



International Chamber of Commerce

The world business organization

38, Cours Albert 1er, 75008 – Paris, France
Telephone +33 1 49 53 28 28 Fax +33 1 49 53 28 59
Web site www.iccwbo.org E-mail icc@iccwbo.org



**ORGANISATION INTERNATIONALE DES EMPLOYEURS
ORGANIZACIÓN INTERNACIONAL DE EMPLEADORES
INTERNATIONAL ORGANISATION OF EMPLOYERS**

Chemin de Joinville, 26
CH - 1216 Cointrin/Geneva
Telephone +41 22 929 00 00
Web site: www.ioe-emp.org

Fax +41 22 929 00 01
E-mail: ioe@ioe-emp.org

ICC and IOE Intervention at the 45th Session of the United Nations Commission for Social Development 7-16 February 2007

The central role of the private sector in enterprise and employment creation

Mr. Chairman, Distinguished Delegates,

I am speaking this morning on behalf of the International Chamber of Commerce and the International Organization of Employers, which together represent national committees and employer federations in over 140 countries. An extended version of my remarks is being distributed.

The business community welcomes the recognition in the ECOSOC Ministerial Declaration that entrepreneurship and enterprise creation are fundamental to reducing persistent poverty.

Employment growth requires a national regulatory and legal environment that promotes enterprise creation and entrepreneurial activity. Countries that have established environments that are conducive to doing business have generally been rewarded with expanding economies and increasing jobs, while countries that have not focused adequately on this task have not.

Global economic integration has delivered benefits for many countries and pulled hundreds of millions of people out of poverty. But countries must implement the proper national framework in order to be able to maximize the opportunities and minimize the challenges presented by globalization.

The ICC and IOE believe that ten elements are critical for an effective national framework:



International Chamber of Commerce

The world business organization



ORGANISATION INTERNATIONALE DES EMPLOYEURS
ORGANIZACIÓN INTERNACIONAL DE EMPLEADORES
INTERNATIONAL ORGANISATION OF EMPLOYERS

First, entrepreneurship: Entrepreneurship is the essential ingredient that keeps all economies – developed and developing - vibrant and dynamic. The goal is to make it easy to start a business, to grow a business, and to recover if the business fails.

Second, sound macro-economic policies: Policies that support sustainable economic growth, including sound public finances and price stability, are vital to any economy's ability to create new jobs.

Third, conducive regulatory frameworks: Regulations need to be transparent, understandable, un-bureaucratic and provide legal certainty, particularly with respect to property rights in order to foster domestic economic growth. A large informal economy is a sure sign that the regulatory system is not open enough to new entrants.

Fourth, open trade and investment policies: Following domestic growth, openness to international trade and investment is the next most important factor in fostering economic growth and generating employment.

Fifth, education: Education is perhaps the most effective mechanism to improve employment prospects for all groups. Education contributes to social inclusion by equipping young people with the basic skills and competencies needed to engage in society.

Sixth, continuous skills development: Life-long learning is increasingly essential in a global economy. Policies need to be in place to encourage people to improve their skills throughout their career and adapt to changing labor markets.

Seventh, inclusive labor markets: Inclusive labor policies contribute to social stability if they work for the benefit of all workers, including women and minorities. Labor policies must protect workers but must also ensure that they do not force enterprises into the informal economy or trap them there by being too burdensome.



International Chamber of Commerce

The world business organization



ORGANISATION INTERNATIONALE DES EMPLOYEURS
ORGANIZACIÓN INTERNACIONAL DE EMPLEADORES
INTERNATIONAL ORGANISATION OF EMPLOYERS

Eighth, sustainable social security systems: Social security programs are important in their own right but should be tailored to increasing employment and moving people into jobs.

Ninth, good public governance: Open and transparent governance structures, sound public administration free of corruption, and productive public expenditures need to be at the core of all public policy frameworks.

And tenth, quality infrastructure: Sound local and domestic infrastructures are essential for the growth all economies. Ports, highways and railways, energy systems and telecommunications are all essential to domestic economic growth and international trade.

The key elements underpinning this framework are clearly understood. Indeed, governments have already committed themselves to it, including in resolutions from the World Summit in 2005 and in the recent ECOSOC Ministerial.

But our key message is that national governments must put this framework in place in order to foster domestic economic growth, which is the single most important factor in employment creation. The business community particularly welcomes the World Bank's ongoing efforts to support this objective through its annual reports on "*Doing Business*". The "*Doing Business*" reports clearly show that this framework is not fully in place in all countries, which explains the persistently high unemployment in many countries.

The ICC and IOE underline our commitment to working with governments, intergovernmental organizations and other stakeholders, to advance this framework and promote employment.