

Globalisation and Developing Labour Market Problems

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It's a pleasure to be here, and to see that I have both the Prime Minister and Peter Costello's slides before mine. What I'd like to do is lay out the situation in the global labour market that really rides the context for all kinds of decisions that our countries are making with respect to labour issues. Oh there we go. Okay, here we go. And I want to talk about – I call it, I've changed the title slightly from what was originally given to the CEDA, because this really is – what is the global labour problem? The data on the ageing of the baby boomers, which is what raises some people's concerns that there's going to be a shortfall of folks, is from – that's US data, we can get data from other countries. Certainly the US is not at all the biggest case. The Japanese population has already begun to decline, and we know there are a whole set of European countries where people don't know how to make babies anymore, and you know, in Spain and Italy and Greece, and either they let immigrants in, or else they're clearly going to be a declining trend. And then this was the claim being made in various places is that the labour market is falling down because of this, and I'm going to argue that that's really not possible given the – certainly not for countries like Australia or the US, which accept immigrants in large numbers.

So this is to set it up as a little bit of a battle between two views: one is that this demography is just going to dominate our labour markets, and we've got major problems, and we have to do some training, more immigration, off shoring a lot – I'll give you some of the quotes from different people analysing this. And then the part where I'm going to be more favourable to is that with the globalisation and the entry of the Chinese and the Indians and the ex-Soviets, we actually have a large number of very good workers, who we can either use, either in their countries, or bring them to our countries to work. And I've used this term, 'human resource leap frogging'. It's particularly relevant to China, where they are not accepting that they are going to making shoes and children's toys ad finitum, and they have a massive increase in their university population. Current enrolments in China in 2005 will be somewhere around 11 million students enrolled in university, and give two or three years of that and we've got of the whole Australian population. So this is a significant increase of labour supply for people.

Okay, so first let me just give you what was the discussion in the US at least, of this great labour shortage, and I just hear a number of articles that began. The Hudson Institute is a think tank, and they had what I thought was the key study, they did some projections based on the ageing population. There is Time magazine trying to tell people that even though 2002 is not considered a particularly good year, that's it's about the change. The GAO, which is quite a good government organisation, Government Accounting Office, there's the National Association of Manufacturers.

David Ell was the Dean of the Harvard Business School and was a student of mine and my teaching assistant, and this was a statement that came out from Aspen Group, and then somebody unfortunately had a little more sense about this, because they realised that most of the American workers were not looking upon this great shortage and seeing that firms were desperately fighting for them and their wages were going up; that was not what's been occurring in the country, and believe it or not, the labour shortage is coming, so they put the believe it or not. This is the kind of information that people were saying about this incredible shortage, and by 2020, 14 million shortfall of skilled workers, and there is even going to be a shortfall of unskilled workers as well. All of this is based upon putting great weight on demography, the ageing baby boomers is the heart of the argument. There's – what I thought was going on a bit, I have removed some of the more controversial, political statements that the President was making, and I suppose I could tell you what one of them was; it was "John Howard, do you see the weapons of mass destruction? I can't see them now". In any case, the administration bought into this to an incredible extent, to where I was at a conference with the Minister of the – not Ministers of labour but the Secretary.

Labor says "Our job is not to work for workers". Labor in the US has always been the place that was for the workers' advocate. We have a Department of Commerce that is the business advocate, and hopefully they work together on important things, but generally one group is supposed to defend more the workers, and one is the – and she said "Well we're not going to do anything about workers because the key thing is getting workers for the businesses, because of this great shortage", and so there was a relative transformation. And then you see here, employment policy – it's a business group – and they had the forecast up to 35 million shortfall by 2030, ten years later. And then Mr [Collier?], who was a consultant and a commentator, he wants more offshoring of American jobs. Well you can imagine how popular a statement like that is going to be among workers who are frightened of their jobs leaving the country, because if you believe this shortage to the extent that you believe it, this would make some sense. We've got this incredible shortage and companies are not going to be able to operate because they don't have enough workers, etc, etc.

A lot of this is built on the notion that when an ageing baby boomer leaves, somebody replaces that person. And I said it's got to be stable, well predicted demand, while the gentleman on the right has been waiting for a long time, and she hasn't yet left and she's going to be living for a long time further. The gentleman in the middle is Cromwell which is going to overturn the entire demand for labour here. I won't give you the statistical calculations I've done on this, but let me just say that replacement demand is not a good way to estimate demand for labour. Usually what happens is yes, there are a lot of ageing people in the United States in some industries. They're in dying industries. It's the new industries that are created, and to base your forecasts – which is basically what these people were doing on the – some old people are going to retire. Yes, there are a set of people in the railroad industry in the United States who are getting old and they're going to leave. Well we're not going to be replacing them. There's no great demand for young railroad workers in the country. Maybe there should be, our railroads don't work very well, but that's not there. And you can go industry by industry and you say "Well where are these replacement * 8.19 going to be?" It's basically going to be in places where they're not going to replace the people. I don't know how the business is here, but when someone in their fifties and sixties leaves, there's usually a very different kind of person nowadays that you might have in your activity, and it's the new businesses. So I just say this is not a very good way to analyse things.

Now let me give you the facts for what I believe is the more correct reading of the situation. And I've used the word for this a great doubling, which means that if we look globally – not within our countries, where potentially there can be shortages of different things, we have exactly the opposite. These estimates are based upon how many people worked in the advanced countries, and the traditional developing countries, LDCs, traditional Less Developed Countries, and then the new guys who came to the global labour market and were not there, and that's China, India and the ex-

Soviets, and 1990 they were not basically there. China was moving in the direction, but we needed a collapse of the Soviet Union to truly open up the markets there, and while I doubt whether too many people here think very much about Polish workers, that's a big thing in the United Kingdom, and that's a big thing for German firms; they're looking more to there.

You look more to the Asian – so does the United States for that matter. And it just happens by chance, the addition of this 1.47 billion people, previously the statistics were 1.46 billion, so I nicely said it's a doubling; I've announced it. And the IMF now has a report based on things saying well it's not really a doubling because you've got to worry about how you treat the peasants versus the people who really are urban workers, and that's sort of true, but of course it's also not true, because the minute jobs open up in China, the peasants come running into the cities and the same thing must be true in India as well. But in any case, it's a huge change in the labour force. And it's a labour surplus for the following reason. When these countries joined us, they didn't bring very much useful capital with them. China and India both very poor, Mao had destroyed masses of things, and the Indian bureaucracy had made sure that lots of things did not work very well, and the Russians, you know, aside from their military technology, they – I mean when the West Germans went to the East Germany, they found most of the factories were so polluting that you could not conceivably have them operate, and there were some estimates that their value add to the economy was negative. I mean they ran the factory and they used so much energy, they had been subsidised by the state, it was bad for the whole world economy.

So here I did, was I calculated a global capital labour ratio, taking all of the capital in our countries, adding on the little bit that those guys have, which is basically very, very little, and then made some estimates on a different depreciation rates as to what was going on. And if you look, you'll see under the A or the B projections, it doesn't really matter which you choose, essentially the global capital labour ratio fell to 55 or so percent of what it would have been had those countries stayed out, because they added huge numbers of workers, and they didn't add very much capital. So in a globally capital mobile world, you can see what's happening. The 2000 numbers are higher in part because everyone is – there's savings, there's global accumulation, and the Chinese are saving at an extraordinary rate; 40 percent is their estimated savings rate, and so they are actually adding to the world's capital stock essentially almost as much as the Americans are doing with a much higher GDP, so this will change as time goes on. Hopefully the numbers will go up. They must go up. But for the present, you see a situation where the capital labour ratio is much lower. That obviously means workers are in relatively surplus to what they would have been otherwise, and that the business has great opportunities, of course, to locate things in these new countries with these new skilled workers, and all businesses are doing something like that.

In the United States, debate over NAFTA in the 1990s, the Clinton administration had this very simple message to workers, "Don't worry, they're all less educated, less skilled, so they won't compete with you. You just need a high school education or college education nowadays, but if we're talking about actually Mexicans, it turns out a lot of them barely get a grade school education, so if you've got a high school education, it puts you in a position". That was thinking of the Mexicans. This is not what is happening in the world today. So here I put some enrolment figures through 2002 basically, and I now have them up to 2005, and I would look at the China which was having basically nobody was enrolled in college and university in 1970 – that was because Mao was destroying everything and having Professors like me wear dunce caps and then be sent to live in peasant villages, where we're not very good at being peasants, and some of us died doing that. And now it was estimated 12 million – and I said 11 million. The numbers are – it depends on which sources you do and so on. India has got an increase, so they were close to 10 million. And if you look at Brazil and so on, it's the developing countries that now are beginning to provide not quite mass higher education the way our countries have, but significant higher education for their people. So the notion that they're not going to compete with us, they will make shoes and we do all the

smart work, we know that's no longer true; we can see that in both immigrants and in the offshoring. So that was the story and that story's not true.

Here I just give you a sense of – also a sense of the way the world is I think going to be changing substantially. This is PhDs in science and engineering, and I do them from foreign universities relative to US universities, and I haven't done it for the Australian universities. And to me, first surprise were 2001 is the actual numbers and then there are some projections for 2010 we're going to look at. First of all, the EU is producing 54 percent more PhDs in science and engineering than the Americans. America had this incredible dominance, because America was the first place that basically did the mass higher education, and then of course in the aftermath of World War 2, the European universities were destroyed, and it's taken them a bit of time to get back into business. I don't think they're currently the same quality as the American universities, but the quality will be improving, and they are now producing more people than the Americans, and it will be almost 2 to 1 by 2010.

The shock to me when I first saw these statistics, I was at an OECD meeting for China, it was given out by some members of the Chinese delegation. And I said "This can't be right. You can't be telling me you're going to produce more PhDs in science in China than in the US in 2010", and yeah, it's going to happen. There's not a question about it. The projections are based on very – because the Chinese government still does play a significant role in lots of things, and they already have the people enrolled, they have the people told – you know basically, oh you can get a position in the university in Beijing University or whatever university they're doing. It's quite substantial, and then we also have an extraordinary number of Chinese students getting higher degrees in the US and I know the same thing is true here. So you get a lot of Chinese people that will be staying in our countries hopefully, but eventually that flow will shift back. So I think we should think about the world labour supply is there's a huge influx of people, and it's going to grow and grow and grow with whatever we think of as the top skills that we may want in things, and we shouldn't think any more that we, the Western advanced countries, are going to have this sort of monopoly on the great skills.

Okay, now let me carry the story a little bit further with I've got four claims. I want to make sure you go away suspicious. Anybody who makes projections based upon demography. In the global world, demography of a single country, unless you have closed off your - you're completely from foreign immigrants and foreign trade, it's just not a rational way to think about things, and then I've already told you these countries are making this big move to the science and technology frontier. And then the surprise that I didn't realise until this summer, I was doing some work on developing countries, this is the going informal, and which is a message I'm going to be taking to the IMF and World Bank. I've given a whole bunch of talks this fall, because I don't think they fully recognise the nature, the way in which economic development has changed. And so I'm going to conclude with this thing: we cannot have a actual shortage, because we can always bring in very good people from overseas, or we can move some of our business activity to the overseas locations. I mean IBM has major facilities for research, Microsoft has major facilities for research in Beijing. IBM has made, I think it was a billion dollar investment in India, and there's just no way IBM is going to have a shortage of people given that they globally source, and the people are just coming out in large numbers. Here, it's some of the population things that go beyond the US, and the place which really the demography hits a lot is West Europe and Japan. I don't have the Australia here. Australia's going to look more like the American thing of continual increases.

What this does mean is that the share of workers in currently – we think it was the advanced countries, is going to become increasingly the US and I can add to that US, Canada, it's the new immigrant, our societies. Japan – these are UN projections and so they're probably not accurate in the sense of the Japanese may suddenly decide that they have to have more children. Every talk I

give in Europe, I keep saying to the Europeans, you really have got to think about having children, and my own view is actually that that is a better cure than [Canesian] macro economics to causing spending, and it's the individuals making the spending decisions. The Germans now have picked up a little bit of this message. And then you see – because there's a very – there's a woman Minister of Family, if they were to see, she has like seven children, she has a PhD, an MD, I don't know, she holds a zillion jobs, and she wants every German woman to be like her. That's not possible. It's not possible for anyone except Superwoman to be like her, but they really are, God, they're building more crèches for people, they're really going on a program, and it's both political parties in a [coalition] to really make it easier for women in the workplace.

And then you see there's going to be a change in China, because the one baby policy, they are going to begin declining at a certain point, and India, not having the one baby policy, is going to keep growing, and that's sort of interesting too. There are these trends, but I don't think they affect the US. I don't think they affect Australia anywhere near – if you're in Japan, I can see you might be worried, and the Japanese don't let in immigrants very much, so it becomes a real concern. And Western Europe there's concern but of course they have Eastern Europe, and that's what they're dealing with now letting people in. It's very important to understand these demographic changes don't determine what happens in the labour market. I sort of tried to show you a little bit of that from the replacement demand. One of the things that most economists expected. When the baby boomers came into the job market, there was a huge drop in the wages of young people, because there was a lot of them. Supply and demand. I wrote a paper on that and then along with everybody else, expected that when the baby boom generation sort of passed through, and we got smaller numbers of young people, their wages would go up. They didn't. They didn't go up in the US. They haven't changed very much in any of the countries, and so there is an interesting puzzle there. How come when the supply increased a lot, the wages went down, but when the supply decreased a lot, the wages didn't go up? And for the moment, various people done analyses as to why that occurs, or has occurred, I don't want to get into that; I just want to say you should be very suspicious of these demographic based projections. They have not worked out. At the end of the World War 2, the Americans – the big projection was that we were going to have an incredible labour shortage, because we thought all the women who worked during World War 2 were going to go back home, and they didn't. They kept working. And so lo and behold the American work force ended up with the soldiers come back and the women were there. We had a bigger workforce, and they just missed the behaviour of people that was going on, and it's so easy I think, to put faith in these demography, and it's wrong. There's our great doubling coming up. Oh, what's happened? Oh we're going the wrong direction. That must be it. No. Okay, here we go.

This is my answer to the shortage thing which is the global sourcing and Donald Trump, etc, telling us “You're fired”. What's happened in the developing countries is that the surplus that you think of there possibly being less skilled workers, our expectation was that was going to decline as these countries advanced, and we're going to show you in a minute, some statistics that says – it's really stunned me when we put these statistics this summer – this hasn't happened. They are looking more informal workers than they had 10 or 15 years ago, and we get the trumping of this. This is the US figures. It looks like he's got a little bit out of place, but it's okay. Just showing that we are importing large numbers of foreign born people. The nineties boom in the US was based on bringing in highly skilled foreign immigrants, or our fraction of bachelors who are foreign born went to 11 percent to 17 percent. Today in the US, over half of the young PhDs in the country are foreign born.

So I don't know what the Australian figures, but I'll put any amount of money they're in the same ball park. So no shortage. We just bring the people in because we're a wealthy country and they can have better lives in our countries. Okay. I said this already, okay, and this is now the thing I said about these countries also developing themselves. This is an index put together by Georgia

Tech, that shows China – the index compares where you stand in certain – an average of a whole set of indices of technological prowess, so are you exporting high tech goods? Do you have a lot of scientists and engineers? How much R & D are you doing? And you see in 93, China was at about 45, 43 percent of the US. Now China's up to 70 percent of the US, so by this indicator, they are moving rapidly through the technological frontier.

Okay, now I get to the one I thought – I thought it was organised a little differently. This is the informalisation that I promised you, and I called it a gorilla for obvious reasons. This is the ILO definition: “Who do we think of as informal workers in the world?” Well there's self employed, then there are these wages workers in unsecure and unprotected jobs, and household workers. And I say well the self employed is a little bogus, because we know that includes a lot of high paid, highly skilled professionals, and that's not really what we want to think of as informal. We want to think of the informal as the self employed guy who's selling coat hangers on the streets of Peru, where you'll get people. And in Latin America, where they've done the most work on this informal markets, they included pretty much anybody working in a small factory who is not covered by social insurance, and that was what I said earlier, those guys. This is what we assumed the world was going to look like. Here I've got GDP per capita, so our countries are all the blue ones at the far end, and then we have the really, the poor developing countries, the ones – and then the red ones are called ‘recently developed countries’, so that's Korea, Singapore, Hong Kong. It includes some of the transition economies as well in Europe, the ones that have been extremely successful, and there are actually four data points for each country, so it isn't the number of countries the world grew; we had four years of this and we put them all together. And what it shows is the fraction informal falls with development. That's what everybody expects in the third world – expected I would say. If they're going to grow really rapidly, people will get into secure regular jobs. That's certainly what I would have expected and what I think the World Bank, the IMF, and everybody.

Forget the regression thing here. All that just says is that yeah, that's a good relation. But you can see it. It's a good strong relation. Informal sector's been growing bigger and these are for the ten most populist countries in the world, I went and sort of searched – look at line two, and that's the one that's critical. I always put together these figures thanks to the wonders of the internet, where you can just download studies everywhere in the world, of any kind you want, and so I went to this big effort of downloading all these studies, and looking at what was the fraction informal in these major developing countries. So this will be two thirds at least of the developing world; China and India already gets in. Get Indonesia in there and Brazil, you've got the bulk of the figures. Some of the figures are only for urban, some include rural, and what you notice quickly is that every single country, except Indonesia, the informal sector – what the Indonesians define as informal, everyone else is growing.

So what's happened in the last 15 years is that in all these developing countries, including ones that have great growth rates, the informal sector is definitely not declining as a share of *[inaudible] it's rising. The top is an ILO, which just gives you figures for self employed, and they said that's rising in the world, and that is not independent Western consultants doing this or star writers or whatever it is. These are people. In every single continent we have this. I was very – actually I was really stunned at this. So then what I did, was I said well let's look at how this connects the GDP. So here, I have the growth of GDP of countries, and this is only one point for each country, and then I show you the average change in the fraction that's informal, and remember the relation, the cross section was incredibly downward sloping. This, the zero correlation is nothing, which of course is what we saw earlier in those country figures, namely that countries that are growing very rapidly are not reducing their share of the informal sector, and that means we're going to be entering a world, as far as I can see, in which countries that grow a lot, be it Indonesia, India, China, they're going to keep having a huge informal sector, and that's a very different vision of the world. Now what about our countries?

Well first I've got to do China. I'll use second. These are new figures, just came out the summer from the OECD. They have their own. Everybody's got their own estimates of the size of the informal sector, so they're slightly different * [inaudible] definitions. So their numbers for China was it was 64 percent in 1990 and it's 66 percent now. It goes through a decline, but that's before the Chinese closed down all the big state factories, which they did in the mid nineties, and which where 9 or 10 million people were displaced from those factories, they all go into informal sector jobs basically. And so basically you look over the whole period, I would have said nothing much happening. The rise in the urban sector is a whole lot of the Chinese development. You go to any city, and you go to Beijing or Shanghai and you see all these people, street vendor types people, mum and pop stores, etc. Let me just make a comment – I don't think I have a slide for this. Okay, to my own town. The country that is the most remarkable in this is Korea, because Korea's been this stunning growth success. In Korea, according to the latest Korean figures, Korea is seeing a rise of the share of the workers in the informal sector, and to me that was mind boggling, because Korea, you may or may not know, has the biggest increase in the college graduate workforce in the world. They have more people going to universities as does the United States or Australia's fraction of the young age group, and they're going to do an economy where they're rising informal sector stuff, and it's mum and pop kind of retail stores. Japan has had a little bit of that. So this really is something going on very, very peculiar. I suppose if you're a business looking for highly educated people, well it doesn't look like the domestic economies are going to absorb these people if the informal sector is not the place for them. So they will remain there.

This is my own area in Massachusetts, where we now have an informal sector of a major kind that is growing basically from illegal immigrants. These are Brazilians. You drive actually ten minutes from my house in Brookline, which is an upper class sort of part of Boston that's separate from Boston, and this is Somerville, where the newspaper story's about, but we have one right near my house, a shopping mall, where every morning if you go by the shopping mall at 6 o'clock in the morning, there's a line up of about 100 Brazilian men who are waiting for trucks to come by to hire them as day labourers to do construction in the state. So this is a guy Louis, who's got some – he's a trained dry roller, he says he's illegal, but we know all these people are illegal, and the police know they're illegal, but our country does not want to really do harm to these hard working people, and when the Bush administration tried to do something against some of the – raided a factory in Massachusetts where there were illegal folks, the uproar was immense, and the problems were something like this: they arrested the mum and were going to deport her, and she's got an American born kid aged 6 years old going to the kindergarten. The kid comes home and the mum's not there, and you can imagine what the newspaper and media does with that, and the Bush administration had to back away from this.

And so this is the informal sector coming to an advanced capitalist country with an *. My guess is that millions and millions of people like this throughout the America. You just go to any city and you could ask, and we never had – you know, in my life, a student, the idea that you'd have people lining up at 6 in the morning to get jobs. I don't know what the situation is here, if there's a place in Melbourne where you have something similar. We are almost out of time, okay, that's fine. Okay. Why has this occurred? And I think there are two things: one, I'm going to stress, is that the modern technology has moved so rapidly to these countries, that they are producing – the productivity just is zooming in China. They have the same technology as the workers do in the US or Australia, or Europe, and of course they're paid lower wages so a lot of money can be made from this. Let me just show you the world manufacturing employment figures. In the world today, manufacturing employment is dropping rapidly as a share of employment. I'm sure it's dropping here. It's certainly dropping in the US. Interestingly was the US drop is no faster than it is throughout the world. What's going on? But if you take China, manufacturing employment in China is falling; it's falling in absolute numbers. Why? Because they got rid of all these inefficient

state factories. They open up modern factories with western businesses, or they're using western technology, and they're producing lots of goods, but of course it's – so this whole sector, which had been the prime thing you thought of for development; you do the manufacturing, you get the formal jobs; it's just not growing. It's certainly declined throughout Latin America, but for Latin America, we all thought okay, it's declining because the Chinese are there and you can't compete with them in lower wages. Well it's every place they're declining. I'll be faster. This was not part of the vision we had of the world. I'll give you some quotes here just from people. Mr Finch was a [relevant] trade economist, other people from the IMF, people did not think this kind of stuff was going to go on. So here they thought trade was going to cause a great burst; they're now saying "Well we don't know really what trade is doing". They thought the free capital flows were going to cause a great burst, and we could have a normal pattern of development. Now they're not sure about that. And so I say they eat humble pie. I don't know, who's Frank Bento? Is he [by] the Australian National Cricket team. What's that? You mean to say you actually lost the cricket match against the British at one point?

But what's happened in world thinking is that the IMF and the World Bank – and they have not yet seen the informalisation things, but they have just done a back track, because they know the development is not going the way they expected, and now my message is it's not going the way you expected, not only in these areas, but also in the area I think is the most important, which is getting jobs for people. It's quite different. And you read this, and what I have done in some of my talks here, I read this and I say "Be nice if the Australian Government also showed some humbleness about their expectations about what certain kinds of changes would do" because elsewhere in the world where they've done some of these reforms, they now are saying "Wow, gee, they didn't work the way we expected. They were unrealistic, and any reform goes is not a good idea, etc, etc". So I think we were seeing in the global policy community, a lot more – saying we don't have all the answers. We better be very careful and proceed slowly, or else we could screw things up badly, and this is the IMF speaking here, and I believe Mr Wilkinson is an Australian, is he not? And that was him declaring this whole thing has been dead. Everybody knows that these set of policy things that they have been recommending do not work.

I'll now conclude. So what vision does one have of the world from all this? I think we're going to go through a period of about 50 years of bringing these masses of people from China and India, and the exodus into our world to where eventually they're getting reasonable wages like we got, as we have. 50 years is sort of what Korea, from the end of the Korean war, if you take that - and Korea's got an incredible growth success. You do Japan. It's basically – that's the time it takes for countries to really get their act all together and do the right things, to get to the level of where they're swimming in the same base is that we are. That's a reasonable thing. There's going to be a lot of pressure on workers, I think in lots of occupations because these people are getting the skills and they don't have to be paid the wages if you're doing some of the work, and I think businesses – capitalists are going to be in the driver's seat for a long period. And this does require I think a really major re-thinking, and business I think is going to be in good shape. This shortage thing, bring some guys in from India; check out the Brazilian universities. There are very – and they all speak English. For us it's really advantageous, and maybe one of our French business may upset you a little bit because they don't – and they're sort of questions I just give you about. A transition is never that easy I think over the period, and these are so much more people than when Japan joined, you know, became a successful, and Korea was just a small country, etc. And I think this is the real issue is we've got to sort of worry about. I put in the bottom 'Environmental Disasters' because everything we're talking about here if there's some major environmental disasters, that will change the whole calculations, etc. This is my view of business, community and this process. I say they're doing the Lord's work in the LDCs. Well they're bringing the modern technology; they're bringing good jobs, they're in many cases, bringing good labour relations practises, and they either – the beacon of light in a lot of these countries.

Devils work in the advanced countries, because obviously moving those jobs and that technology is harmful to some workers in our countries. It's just – that's what they're doing and you can - and I think as countries, we have to figure out a way so the Lord's work gets helped, and the devil's work doesn't lead to bad things, and that's the nature of – my view of what the policy over this period is. And I quoted the head of IBM, who just is so blunt about this. He – either that he is an American corporation, you may have seen the interview with the Financial Times was last year. He's just, "How dare you call him an American corporation?" He's global. He don't give two ten biddles about America. He'll locate plants in the US if he gets big tax breaks from the things, and that's it. And I see no problem with that in a real sense, because that really is spreading the good things. And then I just – this is the last line now finally. I'm not suer with the new policies, we do but I think one thing is is we're going to be in a period of time, and there are lots of workers coming from these developing countries, with low wages and good skills, the global policemen, or whatever you call it, the IMF, and the World Bank, and governments should think that we don't need to protect capital. That was a view of the 1970s and 1980s. You had to protect capital in these countries because that was the necessary thing. That's not going to be – it's got to be some way of protecting labour in a period until we build up our capital stuck. As workers, we all want lots of businesses competing for our skills, and as businesses, we might not like that, but even businesses are made up of people, and as people we also want that, and that's my conclusion.

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