

Welcome Remarks by Mr. Martin Clemensson, Director of the
ILO Country Office for Zambia, Malawi and Mozambique
at the GRZ/ILO/IMF National Conference on
Growth, Employment, Decent Work and Development in Zambia
Lusaka, May 21-22, 2012

Let me begin by conveying the greetings and best wishes of my Director-General, Mr. Juan Somavia. Much as he would have wanted to be here for this event – the first of its kind – he has been unable to do so, as he is preparing his last International Labour Conference in June in Geneva.

I should add that Mr. Somavia has invited His Excellency the President, Mr. Michael Chilufya Sata, to deliver a key note address at this year's International Labour Conference. We look forward to welcoming him in Geneva.

I would also like to relay the fraternal greetings of Mr. Charles Dan, our Regional Director, who is also unable to be here in person due to the forthcoming series of events in Geneva.

They would like me to tell you how important this Conference is to the ILO. This is the first national conference where we in the ILO and the IMF are collaborating with government and the trade unions and employers' organizations to see how we can develop social dialogue as a mechanism that supports development in an increasingly interdependent world.

The basic idea is that if we can find better ways to connect employment and social policies into a country's macroeconomic strategy, we will get better outcomes all round – for jobs, for poverty eradication, for growth, and for sustainable public finances. And most important of all - for the Zambian women and men and their families.

The ILO has invested time and resources into this exercise, and so has the IMF. We hope that the background papers you have will help start a constructive debate.

In many ways we are today road testing our partnership. At first glance, our collaboration seems a little odd – after all our two organizations have different mandates.

The IMF has a focus on financial and economic stability, while the ILO's agenda is decent work for all. But we both know that you can't have one without the other and both can only be achieved through sustainable growth and development.

Growth and Jobs are inseparable. For jobs to be created, we need growth. But we have also seen

countries grow without jobs. Zambia is an example of a country with jobless growth. Growth is important, but it is not enough. That is why our Conference seeks to deliberate on the quality of growth – especially how to make growth inclusive so that its benefits are spread widely and fairly.

To end poverty we see the provision of decent employment opportunities as the main vehicle. Job creation therefore becomes our central focus.

The manifesto of the Patriotic Front Government pledges to provide more jobs and better livelihoods for Zambians. So, do we.

Yes, Zambia has attained middle income country status. Global copper prices are above US\$8,000 per ton. Zambia is Africa's biggest copper producer.

However, we cannot afford to celebrate. We remember how falling demand led to a fall in prices, loss of revenues, closures of mines and massive layoffs.

Zambia's major trading partner - the Euro zone - is in a fragile situation, again.

We need to think beyond copper by investing profits in social protection programmes, investment in rural infrastructure, agricultural development, small and medium-sized enterprises, labour-intensive construction and skills development.

Diversification of the economy is key to long term growth and development. Now is the time to make it happen.

We have seen the emergence of new partnerships, beyond the traditional colonial powers. China and India are big players in Zambia. Brazil and South Africa are also major investors.

We call on the new actors to invest in infrastructure, social development, skills transfer, and to give Zambia a fair share of the wealth created.

But above all, it is the Zambian investors who can make the difference. The environment needs to be right for them to operate their businesses so as to create more and better jobs.

The government has a key role to play here. Only an effective state can deliver the public goods that the market fails to provide. Only a well governed state can set the rules for efficient and equitable markets. But the government cannot replace the role of markets in enabling private businesses to innovate and invest.

The Sixth National Development Plan sets out a framework for the role of public policy in Zambia. Its six key economic objectives are:-

- expanding and diversifying the economy
- keeping inflation low
- increasing domestic revenue

- reducing commercial lending rates
- maintaining public debt sustainability
- increasing productive employment.

These are goals which command broad public support, not only for Zambia, but in all countries. And this is important because achieving them will require broad-based action involving not just government but also business and labour and Zambia's international partners, including the ILO and the IMF.

We need to promote growth that is high and sustainable, poverty reducing and employment creating.

This also means we have to stimulate demand. But this is only possible when people have the means to spend – hence money in our pockets. But how do we put money in everybody's pocket? That is the subject of this conference.

On our part, we came together with the IMF in Oslo in 2010 at a major international conference, which gave rise to what we are witnessing now. We knew we needed each other.

We have brought in the governments.

We are starting here in Zambia. We would like Zambia to tell Africa that through joint action, we can deliver jobs and better well being for all.

We look forward to hearing, sharing and spreading the Zambian message to the world.

I thank you very much.