



Creating 21st Century jobs by Grey Warner, Senior Vice President, Latin America Human Health at Merck & Co., Inc.

Earlier this year, French politicians found themselves in a raucous debate over legislation intended to create jobs for young people. The resulting protests put France in the spotlight, but job creation is the primary issue for politicians in many countries. As global leaders convene in Paris for the annual OECD forum, this issue and other aspects of globalization will be at the forefront of discussions.

The challenge for politicians is to catalyze a dynamic and competitive regulatory and economic environment that leads to sustained job creation. For advanced industrial economies, economic growth and job creation are inextricably linked to the capacity for innovation - the ability to transform knowledge and intellectual assets into new products, processes or services. No nation can maintain high wages or compete in global markets by producing standard products using standard methods, especially against lower cost foreign competitors.

And if developing countries want to compete in the 21st century, it's essential that they too opt for a strategy that focuses on innovation and the creation of intellectual assets. Why shouldn't the next miracle drug be discovered in Mexico or Chile?

In the U.S. and Europe, long-term technological success has been traced to "clusters of innovation" - groups of interconnected companies and universities, linked by common skills, with government sustaining an environment that promotes investment and progress. Examples include a pharmaceuticals cluster in Research Triangle, North Carolina; information and communications technology clusters in Ireland; and 6 major industrial clusters at the Grenoble Institute of Technology in France. The same phenomenon is emerging now in India and China.

For such clusters to thrive, certain preconditions must be in place: the rule of law, respect for intellectual property, an efficient and science-based regulatory system, free and open markets and investment in health, education, infrastructure, innovation, and research. These pre-conditions, as OECD countries have recognized, are essential to creating economic value from intellectual assets and spurring and sustaining economic growth.

My company believes that developing countries are no less capable of wringing economic value from their intellectual assets, but that in order to do so, they must promote greater collaboration between the public, private and academic/research sectors. That is why we are engaged in an ambitious initiative to create clusters of innovation in the life sciences in Mexico and Brazil, working with partners such as the Mexican Institute of Competitiveness and the Brazilian Competitiveness Movement as well as local universities and technological institutes.

The private sector is a willing and absolutely essential partner in the drive to creating 21st century jobs. But it's up to political leaders to commit to promoting innovation and the conditions under which it flourishes. In this way, they will truly deliver on the promise of prosperity for their people, improving the standard of living for their citizens while enabling them to compete more effectively in the global marketplace.