

**IOE-ITUC**  
**Digital Summit**

**2 April 2020**

Dear Director General Guy Ryder,  
Dear colleagues,

Thank you to the IOE and the ITUC, Erol, Roberto and Sharan for organizing this very timely digital meeting at such an important moment. It is a real honor for me to be here in these extraordinary circumstances to share with you the French experience of engaging with social partners in responding to the COVID 19.

If I may I would first like to give you a quick overview of the measures we are taking in France:

On the health front: while we are facing a situation close to breakdown in several regions (Great East, Paris Area, soon South-East), we are organizing our response: increasing capacities of hospitals in terms of intensive care beds ; urgent transfers of patients in less affected regions ; purchase of masks for care personnel and tests to prepare for the post quarantine time ; increase in national production capacities of masks and of medical respirators ; investing in research for serological tests ; clinical test on drugs.

On the economic front: France has done its best to learn from the way we responded to financial crisis in 2008 and the sovereign debt crisis in 2010. At the national level, we are massively supporting companies and businesses, including independent workers and micro-entrepreneurs mostly engaged in platform economy and also domestic workers / to safeguard our productive base, but also individuals to sustain their living income. We are experiencing a quarantine crisis carrying many doubts and grey areas surrounding its length and the way we may go through it. However, before confinement, our “economic basis” was sound and we had a positive dynamic of sustained job creation since 19 quarters in a row. This could be helpful for the recovery stage after confinement.

On the social front: we have tremendously increased capacities of businesses to resort to short-time work, which proved during the 2008 crisis to be effective to prevent redundancies on economic grounds. This is all the more relevant when there are tensions on competencies market and potential skill mismatches.

Our social protection mechanisms, our universal medical assistance and our resource based social benefits, clearly are our best assets in the current situation; the entry into force of new rules for calculating **unemployment benefits** amounts has been postponed from April to September 2020.

Our Parliament has also adopted a number of derogations to applicable labour legislation mainly regarding the **duration from work and weekly rest in identified sectors, to respond to the crisis and anticipate the recovery period.**

3 features were in mind when adopting those measures:

- They should only be applicable in critical sectors that are essential for the health and safety of our citizens and for the economic « survival ».
- They are limited in time.
- They have been adopted at the national level in consultation with social partners. This is key. Most of them should be negotiated within enterprises and in sectors between employers and workers organizations before entering into force.

These measures are essential but they will not prove sufficient if we are not able to coordinate our efforts. The economic and social impact of the crisis will and is already affecting the entire world and therefore the scale of our response must be commensurate and expand beyond national boundaries.

This is why **European coordination** is of paramount importance for France who has benefited and contributed to such European solidarity.

- Coordination to facilitate free movement of goods and cross-border workers. Therefore, movement has been facilitated for French workers that are essential for the operations of essential services in neighbouring countries.
- But also, as you know, budgetary stability rules (limit of 3 per cent deficit) have been temporarily suspended: States must massively invest in the economy to mitigate the social and economic impact of the health crisis
- Businesses may access state financial assistance: rules are now more flexible
- An emergency plan of 750 billion euros by the European Central Bank has been decided to support enterprises and increase governments' borrowing capacities.
- The European Investment Bank will support SMEs up to 40 billion euros.

An extraordinary session of the Eurogroup will be held on 7 April to discuss options for a stronger European response based on solidarity: As the French President said: « *We will not overcome this crisis without a strong European solidarity, on health and budgetary issues. Instruments will come afterwards and we must be open in this regard: it could take the form of common debt and borrowing capacities, irrespective of its name, or an increase in the EU budget to allow for an genuine support to most affected countries* » (29 march).

France, like most of its EU neighbours, has therefore done its outmost to learn from the lessons of the response to the 2008 crisis by banning austerity measures, by taking quick measures to support jobs and the real economy

**However, one major factor has changed since 2008.**

While the crisis is indeed global by its very nature, multilateralism and international cooperation are unfortunately not relying on grounds as solid as they were in 2008. They will however be key in adopting the right response.

This is the reason why the G20 has a key role to play. Under the able leadership of the Saudi Presidency, G20 Leaders have reacted rapidly and have called for strong measures last week – this is an important first step and it is now crucial to sustain this international cooperation, including on the economic and employment front.

The G20 indeed offers the most appropriate format to adopt urgent measures, because of its flexibility and because of its composition gathering countries from all continents and with different levels of economic development.

Moreover, the G20 has extensively worked last year on related questions (care economy, ageing societies etc). It also offers a key framework for engagement with all stakeholders and in particular with social partners.

Social partners are key not only because of their distinct perspectives, interests and therefore inputs. But also, because they carry a strong vision of multilateralism.

The Saudi presidency may count on France continuous support in this endeavour. We will very especially welcome an urgent extraordinary joint Finance and labour ministerial meeting.

France has had the chance to greatly benefit from the collaboration with international social partners during its presidency of the G7:

- G7 Social Tripartite Declaration (a first in the history of the G7)
- Participation in all our works, including when organizing high level discussions and the adoption of a statement between the ILO, the IMF and the OECD on joint work and cooperation to enhance social protection throughout the world.

To us, a renewed multilateralism is essential to respond to this crisis and should:

- Associate all actors in particular social partners;
- Associate Bretton Woods institutions (WB and IMF) and the UN system, first and foremost the ILO which should play a key role in responding to the crisis
- Lastly, and this is key, be focused on **concrete actions**:

That is, **to coordinate urgent measures taken** to safeguard jobs and incomes and identify key principles in the main areas of responses on the labour market and social protection.

Based on the French experience, **key areas could include**, and this is something The French Labour Minister has had the chance to discuss with European and international organizations of workers and employers last week:

- Keeping companies alive and safeguard people's jobs;
- Ensuring the continuity of operations of global supply chains;
- Bringing the required liquidity to businesses and people; especially to vulnerable, informal unprotected workers in Low Income Countries for their basic needs
- Strengthening access to care services and social protection for all.

**Key principles could** be for instance:

- Urgent Measures should only be adopted through social dialogue, at the appropriate level;
- Derogatory Measures should be limited in time and be periodically reviewed through tripartite discussions;
- All Measures should be therefore consistent with applicable International Labour Standards and Fundamental Principles and Rights at Work. ILO standards already contain flexibility measures and we must coordinate in applying them.

These are some examples of the urgent and concrete measures that could be taken, based on France experience, to response to the immediate impact of the crisis. One thing we must be all aware of: *business as usual* is no option and the short and long-term responses to the crisis should help build a more sustainable and inclusive economic model promoting respect for fundamental principles and rights at work.

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