

# **ECOSOC Vic van Vuuren ILO**

Dialogue 2: Building back better towards inclusive, sustainable, and just economies for recovery: Re-designing the contract between people and planet (3 June 2021)

## **Introduction**

In reacting to the pandemic Governments have pursued the fine balance between health and economic and social objectives. This balance has proven elusive.

With the development and roll-out of effective vaccines, there are real prospects of overcoming the virus and exiting the world of work crisis it has provoked.

A final estimate of the economic and social damage done cannot yet be made. Underpinning these developments is a series of dynamics, all of them rooted in pre-existing labour market problems, which have combined to make the already most vulnerable and disadvantaged the particular victims of the economic and social crisis.

Nowhere has that been more evident than in respect of the world's informal workers, youth and women. With regards to small and medium-sized enterprises have been the most strongly affected and, with their limited reserves, the least resilient.

The pandemic has wedged open still further the fracture lines of structural inequality and injustice which disfigure our labour markets and societies. Implications of the pandemic constitute a major setback to global development and the achievement of the 2030 Agenda.

The ILO's Future of Work Centenary Initiative focused in particular on the implications of three mega-drivers of change in the world of work and the transition processes that arise from them: technological change, environmental sustainability and demographic shifts.

## **Technological Change**

By requiring enterprises to have much greater recourse to the alternative work arrangements made possible by existing and emerging technologies, the pandemic is widely understood to have accelerated already observable processes of digitalization of work. But this has not been a general or an even trend. Some people simply cannot make such adjustments. For them, the only option is resilience in their existing ways of working rather than the adaptation which is open to others. And for similar reasons some enterprises and sectors have grown and prospered during the pandemic, while for others it has been a struggle for survival

## **Environmental Sustainability**

The significance of the pandemic for action on climate change is less clear. The brutal interruption of productive activity has logically brought some reduction in carbon emissions, but it is relatively small and, moreover, seems likely to be short-lived. Current expectations are for a rapid rebound of emission levels in 2021, just as happened in 2010, as economic activity resumes post crisis. The massive human suffering and disruption of production that have taken place stand in counterpoint to that transition; there has been nothing "just" about it.

## **Demographics**

The work-related challenges that derive from the very different demographic trends in the world, with ageing populations dominating in some regions and growing youth cohorts in others, have been highlighted in correspondingly diverse ways. The closure of borders has seriously impacted the practice and management of migration, which is the most direct response to mismatches in demand and supply for labour and skills, but without materially changing the task of ensuring safe, orderly and regular migration for all. That will still have to be addressed urgently as and when human mobility resumes. In a similar way, the manner in which the pandemic has highlighted the fundamental importance of social protection to all societies adds, if they were needed, additional compelling reasons to act to ensure full, adequate and sustainable systems of protection everywhere, whatever the prevailing demographic dynamics may be.

## **Policy**

The pandemic, has for the most part, not changed the importance and urgency of the multiple imperatives that transformative change already presented for the future of work. They will need to be addressed as integral components of the human-centred recovery from the COVID-19 crisis, which is needed to realize a future of work with social justice and decent work for all.

Indisputably, the expansive macroeconomic positions taken by governments around the world, with the strong encouragement of the international financial institutions, have had a crucial role in mitigating the economic and social damage wrought by the pandemic. But the stimulus has been unevenly applied, with national governments bringing their financial means to bear predominantly for the benefit of their own economies and economic actors. That may not be surprising, but it has very serious consequences.

Sustaining otherwise viable enterprises so that they do not fall victim to the conditions imposed on them by the pandemic and measures to contain it, is an essential part of safeguarding the integrity of societies' productive capacities. But, as for the macroeconomic stimulus which underpins it, this action has been concentrated mainly in the more advanced economies, both for reasons of financial sustainability and of institutional capacity.

The protection of the health and well-being of people at work has seen a primary objective of preventing COVID infection at work and, by extension, to ensure that work does not contribute to the propagation of the virus in society. In practice this has led to some of the most intractable policy dilemmas of the pandemic, with the now all too familiar and repeated controversies about the necessity and timing of closures and the reopening of workplaces. Lockdowns continue to be applied and to have a major impact on the performance of enterprises and economies

The reality of the COVID-19 pandemic is that it has brought massive uncertainty, as well as enormous material hardship. It has been difficult for people to form clear and informed views about the real nature and gravity of the health emergency, and therefore about the appropriate economic and social response to it.

The joint efforts of Government, Worker and Employer representatives firstly to provide a considered and objective appreciation of the situation presented by the pandemic constitute an important contribution to constructing appropriate responses and on that basis the policy determinations have gained in credibility, legitimacy and practicality.

It is important that recourse be had to social dialogue, in not only moments of acute crisis, but on a permanent basis particularly as societal pressures potentially increase, resources become scarcer, and consensus more elusive.

## **ACTION**

### **Inclusive economic growth and employment**

1. Ensure a broad-based, job-rich recovery with decent work opportunities for all through integrated national employment policy responses, including supportive and stable macroeconomic and industrial policies as well as strengthened public and private investment in sectors hit hardest by the crisis, and those with strong potential to expand decent work opportunities.
2. Promote global solidarity through support for developing countries experiencing crisis-related reductions in fiscal and monetary policy space or unsustainable external debt obligations;
3. Support business continuity and an enabling environment for productivity growth and sustainable enterprises, including micro, small and medium-sized enterprises, recognizing the crucial role of the private sector in generating strong, sustainable and inclusive economic growth;
4. Provide incentives to employers to retain workers despite crisis-related reduction of business activity;
5. Prioritize action to support young workers and entrepreneurs, who are an indispensable source of dynamism, talent, creativity and innovation in the world of work and a driving force for shaping a brighter future of work;
6. Strengthen public and private investment in lifelong learning, including through more equitable and effective access to high-quality education and training and through other active labour market policies and partnerships that reduce skills mismatches, gaps and shortages;
7. Roster more resilient supply chains that contribute to decent work and environmental sustainability;
8. Leverage the opportunities of just digital and ecological transitions to advance decent work, including through social dialogue and collective bargaining;
9. Develop and implement comprehensive and integrated approaches to curb the spread of informality and accelerate the transition to the formal economy, with due attention to the

creation, preservation and formalization of enterprises and decent jobs in the rural economy.

### **Protection of all workers**

1. Provide all workers with adequate protection, reinforcing respect for international labour standards and promotion of their ratification, implementation and supervision, with particular attention to areas where serious gaps have been revealed by the crisis;
2. Ensure that healthcare and all other frontline workers have access to vaccines, personal protective equipment, training, testing and psychosocial support, and that they are adequately remunerated and protected at work, including against excessive workloads;
3. Strengthen occupational safety and health measures by providing public institutions, private enterprises, employers, workers and their representatives with tailored practical guidance and assistance with risk management, the introduction of appropriate control and emergency preparedness measures, and measures to prevent new outbreaks or other occupational risks;
4. Adapt teleworking and other new work arrangements to expand decent work opportunities, including through regulation, social dialogue, collective bargaining and workplace cooperation, and efforts to reduce disparities in digital access, respecting international labour standards and work–life balance;
5. Uphold the continued relevance of the employment relationship as a means to provide certainty and legal protection to workers, while recognizing the extent of informality and the urgent need to ensure effective action to achieve the transition to formality;
6. Implement through public policy and enterprise practice a transformative agenda for gender equality;
7. Preventing gender-based violence and harassment and protecting people from it;
8. Execute across the public and private sectors a transformative agenda for equality, diversity and inclusion aimed at eliminating discrimination, violence and harassment on all grounds.

### **Universal social protection**

1. Achieve universal access to comprehensive and adequate social protection;
2. Enhance access to unemployment protection to ensure support for workers who have lost their jobs and livelihoods due to the pandemic and to facilitate transitions;
3. Expand access to paid sick leave, care services, family leave and other family-friendly policies for all workers, ensuring coverage in cases of quarantine and self-isolation and developing

faster delivery mechanisms for benefits;

4. Ensure equitable and sustainable financing for social protection systems through effective domestic resource mobilization as well as greater global solidarity and coordination to ensure that no one is left behind;
5. Reinforce the essential role of the public sector in supporting well-functioning economies and societies, recognizing in particular the important role of public health and care systems in times of a health crisis and in the prevention of future pandemics;

## Environment

1. There are principal areas that we must take on for our continued action to tackle environmental challenges.
2. We must converge around the same and common narrative. Some still consider that we must choose between economic growth and jobs, social justice and environmental sustainability. To the contrary, we have learned as well that there is no necessary trade-off between these dimensions.
3. The same applies to the debate on climate change. Clearly, it is not action against climate change and environmental degradation that will destroy jobs, it is inaction that will destroy jobs.
4. The pursuit of economic growth – which we all agree is required, in an inclusive manner, to generate decent work, to lift millions of people out of poverty, and to create wealth and wellbeing – can well be achieved while ensuring environmental sustainability.
5. ILO global analysis through the **2018 World Employment and Social Outlook (WESO) – Greening with Jobs** suggests that achieving the 2 degree target of the Paris Agreement on climate change could generate 24 new millions jobs by 2030; however 6 million jobs are likely to be lost in coal, oil and gas sectors notably.
6. A full integration of labour and the social dimensions to meet what the Paris Agreement on climate change calls "the imperatives of a just transition of the workforce and the creation of decent work and quality jobs in accordance with nationally defined development priorities" is entirely possible. It is indisputably necessary.
7. Just transition processes for all require a lot of ingredients – effective social dialogue, careful planning, coordinated policies and adequate funding – to address gaps in social protection, to support skills development that will be needed in the transition, and empower enterprises to fully take advantage of the real opportunities of the green economy.

## Social dialogue

1. Build upon the role that social dialogue, both bipartite and tripartite, has played in the immediate response to the COVID-19 pandemic in many countries and sectors, based on respect for and the promotion and realization of the enabling rights of freedom of association and the effective recognition of the right to collective bargaining;

2. Promote social dialogue in particular to support delivery of the outcomes set out in this call for action, including through governments convening the tripartite partners to design and implement national recovery plans and policies addressing the need for retention and creation of decent jobs, business continuity, and investment in priority sectors and areas, both public and private, to ensure a job-rich recovery;
3. Strengthen the capacity of public administrations and employers' and workers' organizations to participate in such dialogue as the means to develop and implement regional, national, sectoral and local human-centred recovery strategies, policies and programmes.