearly 212 million in 2009.

However, unemployment was only the tip of the iceberg. Millions still work and live in poverty. In the global context, there are 3 billion economically active people, but 1.5 billion or half of the employed people account for those in vulnerable employment, which is more alarming than the global unemployment level. Rather than becoming unemployed, people were willing to take whatever work is available to survive. Employment policies and strategies, along with social protection schemes centred on decent and productive work are crucial to achieve sustainable economic growth.

In the Philippines, the vulnerably employed, or those working without safety nets, social insurance or work benefits, comprise almost 43 per cent of all those economically active individuals. The working poor, on the other hand, consist of about 28 per cent of the total employed. Another pressing concern is the country's low growth rates for labour productivity. Increasing labour productivity is crucially linked with a rise in competitiveness and decent and productive employment. In 2009, however, labour productivity in the country actually dipped to a negative 1.7 per cent.

The SIB programme was designed to help small and medium sized enterprises cope with the impacts of the global economic crisis, by building their capacity to identify issues in their operations, and devising simple, low cost and practical means of addressing these concerns.

The introduction of the SIB programme in the Philippines is one of the means by which the ILO is helping enterprises break the vicious cycle of low labour productivity, inadequate earnings and vulnerable employment.

Its participatory and inclusive methodology allows companies to realize that improving workplace relations, labour practices, working conditions and rights at work contribute to increasing factory level productivity, long run cost savings, and overall enterprise viability. SIB makes companies more competitive in global, regional, national and local markets, thereby sustaining and even creating jobs.

It is one of the tools that aim to achieve the ILO's objective of promoting productive and sustainable enterprises with decent and productive employment.

Productive employment, sustainable enterprises and skills development will be one of the thematic panels of the 15th Asia and the Pacific Regional Meeting, to be held between the 10th and 13th of April 2011 in Kyoto, Japan.

Discussions in the thematic panel will include experiences and lessons learned including challenges and opportunities in Asia-Pacific. We encourage you to be part of the discussions not only at the national, but regional and global levels.

Sustaining enterprises, in particular small, medium-sized and micro-enterprises is also one of the proposed measures and policies of the Global Jobs Pact.

The Global Jobs Pact, unanimously adopted by governments, employers and workers organizations in 2009, addresses the social and employment impact of the global economic crisis. The Pact, as a decent work response, contributes to a fair globalization, a greener economy and development that more effectively:

- creates jobs and sustainable enterprises
- respects workers' rights
- promotes gender equality
- protects vulnerable people
- assists countries in the provision of quality public services, and
- enables countries to achieve the Millennium Development Goals

The Philippines has taken the initiative to prepare the Philippine Jobs Pact in response to the global economic crisis. The SIB serves as one of the contributions of the ILO, in setting and shaping the Philippine Jobs Pact for equitable and sustainable economic and social growth.

From the global economic crisis comes an opportunity to strengthen partnership among management and workers in the process of making improvements in their companies. In previous SIB programmes, companies who participated reaped a number of benefits such as significant increases in productivity, reduction of wastage, shorter production delays as well as safer, healthier, and cleaner work environments.

A pharmaceutical firm in the Philippines implemented the following work improvements as a result of the SIB:

- Conducted regular meetings on production
- Produced reports on monthly production and equipment problems
- Improved dining facilities and provided rest area for workers
- Maintained required buffer stock on inventories
- Opened new areas for distributors
- Developed a reward system for employees and sales distributors

The SIB was also piloted in Cebu as a Rural Industries Initiative. Factories who participated, ranging from micro to medium enterprises, established worker-manager teams, to introduce changes. Initial improvements included the introduction of production tracking boards, cleaner work areas, better rest areas for workers, more organized stock rooms and improved ventilation.

We are glad that our partner agency, NWPC has shown quite an interest in pursuing this programme, particularly in making use of the SIB to enhance the “Industrious, Systematic, Time-conscious, Innovative, and Value for work” or ISTIV programme.

Again, thank you for your participation. We are all looking forward to your continuous use of the SIB even after the programme and hearing from you how it made a difference in your own company.

*Mabuhay!*

###