



PRESS RELEASE

IOE President underlines the importance of “Employment Security” in the age of globalization

Geneva, 2 November 2007 – In a keynote address at the conclusion of the ILO’s Forum on Decent Work for a Fair Globalization being held in Lisbon, the International Organisation of Employers (IOE) President, Abraham Katz, called on governments to resist populist calls for protectionism.

Mr Katz stressed that globalization is lifting hundreds of millions from abject poverty and transforming people’s lives. Opportunities exist today where none did twenty years ago. But globalization also brings with it challenges that need to be addressed. It underlines, he noted, the importance of flexibility as essential to adjusting to change and policies to facilitate the movement of resources from less productive pursuits to more productive activity.

He said that such is the rapidity and the nature of change that this has led to a backlash in many countries. Populist pressures, seeking to protect existing jobs and slow down change have taken on a serious political dimension. “We must not take globalization for granted. We must not assume that it is on autopilot, and the gains we have made are secure.”

Mr Katz noted that if the current round of trade liberalization should fail and if certain proposals for unilateral action against specific countries garners enough political support to materialize, the damage will not only be in terms of opportunities and possibilities for growth that are foregone, but rather, they could lead into a downward spiral of beggar thy neighbour policies and measures with economic fallout reminiscent of the thirties and in which the poorer and more vulnerable sectors of our societies will suffer most.

Mr Katz noted that the biggest winners from globalization are those with the education and skills to take advantage of new opportunities. Foreign companies are bringing new technology to developing countries and boosting demand for skilled workers but that many of these nations are not turning out enough skilled workers to match growing demand.

That needs to be tackled through serious investment in education linked to the needs of the labour market allied with a focus on continuous skills development. However, identifying the right skills for labour markets will be increasingly difficult for policymakers to predict as the direction and nature of employment changes.

Consequently, Mr Katz called on policymakers to develop policies and interventions that try and catch people affected by market shifts and ensure that they are directed into relevant training and up-skilling for labour market needs.

The undercurrent is that “Employment Security” needs to be the emphasis not “Job Security”. In short that means “Protect the worker, not the job”.

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