

# Brazil's Lula calls for new world economic order



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By Jonathan Lynn

GENEVA (Reuters) - Brazilian President Luiz Inacio Lula da Silva urged unions and workers on Monday to take advantage of the global financial crisis to help forge a new world economic order.

"I address myself now to the labor leaders," Lula told a global jobs summit at the International Labour Organization (ILO), a United Nations agency grouping governments, employers and worker representatives to promote good working conditions.

"This is an exceptional opportunity for all of you to think and develop proposals together with the employers and business leaders so that we can change definitely the relations between state and civil society and so that we can build our countries with much more fairness and much more solidarity," he said.

Lula said destabilizing surges last year in oil and commodity prices had been due to speculation.

"We cannot live with a financial system that speculates paper on top of paper without generating one single job, without manufacturing one screw, one shoe, one shirt, one tie," the former union leader told the conference to frequent applause.

"This economic crisis has opened an enormous perspective so that we can discuss everything, everything can be put on the table," he said, speaking through an interpreter.

The G20 group of rich and emerging countries, of which Brazil is a member, has asked the ILO to design policies to build a recovery from the crisis.

## JOBS

The ILO says it is important to avoid a lag in job creation as the economy recovers, because jobs and incomes will underpin the consumption needed as a foundation for sustainable growth.

From 2003, just after he became president, to the end of 2008, Lula said, his country had created 10 million formal jobs while increasing the minimum wage by 65 percent.

"We managed to combine the expansion of our exports that increased three-fold with the construction of an important mass consumer goods domestic market," he declared, adding Brazil had started to create jobs again in the first quarter of this year.

A deal to be signed next week between the government and sugar-cane-based ethanol industry would improve working conditions and environmental standards in one of the harshest sectors. Brazil was also showing solidarity with other countries by legalizing undocumented migrant workers, he said.

The President, who told the gathering that as a very young teenager he himself had been obliged to work in a factory, noted that Brazil had been the first country in the Americas to ratify a U.N. convention against child labor.

"To force a child to work is to steal the future of that child," he said.

Lula said it was unacceptable that more than one billion people around the world still found it difficult to eat once a day, and said it was incomprehensible that Africa, the cradle of humanity, was so poor despite the wealth of its resources.

The crisis had exposed the falseness of "neo-liberal" doctrines calling for the state to be limited and everything to be left to the market, he said. Only the state had the power to bail out banks when the crisis hit, he said.

"It's only the state that has the guarantee and credibility to do what the markets did not manage to do," he said.

