

**Theme/Title:**

**The Global Crisis: Our Response**

Like the rest of the world, the Philippines is facing a difficult 2009. The global financial meltdown has now seeped into the global real economy, squeezing the global demand for goods and services and pushing unemployment rates to new heights in the United States, Europe and some of the more advanced economies. The ILO estimated global job losses to reach 20 million for 2008 and 2009, while other think tanks give higher figures -- as much as 25-30 million job displacements. The optimistic forecast for global recovery is late 2009, while the pessimists argue that the recession would drag on till 2011.

Whatever is the correct prediction for global recovery, the Philippines, with its relatively open economy, is indeed facing a bleak 2009. Already, job displacements arising from the adverse impact of the crisis are now a reality. The country's export manufacturing winner, electronics, and the export service winner, the call center / BPO sector, are feeling the pressure of reduced demand.

What then should be our response?

**Let us treat the crisis as an opportunity for reforms!**

We, at the Employers Confederation of the Philippines (ECOP), subscribe to the old wisdom – the global crisis is also an opportunity. We should transform the crisis to our advantage. We should not delude ourselves in the thought that our resilience alone will enable us to survive, endure and overcome the present global crisis. Let the crisis be a defining opportunity for the Philippines to build up its competitiveness – at home and in the global market -- by re-focusing on its natural strengths and instituting needed structural reforms to infuse greater dynamism in the economy. Once the global recovery is underway, the country should be in a leading position in Asia in the race for global competitiveness.

Thus, even if we know that the 2010 elections are likely to take center stage in the coming months, we believe it will be most productive to focus the ensuing national discourse not on what has gone wrong but more on what can be done – better and additionally – to improve the country's competitiveness and the economy's capacity to create jobs and wealth. It is in this context that the 30<sup>th</sup> National Conference of

Employers (NCE) has chosen the theme “**The Global Crisis: Our Response**”. The NCE has three-fold objectives:

- to identify key survival and growth measures required to sustain jobs and businesses,
- to flesh out needed structural reforms to push the country above the gloom and doom pervading the global economy, and
- to define critical steps that employers must take to ensure business survival and economic growth.

### **Let us focus on the basics!**

We do not have a shortage of reform ideas which both the public (executive, legislative and judiciary) and the private sectors can adopt and implement, separately and/or jointly. The point, however, is not whether to have a long and exhaustive checklist of reform measures, but rather to come up with critical or fundamental reforms which can fuel recovery, growth and sustained development.

In this context and based on the above objectives, the NCE shall feature sessions built around the following exciting topics:

- **“*Moving on: Transforming the Crisis into an Opportunity*”**. This session shall discuss what industry, government and other social partners can do to deal with worker displacements at home and in the overseas labor market given the emerging global scenario of a prolonged and deep recession. At home, industries facing the necessity of downsizing must be able to work out together with the concerned public agencies transition programs for affected employees such as skills training and re-training, go-negosyo orientation and so on. The more capable establishments should be able to demonstrate in these crisis times their deep sense of corporate social responsibility by sharing knowledge and resources on how to keep and create jobs and businesses, especially in distressed communities. Industry should also be prepared to assist OWWA, LGUs and even NGOs in helping returning OFWs move on and find a productive place in their native country.
- **“*Sparkplugs to tap a domestic market of 90 million*”**. The session shall expound on the explosive business and job growth that will be created if a population as large as the Philippines is fully developed as a market. This is very much in line with what the government already announced as a P300-billion stimulus package in support of an “inward-looking” job-creating program. What are the critical but realistic business and labor reform measures needed to make this happen? What are the best possible uses or investments for the stimulus funds?

- ***“Wings to reach the global market”***. The session shall discuss ways to survive and grow in the sluggish and uncertain global market. The idea here is that despite the bearish mood in most of the OECD countries, including the Middle East and the emerging economies of the world, there are opportunities for exporters of industrial and agricultural producers as well as service outsourcing firms. What can be done to take advantage of such opportunities, e.g., a stable currency and an enabling domestic infrastructure support?
  
- ***“Urgent employment adjustment measures for survival and growth”***. This session shall dwell on the urgency and necessity for industry and unions/workers, with the help of the government, to work out immediate but practical adjustment measures to insure the survival of business and jobs given the global and domestic market uncertainties. Already, there is a broad tripartite consensus on a flexible compressed workweek schedule and the exemption of the call center/BPO sector from the coverage of the Labor Code’s restrictions on night work, especially for women. However, urgent and realistic adjustment measures are needed. In particular, practical approaches must be developed on how to cut business and personnel costs without reducing manpower (or minimizing job losses) such as the temporary suspension of some benefits and the relaxation of rules on tenure and deployment.

Aside from the above sessions, the NCE shall have its Biennial ***Kapatiran sa Industriya*** (KAPATID) Awards.