**Points for the presentation during the**

**Tour de table with national experiences**

**“The challenges for Employers’ Organization in a changing political and economic environment”. Moderator: Renate Hornung-Draus, IOE Vice-President for Europe and Central Asia**

**Meeting of IOE Members from Europe and Central Asia**

*Rome, 12 September 2019.*

**Ladies and gentlemen!**

First of all I would like to refer to a study that, in 2019, the International Organization of Employers, conducted jointly with the International Labor Organization: "Changing business and opportunities for Employers and business organizations”.

The study identified **global trends** that will affect business and employers' organizations in future. They are fully corresponding to the transformational realities that Russian business is currently experiencing.

1. **Global shortage of skilled labour,** d**emographic and generational shifts,** t**echnological innovations for RSPP can be defined as the priority ones.**

The rapid progress has led to a paradigm shift in the labor market: competition is becoming tougher, professions are becoming more complex, and income disparity continues to increase. The situation is further complicated by demographic changes associated with increased mobility and new generations entering the market with values and needs of their own. This new reality is a challenge for governments, businesses, and societies worldwide, forcing them to adapt to uncertainty and an unprecedented pace of change.

One of the main results of this progress is the ‘skills gap’. In their attempts to prevent unemployment and fill existing job vacancies, countries and employers often create a situation where the skills of employees are either insufficient, excessive, or irrelevant to the tasks they are required to perform.

The skills gap currently **affects more than 1.3 billion people (2 out of 5 employees in OECD countries)**. It is estimated that it costs more **than $5 trillion in global GDP** losses, and is in effect a hidden "tax on productivity" for countries and employers.

The skills gap can only be closed through a new human-centric approach to professional development, by switching from the existing employee training system to fostering talents in every individual. This is also marked in the Century Declaration of the ILO, which is declaring a “human-centred approach to the future of work”.

Above mentioned trends are fully in complience with the surveys conducted by the Russian Union of Industrialists and Entrepreneurs, the personnel deficit is consistently in the top three of the most acute problems for business.

RSPP is strongly supporting following five basic principles for a human-centric approach to professional development reflected within the recently adopted Kazan 2019 WorldSkills Declaration:

1. **Skills of the future for everyone***. (Every person should receive a set of competences for employment. These should include basic and cognitive skills, as well as social, cultural, green, and digital competences).*

2. **Self-conscious development**. (*Every person’s professional development should follow a unique and individual path throughout their life).*

3. **Transparent and fair opportunities**. (*Information on employment and educational opportunities should be easily accessible. Employees should be hired on the basis of their skills and actual experience, regardless of their formal education, life situation, gender, physical health, or social status).*

4. **Skills mobility**. (*Labor mobility within existing legal frameworks, flexible employment formats, and remote (virtual) employment should be available to all regardless of their current place of residence)*.

5. **Appreciation of values and Respect for the individual**. (*Workplaces and working conditions should enable self-fulfillment and professional development for all regardless of their values or beliefs with due respect to sustainable development.*

*To make it happens and to facilitate this process, modernization of the National Qualifications System (NQS), where RSPP is paling a leading violin, is underway in Russia).*

**Today in the frames of NQS modernization we continue:**

• introduction of professional standards and qualifications (with business participation, more than 1,300 modern professional standards have been developed, more than 1,600 qualifications have been approved);

• approbation and introduction of professional standards at workplaces, their actualization taking into account the rapidly changing needs of the economy.

• development of a system for independent assessment of qualifications, increasing business confidence in the results of such an assessment;

• updating of federal state educational standards and programmes of higher and secondary vocational education and educational programs, taking into account professional standards and forecasts for the emergence of new technologies, primarily digital ones.

• stimulation of business investment in vocational education and training .

**National Employers Organizations** can help governments to bring together national vocational and educational standards, share experiences, conclude agreements on the mutual recognition of qualifications in specific sectors of the economy.

1. **But, of cause, realization of the Declarations of all kinds can’t go without Global vision. Such Global vision is given by Sustainable Development Goals. IOE Survey on SDGs and Employers’ Organizations shows that :**
2. Business contributes to the SDGs in many ways and its contributions are being more and more acknowledged;
3. There is a need for businesses to further recognize their existing efforts towards sustainability and showcase their relevant activities;
4. SDG 8 is at the core of business and has the potential to become an engine for reforms;
5. Success will very much depend on an enabling environment, proper governance and capacity building for social partners;
6. There is a lot more to be done if we are to achieve the Agenda 2030.

RSPP has developed a whole set of tools to promote its approach and commitment to the Sustainable development, starting with the Social and Anti-Corruption Charters of the Russian business, ending with the tools for independent assessment of companies, which include indexes on sustainable development.

The international database of such indexes and ratings contains the RSPP indexes “Responsibility and openness” and “Vector of sustainable development”.

From April 2019, Moscow stock exchange and the Russian Union of Industrialists and Entrepreneurs start the daily calculation and publication of the sustainable development indexes.

1. **By the end of my intervention I would like to stress the topic related to the Regulation of labor relations in the frames of the new technologies, digital economy.**

* Technological innovation, including automation and digitisation, is probably the leading global trend which is having the greatest overall impact on business. Technology is enabling new ways of working **in building virtual international teams,** remote working, platform employment, and expanding digital networks of suppliers and business partners.
* All this requires a revision of existing rules, the ones governing labor relations that go beyond traditional ones.
* But also required from the EOs are new approach within their Lobbing practices and communication with other stakeholders as long as new time is bringing new actors to the field and, as well, as new ways of interest promotion are developed. Here is also a point related to the pressure (soft or hard) the outer world is putting on business. By later, not all of the newly appeared lobbing actors are acting on the grounds of accepted definition of Social Dialog, even by referring to it, as a key element of discussion (Global Deal, tobacco sector exclusion. Uniletarizm, as examples).

We expect a hard work to adjust labor legislation in line with the current level **of technological development**, including of digital transformation.

Issues related to the information storage and exchange, deep introduction of an electronic signature, block- chain, artificial intelligence, exchange of experience in the digital reality in general can be one of a serious practical interest for all business associations of IOE.

**In conclusion** let me emphasize that none of the **challenges EOs and business are facing today** can be overcome **alone**.

The Russian Union of Industrialists and Entrepreneurs experience shows that there always must be a leading, unifying force that helps companies to formulate, to lobby and to promote their interests. And this is, in our opinion, is an unprecedented opportunity for employers' organizations.

I think that the International Organization of Employers - the global voice of business - is an outpost and the platform where business and employers' organizations can meet and discuss issues and find solutions that ultimately contribute to sustainability, stability, fairness and a better future for all.