

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

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Economic and social policy response from international organisations

Dear colleagues and friends,

It is a great pleasure to open this IOE virtual meeting.

As we speak, the number of Covid-19 cases has gone above 27 million worldwide with a total of 890,000 deaths. Europe and Central Asia is no longer the most affected region by the public health crisis, but has paid a high price both in terms of loss of life and livelihoods. Today following the strong economic rebound in June and July, which was expected as lockdown measures eased, the European economy remains fragile with employment prospects are a huge concern.

The vast amounts of funding made available through stimulus and recovery measures (up to \$10 trillion according to some estimates) need to continue providing rapid relief and economic security but should also be used to bring about systemic change. However, this change does not mean that we need to re-invent the wheel. In many ways, "building back better" means to finally undertake the actions which we have known for a long time need to be done. In some ways, it seems like the current context has made this necessity clearer and more evident to everyone involved.

It means that the private sector needs to play a leading role in defining international response. As representatives of business and employers, IOE has long been advocating for an enabling environment for economic growth, job creation, and improved standards of life. Conducive environments for business are not only an aim, but the basis for employment, growth, sustainable development, and the potential of doing better that comes with prosperity.

We all are aware how hard the private sector has been hit by lockdown and safety measures, turning off both supply and demand. This situation cannot last much longer if we are to expect a strong and efficient recovery. The current crisis is forcing us to think out of the box and, because of its adverse effect on us, to innovate coherent responses that have positive impact. All firms must strive for the reconstruction of a dynamic labour market. Hiring and re-hiring, investment in new technologies and in training for the workforce, and/or continued participation in apprenticeship programmes should take a central role in corporate decisions.

Beyond the many developments, actions, initiatives, commitments and technologies already in progress and driven by the private sector, the international community is looking for systemic action. We note with appreciation that a recent UN Secretary General's SG Policy Brief has highlighted the crucial role of business. Mr. António Guterres himself confirmed that in his keynote speech to the IOE Centenary Summit last week. The pandemic has shown everyone how vital is the well-being of the private sector, how important SMEs, and how critical global supply chains are.

Given the fact that businesses are the first responders to the global crisis, it is important for governments and international bodies to consult with and reflect their experience and perspective in designing response and recovery to the pandemic. The private sector needs to be involved in defining and implementing global cooperation efforts. We should not only be seen as a source of funding but a source of expertise, efficient change management, innovative solutions and a key partner for implementation.

As COVID-19 pandemic is turning into a jobs' crisis far worse than the 2008 crisis, action is needed to prevent this from becoming a social crisis. Women, young people and workers on low incomes are being hit hardest, according to a new OECD report and unemployment statistics. The ILO, the G20 and the OECD underline the importance of social protection measures during Covid-19. Important gaps in social protection worldwide make it impossible to provide adequate relief during the pandemic (55 per cent of the world's population are not covered by social insurance or social assistance). These institutions in different analysis and policy papers, expressed the need to ensure that "social protection systems are sufficiently robust and adaptable to provide adequate support for all workers in need, regardless of their employment status, age, or gender". Employers are committed to engage in this collective action. This should be based on a strong and forward-looking social dialogue, which will also need to be realistic to make it sustainable.

The ILO Global Summit held last June provided through the ILO's tripartite structure a useful conversation between governments, workers and employers. This event solidified commitments from all to recover from this crisis in an efficient way. Private sector led economic growth, a conducive environment for businesses development and resilience; tackling informality with innovative approaches; investment in skills and the role of Business within the multilateral system were highlighted as particularly relevant.

What is clear to us is that challenges like this one require coordinated and smart action from all stakeholders, from the private and public sectors, that cuts across silos and creates coherent solutions while inclusively bringing everyone's interests on board. Full and productive employment and decent work can only be achieved if sustainable enterprises continue to exist and thrive. If we continue working together, we can make it happen and achieve economic recovery while improving society.

Dear colleagues and friends, dear Renate, I wish you all a fruitful meeting!