

Chapter 8

Working for the International Labor Office and Asian Development Bank 1991-1998

(7-19, 2010)

Part 3: Helping the ILO respond to the Asian Financial Crisis, February – March 1998

The Asian financial crisis

In January 1998, I corresponded and talked on the telephone with Michael Henriques, who was now head of the Enterprise Department at the ILO in Geneva. Among the issues we discussed were the work that I had done with Maria Heidkamp in implementing an LED component as part of the USDOL Rapid Response Project in Hungary and my paper outlining the development of a “USDOL Adjustment model” to provide assistance to workers, communities and enterprises dealing with economic restructuring. Michael indicated that he believed I could help them on some LED-related projects they were considering at the ILO, plus there “are several other ongoing issues too in which we may need inputs from someone like you.” (January 27, 1998 email from Michael Henriques to GBH)

A month later, February 24, 1998, I received an urgent email request from Michael asking for my help in developing an ILO response to the “Asian Financial Crisis.”

Dear Gary: You probably remember our conversation concerning the Asian crisis and the potential adaptation of some of your work in North America and CEE. It now looks as if that may be able to be tested out in an ILO context. We will be fielding a mission in early March 3-10 to selected Asian countries to start formulating proposals. Would you be available for such a mission? If not would you be able to work with some of our people by e-mail over the next weeks on ideas and proposals? I have also given your e-mail to Gerry Finnegan who is coordinating things at the Asia end. Looking forward to hearing from you urgently. (February 24, 1998 email from Michael Henriques to GBH)

February 24, 1998, the same day I heard from Michael, I also received an email from Gerry Finnigan at the ILO ROAP office in Bangkok. He said he was temporarily on assignment in Bangkok (from New Delhi), and Michael Henriques had assigned him to lead the ILO Enterprise Department’s input on the Asian Financial Crisis. Furthermore, he wanted to know if I could participate with him on that assignment. In Gerry’s email to me, he confirmed Michael’s request and outlined when he wanted to get started.

I’m leading the Enterprise component into ILO’s response to the Crisis in Asia, and we are preparing a paper for a high-level meeting in April (21-23 April). I have proposed to Michael Henriques that ENT/MAN could provide someone to accompany me on a mission within Thailand to assess the extent of the problem - mainly in relation to

enterprises, both large and small - as well as to come up with a range of options which fall within ILO's area of competence. Michael has immediately identified your good self as the appropriate person, and having already had some interactions with you and having seen your publications, I would concur wholeheartedly. Michael may have already made contact with you by now, but better to receive two messages than none at all!

Given the sense of urgency about this matter, we are obliged to move very quickly. I would propose to carry out the mission from 2/3 March to 9/10 March. My first question to you concerns your availability. I promise that you will find it a very interesting assignment, and Michael has already indicated that the two of you had discussed the relevance of various approaches to Asia a few weeks ago.

I would appreciate it if you could contact both Michael and myself to indicate your availability. Thereafter we will respond quickly with the necessary details. In my case, you should reply during your working day (Tuesday) to Bangkok, thereafter up to the weekend, to Delhi. (Feb. 24, 1998 email from Gerry Finnegan to GBH)

I have summarized the following account about the Asian Financial Crisis from several Internet sources, including Wikipedia, IMF Factsheet, and "Banking Crises in East Asia: The price Tag of Liberalization?" from Asia Pacific Issues, *Analysis from the East West Center*, No. 78, November 2005.

The Asian (or East Asian) Financial Crisis was a major international financial crisis that gripped much of Asia beginning in the summer of 1997 and raised fears of a worldwide economic meltdown.

The crisis started in Thailand with the financial collapse of the Thai baht (currency) caused by the decision of the Thai government on July 2, 1997 to float the baht, cutting its link to the US dollar, after exhaustive efforts to support it in the face of a severe financial overextension that was in part real estate driven.

From 1985 to July 1, 1997 the baht had been pegged at 25 to the US Dollar. On May 14 and 15, the Thai Baht was hit by massive speculative attacks. On June 30, 1997, the Thai Prime Minister said that he would not devalue the baht. That was the spark that started the Asian Financial Crisis. On July 2, 1997, the Thai government stopped supporting the baht, and it collapsed, reaching its lowest point of 56 to the USD in January 1998.

On August 11, 1997, a month after the collapse of the baht, the International Monetary Fund (IMF) provided a rescue package for Thailand of \$17 billion, followed by another \$3.9 billion on August 20, 1997. The IMF also required conditionalities such as passing laws relating to bankruptcy procedures and establishing strong regulatory frameworks for banks and other financial institutions.

The result of the baht's collapse brought Thailand's booming economy to a standstill, causing massive layoffs in finance, real estate and construction, and resulting in some 600,000 foreign workers being sent back to their home countries, and causing thousands of Thai workers to return to their home villages in the countryside from major cities such as Bangkok. The Thai stock market dropped 75 percent in 1997, and Finance One, the largest Thai finance company, collapsed.

As the crisis spread, most of Southeast Asia and Japan saw slumping currencies, devalued stock markets and asset prices, and a precipitous rise in private debt. Indonesia and Korea were among the countries most seriously impacted, but most other

Asian economies were hurt as well.

The Thai economy suffered for several years before beginning to recover. By 2001, Thailand was doing reasonably well and seemed to have recovered. The tax revenue allowed the country to balance its budget by 2004, four years ahead of schedule. The Thai baht also made considerable improvement. By November 2006, the baht reached 36.5 to the US Dollar, and as of May 2007 it became even stronger, at approximately 33 baht to the US dollar.

Just before I left for Bangkok, the importance and severity of the Asian Financial Crisis in Thailand were dramatically illustrated by two articles in the *Wall Street Journal*--Paul M. Sherer, "Revised IMF Pact with Thailand Takes Account of Slower Economy, February 25, 1998; and Paul M. Sherer, "Thailand's Safety Net: Farms and Faith," February 27, 1998. Those articles discussed its severity and what steps were being taken by the IMF to help bail out the Thai economy. An excerpt from one of those articles follows:

The International Monetary Fund's revised agreement with Thailand recognizes a slowing economy and commits the country to privatize some of its largest state enterprises, while giving local banks a temporary break from stricter regulations.

The Thai cabinet approved a third letter of intent, containing Thailand's commitments to the IMF in return for an expected third quarterly drawdown of funds from the \$17.2 billion rescue package assembled in August. The letter represents a contract to carry out specific economic policies, and is an important indicator of government economic policy. IMF directors will review the letter March 4 and vote on releasing a third tranche of bailout funds, which Thai officials put at \$1.9 billion.

I notified Michael and Gerry Finnegan that I could come to Bangkok per Gerry's timetable. After some additional correspondence and calls, my travel arrangements were quickly made—flying from SLC to Portland, Seoul, and Bangkok. February 28, 1998, I departed in order to meet Gerry's recommended work schedule.

Yes, I do remember talking with you in Geneva several years ago. Good to hear from you again.

I received your email and Michael's this morning.

I would be delighted to participate in your mission to help ILO develop a response to the Crisis in Asia. The timing appears quite good, since I was scheduled to go on a mission to Poland this week but it was cancelled yesterday.

I am prepared to come to Bangkok on the 1/2nd of March as you propose, and return home on the 8/9/10th. If these dates are firm, I will need to know what travel arrangements I need to make immediately, since I will have to leave here (Logan) this Saturday, Feb. 28 to arrive in Bangkok per the schedule you propose.

Michael indicated to me in a telephone conversation we had this morning that he would prepare a contract and complete the other necessary financial paperwork just as soon as I contacted you and you were able to inform him of the schedule and arrangements. (February 24, 1998 email from GBH to Gerry Finnegan)

Because I would be leaving one of my classes a week before the end of the quarter, I had to find things for them to do while I was away. I wrote them a memo explaining what was happening in Asia and why I was going on such short notice. I also had to obtain approval from the University to be away.

Assembling a team and making a study

I would be working on the Thailand assessment team with two other people. Our team was part of a larger ILO Task Force. The program of what we were expected to accomplish in the limited time available was very ambitious, considering how useful our efforts might *really* be compared to the terms of reference. Under our terms of reference we were given 12 tasks to complete during our week in Bangkok:

1. Identify the impact which the financial crisis has had on a range of enterprises in Thailand, both large and small, as well as formal and informal enterprises.
2. Identify specific sectors which have been adversely affected by the Financial Crisis and assess the impacts (the financial and construction sectors are among the sectors which have already been highlighted).
3. Assess the extent to which displaced workers, both women and men, have been affected by the crisis and identify the extent to which there is movement into the informal sector or micro and small enterprise activities - possibly acting as a type of informal "safety net".
4. Identify and assess the appropriateness of measures which Royal Government of Thailand has taken as a result of the current crisis to support enterprise restructuring and enterprise development.
5. Identify examples of enterprises which have been restructured and highlight changes which have arisen resulting from the restructuring.
6. Assess the measures and activities carried out by employers' and workers' organizations in response to the crisis, and identify potential roles which they could play in enterprise restructuring and enterprise development.
7. Review the actions being taken by ILO, with particular reference to Thailand, Indonesia and Korea, in response to the crisis.
8. Formulate a range of responses and options which ILO could carry out in a pilot manner and develop further in association with its constituents and/or donors.
9. Make additional contributions as appropriate to the *Work Programme and Terms of Reference** for the Enterprise components into the Report of the Task Force.
10. Where appropriate, to make additional recommendations on actions which could be taken by ILO in response to the crisis in Indonesia, Korea and other countries in the region which have been adversely affected by the crisis.
11. in order to enhance ILO's knowledge of the impact of the crisis on enterprises and workers, quantifiable evidence and situational descriptions should be gathered/provided where available.

12. Prepare components which can be submitted as Enterprise inputs into the Report of the Task Force.

The field work of the task force on the Asian Financial Crisis was to be completed and our Enterprise inputs were to be submitted to Eddy Lee at the ILO in Geneva by March 9, 1998. Consultations on the Enterprise Department inputs and final drafting of the report would take place under the coordination of Eddy Lee, and this would occur in Geneva from March 16-20, 1998. The planning of the Bangkok Meeting and presentations to be made would follow, and the ILO Meeting would be held in Bangkok April 20-23, 1998.

My March 3, 1998 email to my family gives an account of my arrival and first few days in Bangkok:

...I arrived at midnite on Sunday. The temperature ranges between 85 and 90 degrees with about 70 percent humidity. It is like being in a steam bath. Fortunately, it is dry and not rainy to go along with the hot weather. We were supposed to have a meeting at the Ministry of Labor this morning at 8:30AM. But it was postponed until 6PM. So, we are waiting for the next appointment. This person is supposed to come to our office.

There are three members on our task force team. The leader is an Irishman from [ILO's] Delhi [office], and the other person is a young Japanese fellow on the ILO staff here in BKK. He has an MBA from Stanford. Our mission is to assess the impact of the crisis on enterprises in Thailand (and several other countries such as Indonesia and Korea) and recommend inputs to the ILO report representing the ILO Enterprise Dept's concerns, expertise and interests.

They want a month's worth of work done in 5 days, an impossible task. The first thing the EASMAT director told me when I arrived was that the man writing the report in Geneva [Eddie Lee] had probably already written the report with his own interests and concerns covered, so it would not matter what we did. How is that for a start to your mission!

Anyway. I better get back to work (reading tons of documents and background papers to see what the situation is—just in case we do have any useful recommendations to make. (March 3, 1998 email from GBH to family)

Excerpts from my emails to my family on the following days describe what we were doing and how busy our schedule was.

March 4, 1998:

We just returned from our late afternoon appointment. After another 4 plus hours of meetings this afternoon we drove over to the Dept. of Skill Development (DSD) to see the head of the research dept. She had been to Logan last fall as part of the Thai delegation that came to USU after the ADS [ADB?] contract was signed. We spent an hour with her learning what DSD has been doing to help solve the problems of the fiscal crisis, and then at 7:30 PM drove back to the ILO office to get our stuff and return to the hotel.

While at the DSD, the research lady, who turned out to be the second cousin of our ILO escort and translator, showed us the USU office (on the next floor above). It is very nice, with new carpets, furniture and computers. Yun Kim has a great big enclosed office befitting his position. The only person there at that time of night was one of the Thai staff members.

It is now 8:30PM. Gerry is writing an email so I decided to write one to you all as well,

reporting on my day.

Since it is so late, and we are all worn out from a full day of interviews, we decided not to go out with Taka and his wife for dinner. They have a six-month old baby so I think his wife decided it was better to pass as well. ... In a few minutes we will go back to our hotel and get a quick bite to eat and fall into bed. (March 4, 1998 email from GBH to family)

March 5, 1998

It is now 4:30PM. We just finished our last interviews for the day. The day started at 7:30AM. We had appointments with the Secretariat of the National Committee on Unemployment Alleviation, Ministry of Public Welfare, Department of Employment, and a Professor who is a member of the rural employment creation sub-committee of the National committee named above. Some of these people are very able and seemed to be on top of things, Others were a bit out of it.

While we went to the Dept. of Employment this afternoon, we were a floor above the USU/CID project. So, after our meeting concluded we stopped by and surprised Yun Kim. He did not know I was here, although I had talked with Steve Soulier [another USU faculty member and my neighbor] on the telephone on Tuesday. I made the introductions and we chatted for about 10 minutes and then we had to leave to make our next appointment back at the ILO office.

Tomorrow we have 5 more appointments and a briefing of the EASMAT team at 7:45AM. Looks like another tiring day. The briefing is to make sure that others in EASMAT do not feel neglected or left out since this is a very important, high profile task force and most of them were not chosen to participate. Even worse, our team leader is from another Multiple Disciplinary Team in New Delhi, and I was sent here by Headquarters in Geneva. So only one team member, Taka Ueda, is from EASTMAT, and we are working in their back yard.

Two more days of field visits (interviews) and then we have to write up some ideas on Sunday for inclusion in the "Eddy Lee report" being drafted in Geneva. It looks like I will have to stay over one more day, since we have to present our ideas to the EASTMAT group for their input on Monday morning. Gerry is leaving at 4PM Monday afternoon to return to New Delhi, but by the time we finish our meetings on Monday it will be too late for me to catch any flight back to the U.S. So, I will be coming home on the same routing as on my ticket, but a day later, arriving in SLC at 3:50 PM. (March 5, 1998 email from GBH to family)

March 6, 1998

We just returned to the ILO office after a full day of interviews. We finished up at 6:30 PM, but the traffic was very heavy on a Friday evening. It is now 8PM.

Tomorrow we begin the task of writing up our report and recommendations. They have to be ready by Monday morning so we can present them to the people here in BKK. So, it will be a long weekend. (March 6, 1998 email from GBH to family)

March 9, 1998

It is 17:47 in Bangkok. I have just completed my work of making the last changes in the "Enterprise Project Ideas" (EPI) document. We worked all day Saturday and Sunday on the various documents. My job was writing the EPI document. Gerry was writing the *aide memoire* for BAO, and the basic document. I finished my draft of the EPI at 2300 last night. However, Gerry shoved another document under the door about the time I went to

bed. Then, he put a third document under the door before I got up at 0600. I made the changes in the first document and printed it out on *my* printer. When I reached page six the printer ran out of ink. So, I brought the file and the other document with me to the ILO office at 0730. We finished the changes in all the documents and printed them out for our 1030 mini briefing with the Director of EASMAT. At 1100 we went to a more formal briefing with the Director of BAO (the EASMAT director's wife). After that briefing, Gerry packed his bag and headed back to the hotel to pick up bags and supply of frozen meat (which he purchased on Saturday and had frozen. He stored it in the freezer at the hotel, and then planned to carry it back to Delhi in an insulated bag. (As you know the Indians frown on killing cows for meat, so, unless you are a vegetarian...))

Taka and I went to lunch at 1200 and then picked up our car and driver at 1230. He drove us to the Thai Productivity Institute for a 2 hour meeting on their views about the crisis, etc. etc. It was a little late to get their input into our documents, but Taka wanted to go anyway since he had other business to conduct. From there we returned to the office at 1530. At that point the First Secretary of the American Embassy came to see me about what we had learned during our stay in Thailand. We talked for about 45 minutes. He already had a pretty good handle on the situation, but he wanted any input that would be useful to help Pres. Clinton in his meeting with the President of Thailand, who will be visiting the U.S. next week. It seems that Bill does not have many goodies to give the Thai's in their hour of need, just a few inexpensive baubles.

I told him that we could provide some great projects if Uncle Sam wanted to spare a dime or two. He indicated that Uncle Sam does not have any spare dimes at this time. Furthermore, he (Uncle Sam) had spent \$20 billion in the last 20 years helping create the Thai miracle (?) and there was no reason to put more money into the pot. Most cynical I thought.

After he left, I talked with Duncan Campbell. He is an American now working for EASMAT, who moved here from ILO hqtrs in GVA. Said he is enjoying the work, but his family is a little less enthused - Bangkok is not GVA.

All in all it has been a busy day and week. I am now writing emails to let you all know that I am finished, and will be packing tonight to leave tomorrow morning,

We won't change the world, but it has been an interesting exercise. The team worked really well together, and we delivered our product on time and it is pretty good. Duncan Campbell is in his office down the hall still working on his group's report. He said he had to get it to GVA by 1925. It will be interesting to see what they produce. (March 9, 1998 email from GBH to family)

Potential for USDOL involvement

Immediately after returning from working on the Asian Financial Crisis for the ILO in Bangkok, I informed John Ferch and Jim Perlmutter about the potential for USDOL to become involved in developing some projects in the region using the USDOL Adjustment Model in Thailand and possibly several other Southeast Asian countries. I urged them to get involved and send someone to the ILO's scheduled April 1998 meeting in Bangkok to discuss the recommendations of the task forces that were included in the ILO document prepared for the meeting. Sydney Smith was supportive of my suggestion. So we moved forward discussing the issue of USDOL involvement and actually began writing a proposal. Bob Shepard, the OFR designated Southeast Asia coordinator, found that the World Bank had allocated some \$300 million for projects in Thailand.

Unfortunately, the OFR proposal to get involved in Thailand or elsewhere was not approved by someone higher up at USDOL. It turned out that they (OFR staff) were too busy working on organizing a trip for the Secretary of Labor to Africa to do much else, and Thailand and Asia were not high on the department's priority list.

One more trip to Geneva

I soon learned that my involvement with the ILO Task Force on the Asian Financial Crisis would have one more chapter. March 13, 1998, I received an email from Michael Henriques asking me to come to Geneva for a week to help Gerry Finnegan modify or add to the EPI document we had prepared in Bangkok and submitted to Michael Henriques in Geneva.

March 16, 1998, I received a telephone call from Gerry Finnegan. He said that I should plan on coming to Geneva on March 23, 1998 and be prepared to spend the week working on our EPI document. Our paper with the six EPIs had been circulated in Geneva among the Enterprise Department staff at ILO. A day or two later alarm bells started ringing with people asking what about recommendations for Indonesia and Korea, etc.? That was a surprise, since we had been told to confine our efforts to Thailand. Gerry said that he had sent 4 pages more and did some reading of Eddy Lee's paper, and added some material plus adding some more to our EPI's. Taka had added a #7 EPI, and Gerry said that several more were needed: #8 on women entrepreneurs; #9 on disabled persons; #10 on improved quality of work; #11 on Indonesia; #12 on Korea; and a #13 on vocational training which would be written by Trevor (?) at ILO ROAP in Bangkok. Finally, Gerry told me that he had seen about 30 other inputs—all in typical "ILO-speak."

Once again, I had to make some travel arrangements and also obtain permission from USU to take some more consulting leave. March 22, 1998, I traveled to Geneva to work with Gerry Finnegan, Duncan Campbell and others to finalize our Enterprise inputs to the ILO response to the Asian Financial Crisis. I returned home on March 29, 1998.

The nature of my work during my March 22 – 29, 1998 trip is described by excerpts from emails I sent to my family during my stay in Geneva, Switzerland.

March 24, 1998

We received a copy of the Eddy Lee's draft document at about 1PM, and then spent the next one and one half hours hurriedly reading it (about 60 pages) before going to a meeting with the ADG (boss lady) from Bangkok—who is in town for the meeting of the [ILO] Governing Body. Our meeting with her lasted for over an hour. We tried to convince her of the changes needed in the document and the format for the meeting at which it will be used, but to little avail. We also learned that someone in BKK is writing the final chapter of the document, so we encouraged her to have our items included in it. Duncan Campbell was pretty upset after the meeting, as was Gerry. Oh well, such is the Byzantine world of the ILO.

March 25, 1998

It is 6:20 pm. Gerry has gone back to his hotel. I just finished xeroxing a document to take with me to the Citadenes so I can work on my section tonight. We met with Michael H. this morning to decide where to go from here. After we came up with some ideas, we spent several hours (until 3PM) working on our respective pieces. Then we had a meeting

with Michael and Mr. Ishida (successor to Jurgen von Muralt).

Mr. Ishida is a very nice man, (he is a former Japanese manager who came to ILO a couple of years ago to spend some time prior to retirement). Unfortunately, he wanted to give his favorite lecture on his solution to the Asian financial problem. It is a standard lecture that M & Gerry had heard before, so they had to endure it again. After all was said and done, and one hour had passed, there was not much input from him, other than agreeing that we needed to add more enterprise input into the document. We could have done it if not sitting in his office for an hour.

Apparently, our meeting with Mrs. Horiouchi (ADG for BKK) yesterday had some impact. Gerry met her on the bus this morning and she now wants some Enterprise input into the Eddy Lee document. So, we are hard at work trying to craft some new language to get our message included.

March 27, 1998

Yesterday was another change in our fortunes. Seems the ARM had a meeting with the dept. heads to discuss the report, and Eddy Lee got roasted. Chapter 4 was weak, etc., etc. However, Mr. Ishida was not invited to the meeting, and the other Dept. heads, lobbied to have their material included, and ours appears to be left out. The decision has also been made to have Duncan Campbell write chapter 5 before he goes back to BKK, instead of having Mary Johnson do it in BKK. He is supposed to get it written today. We got our input in to Eddy Lee and Mrs. Horiouchi yesterday afternoon, and to Duncan last night, and lobbied with Duncan to have some of our material included in Chapter 5. It will be interesting to see what happens.

Today, we are boiling the 13 project ideas down we wrote to 6 to be more manageable for Duncan to consider using in Ch 5.

The final version of the ILO report prepared by Eddy Lee was entitled *The Social impact of the Asian financial crisis: Technical report for discussion at the High-level Tripartite Meeting on Social Responses to the Financial Crisis in East and South-East Asian Countries., Bangkok, 22-24 April 1998.* (Geneva, 1998) 66 pages

The social impact of the Asian financial crisis

Technical report for discussion at the
High-Level Tripartite Meeting on Social
Responses to the Financial Crisis in East and
South-East Asian Countries

Bangkok, 22-24 April 1998



ILO Regional Office for Asia and the Pacific Bangkok

Preface

The present report was written as the main technical paper for the ILO's High-Level Tripartite Meeting on Social Responses to the Financial Crisis in East and South-East Asian Countries to be held in Bangkok from 22 to 24 April 1998.

The first chapter documents the severity of the crisis in terms of its macroeconomic impact and briefly discusses its nature and origins. Chapter 2 then traces the social impact of the crisis in the three most severely affected countries, namely Indonesia, the Republic of Korea and Thailand.

The third chapter reviews the policies and programmes that have been adopted so far to contain the social costs of the crisis. A particular concern was to identify 'needs that were still unmet and ways in which this gap can be narrowed in the short term.

The fourth chapter attempts to draw some lessons from the weaknesses in past

policies and institutions that have been revealed by the crisis. It suggests priority areas for policy and institutional reform that need to be addressed immediately in order to overcome the current crisis, to reduce the risk of similar crises in the future, and to improve the capacity to cope with a large and unanticipated rise in unemployment and poverty.

Given the centrality of international labour standards and tripartitism to the work of the ILO in general and the important role that standards can play in promoting a socially equitable and harmonious way out of the current crisis, section 4.2 of Chapter 4 is devoted to this topic.

A separate paper on ILO action presents proposals on how the ILO can assist its constituents in the light of the analysis of problems and possible solutions contained in the present report.

Most of the writing for the report was completed in mid-March 1998 and information used in it does not, therefore, go beyond what was available at that time.

4 April 1998

This ended my involvement as part of the ILO Asian Financial Crisis Task Force. I had not been invited to attend the actual scheduled April meeting to be held at a hotel near the ILO Regional Office for Asia and Pacific (ROAP) headquarters in Bangkok. This was probably a good thing, since I had been away from my classes for several weeks in March while in Bangkok and Geneva.

The agenda for the High-level ILO Tripartite Meeting held April 22-24, 1998 was as follows:

Draft Programme

High-level Tripartite Meeting on the Social Responses to the Financial Crisis in East and South-East Asian Countries Bangkok, 22-24 April 1998

AMARI WATERGATE HOTEL

Wednesday, 22 April 1998

- | | |
|-------------|--|
| 09:00-10:00 | Inaugural Ceremony <ul style="list-style-type: none">• Welcome Address by the Assistant Director-General responsible for ILO activities in Asia and the Pacific, Mrs Mitsuko Horiuchi• Introductory Remarks by the Director General of the International Labour Organization, Mr Michel Hansenne• Statement by the Minister of Labour and Social Welfare, H.E. Mr Trairong Suwankiri• Opening Address by the Prime Minister of Thailand, H.E. Mr Chuan Leekpai |
| 10:30-12:30 | <u>Plenary debate</u> on the social responses to the financial crisis |
| 14:30-17:00 | Plenary debate on the social responses to the financial crisis (continued)
(Depending on time involved in the plenary debate, <u>the technical debate</u> could commence on the first day.) |
| 18:30 | Reception hosted by the ILO at the Amari Watergate Poolside |

Thursday, 23 April 1998

- | | |
|-------------|-------------------------|
| 09:00-12:15 | <u>Technical debate</u> |
| 14:30-17:00 | <u>Technical debate</u> |

Friday, 24 April 1998

- | | |
|-------------|--|
| 09:00-12:15 | <u>Dialogue between international and regional financial institutions and the ILO's constituents</u> |
| 14:30-17:00 | <u>Discussions and adoption of follow-up action</u>
(Concluding remarks by the ILO, if necessary) |

Note: Group meetings (government, employers, workers) will be fixed shortly.

A week later, on April 29, 1998, I received copy of the draft conclusions of the ILO high-level Tri-partite Meeting in Bangkok from Michael Henriques. I also received copies of the “draft follow up actions,” the technical report of discussions, and the published version of the “Eddy Lee Report,” *The Social Impact of the Asian Financial Crisis*, to which we had contributed much time and effort.

Six weeks later, on June 19, 1998, I received an email from Gerry Finnegan reporting on what had happened to our contributions to the technical report and other activities surrounding the ILO April 22-24, 1998 Tripartite Meeting that discussed the Asian Financial Crisis, and the subsequent ILO Governing Body meeting held in Geneva in early June. His email succinctly described the final results of our efforts. Copies of all of those documents are in my Archive.

Mea culpa, mea culpa!

Well, Gary, I have returned from a long home leave and now feel guilty that you're sitting by your computer waiting for a response from myself or Michael. Anyway, here goes with a quick opener from me.

I'm going to send you hard copies of several documents.

1. The Report presented to the meeting - we had virtually no mention in It as It was the original THREE chapters.
2. The Conference Room paper into which we had a substantial Input.
3. The governing Body paper with conclusions of the Meeting. We had SIX (!!!!) conclusions. That is the bottom line and that is what counts most! I'm sure you'll recognise most of the language. The Employers' group were fantastic allies and wouldn't let our secretariat (yes, ILO colleagues!) away with anything.

Writing "The Asia Paper"

While in Geneva, March 22 – 29, 1998, to work on the Asian financial crisis report I met with Michael Henriques and discussed the possibility of writing a document for the ILO Enterprise Department setting out a variety of practical activities and steps that could be taken to mitigate the impacts of the Asian financial crisis on workers, enterprises and communities in Southeast Asian countries. Michael agreed to pay for that paper, which I called "The Asia Paper." It would be about 60 pages long.

Upon returning home from Geneva I began writing a draft of "the Asia Paper" for the ILO. April 22, I sent a draft of the paper to Michael Henriques for his review. Although he liked the paper and made some suggestions for its improvement, the project soon came to a screeching halt. The problem, as it turned out, was due to some bureaucratic snafu at the ILO. The ILO had a rule that anyone over sixty (the retirement age for their own employees) could not be directly hired on ILO RBTC funds to work for them. Since I was over sixty, Michael got into trouble when he tried to make arrangements to pay me for my Asia Paper, and, subsequently, had to renege on his promise to pay for my Asia paper after I had completed a third draft. (Sometime later, I was able to get recompensed for my work by using much of the material I had written for my ASIA paper when the USDOL and USAID, as part of their CEE Regional Project, asked me to write *A Guide to Enterprise Restructuring and Competitiveness*, published for them in 2001.)

In my last email from Gerry Finnegan, dated July 10, 1998, he reported on what he had been doing to follow up on our "Asian Financial Crisis" work. He also elaborated on the problem Michael had trying to pay me for my work on the "Asia Paper." Some excerpts from his email help to explain what had happened.

Very good to hear from you. I was just getting around to thinking of a reminder to you - in case you hadn't received my earlier message. Then, presto, this morning your message came. Glad you received all the hard copies - and that you shared my own pleasure at the final outcomes. Well. I guess "outcomes" of our efforts. You're right in saying that we need to follow-up to have impact at the local and country level....

Looking forward to getting your final draft of your [Asia] paper. I'd like to share something with you and it's a bit sensitive. (I hope we know each other well enough.)

When I was in Geneva immediately prior to coming here, I heard whispers (nothing official, but I guess pretty reliable) that there had been a bit of difficulty over your contract. It's the "old" thing we touched on on one occasion. The Organization is pretty strict about given contracts involving its own funds to people over 60 - some deal struck with the

union a few years ago. It is more flexible when handling external sources of funding. Also, it can be "avoided" by engaging organizations which may or may not have age criteria. I did not discuss this directly with anyone, but I had a good idea about the background. So, I'd ask you to see if you can subtly help Michael to find a way out of the problem. For my part, I'd be very happy to engage you (of course using external funding). And you may have an opportunity to stop over in GVA en route (etc.). I can't promise anything, but your final draft (see above) may provide an opportunity if we were to give it something like a country-specific focus (which I could provide) and if we were to piggyback it on a new or existing donor-funded project.

..
I hope you get my drift, but I do know that people like us (and I'd like to think MH too) frequently do things on trust and hope everything will work out and be appreciated on the basis of impact, etc. Please let me know what you think, and please don't indicate your source. I'm only trying to find a way out. (Excerpts of email from Gerry Finnegan to GBH July 10, 1998)

My recollection is that we could not find a suitable ILO solution to the Asia paper funding. But, as noted above, I did have an opportunity to use most of that paper on another project. Furthermore, my age was not a problem in my next project for the ILO because it was funded by UNDP funds and administered by the ILO.