



Employers' Keynote Speeches – ILO Constituents' Day

ILO Global Summit on COVID-19 and the World of Work - Building a better future of work

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Keynote Speeches from Employers

Opening Speech by Mr Mthunzi Mdwaba – IOE Vice-President to the ILO



Greetings colleagues.

It is truly great to see all of you, safe and well, albeit on virtual screens.

I must also confess to realising that I have missed all of you.

Let me start by thanking and congratulating the teams that have ensured the ILO responds to this unexpected pandemic, keeping the fires burning during the darkest times, this includes the Screening Committee.

I would also like to thank and congratulate the office for all the work coordinating the Regional Summits and the Leaders' Summit. There were minor technical glitches which come with the territory given that technology is known for being temperamental from time to time.

It was inspiring to share with the world what we do in the ILO and see the enormous interest on social media. We might consider having more open sessions like this in the future making greater transparency one of our core principles as we build back better.

Representatives from across the world had productive exchanges during the regional summits on the impact of Covid-19 in their context. Everyone agreed we need to build a future better normal or as others on different UN platforms that I have been on in the last few days, say, building back better.

World leaders yesterday pointed out that the virus does not discriminate but disproportionately affects vulnerable groups including women, youth, low skilled workers, migrant workers and those working in the informal sector. Our employer colleague from India, President Ms Sangita Reddy perhaps captured it the best when she said, ***“We are in the same storm, but not on the same boat.”***

Moreover, we now live in a very different world to the one we knew six months ago. President Reddy also referred to this as “LAW” when she said, many of us are no longer “working from home”, instead we are now “living at work”. Flexible working arrangements are part of the new order for the world of work.

Colleagues,

In times of crisis, our humanity is put to the test. Leadership gets tested. Teamwork is tested. We must give special recognition to all those fighting the virus on the frontline (doctors, nurses and health personnel) as well as business heroes who are doing all they can to save lives, save jobs and save livelihoods.

It is in this context that the ILO constituents come together today - on the last day of the ILO Global Virtual Summit- to exchange key points and define clear actions on what kind of recovery we want. For us, employers, and for many leaders I heard yesterday, the world needs a global speedy, sustainable and inclusive recovery.

As the Managing Director of the IMF, Ms Kristalina Georgieva, mentioned yesterday, ***we must fast track our support with an unprecedented speed to tackle the unprecedented scale of impact we are currently facing.***

Urgent measures are needed to limit the damage on businesses and livelihoods, rebuild the economy, and revive economic growth on a robust, resilient and sustainable path...and as she said, “ ..we must choose what kind of recovery we want...ALL MUST BENEFIT FROM THE RECOVERY.” not only our friends, or our neighbors or people who look like us.(my addition)

Professor Ruggie, at the UNGPs session I participated in earlier this week said that ***“The world is in desperate need of systemic change and thinking”***, to which I would add that ***“we need thinking that is diverse, consulting all peoples and regions of the world, and that would genuinely lead to global systemic change.”*** I also heard the President, Mr Rikio Kozu of JTUC-Rengo, the Japanese Trade Union say, ***“we need renewed unity of all partners...and that fundamental policy change and structural reform is necessary.”***

We need to pursue change that impacts all, that brings social justice to all. It starts with equal access to opportunities and resources. It starts by recognising that it is an injustice to say we must have “social distancing” when others cannot do so by virtue of their poverty. When we say we must wash our hands with running water, but they have no clean water to talk about. When we have lock downs that mean they have nowhere to get the next meal from because they are in informality that is not registered and cannot be recognised and assisted by the State...this includes millions of self-employed people by the way and App based businesses

that have driver/owners and others who number in the millions. According to the President of Pakistan, Imran Khan, if you do not help them, **“people cannot eat”** ...I have quoted Mahatma Gandhi previously when he says, **“...some people only see God when they get a slice of bread.”**

This pandemic has revealed and exposed so much that we MUST wake up to colleagues, and cannot as the ILO operate in a vacuum, ignoring or sidelining issues relating to Gender Based Violence that was rampant behind closed doors during lock downs, issues of #BlackLivesMatter #AllLivesMatter.

You might ask what this has to do with the world of work. How does one who suffers such abuse at home and in society, on the way to work and back from work deal with issues of productivity and mental health. We should be working on holistic solutions, societal solutions with others outside the ambit of the ILO whose responsibility it is to address this silent crisis.

My daughter was co-hosting a programme called PoetsVersus in the UK together with UNWomenUK, one of the repeated statements they made in their poetry was that **if you are silent on these injustices, you are part of the violence** - Silence means Violence to the women and the black lives.

This is not the time to be timid to change gears or to venture out of a long-traveled customary path. The safest paths of the past are not necessarily the safest or the most effective for the journey ahead. As the Minister of Labour and Employment of India said in the regional exchange last week for Asia and the Pacific: **“There is a need to rewrite the rules of the world of work and accept things must be done differently...the old rules do not work anymore”** .

The ILO Constituents, the ILO Governance structures, the ILO Office starting from the top Managers and the ILO Supervisory System, must be brave enough to turn away from old traditional thinking (or **“dinosaurism”** as I like to call it) and to face new challenges with innovative ideas.

In this house, we must avoid creating solutions that are based on ideals we see from our ivory towers located in one corner of the world. We must stop spreading the **“Geneva effect”** or as some have called it, the **“Brussels effect”** and imposing our ideals on others. Instead, we must recognise diversity in ALL its forms, and listen to the constituents better at the national level on their actual needs to effectively support them using a bottom up approach. As one colleague, Ms Onyaloe Koku in another UN related conversation I participated in said, a few days ago, **..“we must be inclusive(genuinely) by consulting and asking what is good for me...giving me a plane when I need a bike is needed, just won’t do.”**

It is time to think bold, different and, more importantly, think big. It is time to innovate new policy approaches, recommendations and processes. The core of this new future should be based on social dialogue and tripartism, which will also need to be realistic, innovative and forward looking – for indeed this bold new future will define our second centenary of existence.

Although many speakers yesterday spoke about the key role of social dialogue and that is heartening to hear, it is true that social dialogue is not utilised to its full potential. Although

the crisis response has demonstrated its undisputed value, the enabling environment for social dialogue and its institutions need to be strengthened now more than ever so that we can together find sustainable solutions for recovery. Our ILO is the only international organisation that can work with everyone on this.

Colleagues,

The ILO must rise to the challenge of securing shared prosperity, full and productive employment and decent work now and after the crisis.

It must show and demonstrate leadership. Leaders always know what they don't know...and what they cannot do...and surround themselves with those who do. This is different, very different from people in positions of authority this is not necessarily, leadership.

The ILO must also show its capacity for diversity, balance, pragmatism, rigour and agility as it assumes its share of the responsibility for a fast and resilient economic and labour market recovery.

Every decision, recommendation and action from the ILO concerning standards, employment, social dialogue or social protection should systematically consider the following test:

Does it promote an enabling environment for business and the financing for the creation of productive employment and income generation opportunities, under safe circumstances, according to the national realities or not?

If the answer to this simple question is No, the decision, recommendation and action must be revisited.

Otherwise we are losing the plot and risk being irrelevant and going the way of the dinosaur with our social dialogue. (of course, decent work must be embedded in all of this in a contemporaneous way, remembering that ***No enterprise, means no business, and no business, means no work, no work means no decent work!***)

Colleagues,

We are convinced that a much ***better private sector environment is the best path to a sustainable and inclusive recovery.***

We need to focus on ***business continuity and ensure an enabling environment for business development and resilience.***

Equally, we need to undertake steps that protect and promote productive employment and incomes and address much more seriously the challenges of ***informality*** with innovative solutions to promote transitions from informality to formality based on solidarity and incentives. We must go beyond focusing on decent work deficits in the informal sector and examine the root institutional and policy causes for informality, as well as the barriers within the formal sector to create more and better jobs. It is not enough to patronize people in

informality by having a “silver bullet” that all of us, including me, have referred to as transitioning informality to formality. No, no, no...we need a much more diverse and robust way of addressing the real problems. When you live in majority informal countries, you will know what I mean...we will be chasing our tails forever if this is our only proposed solution. We need to get to work and provide real solutions.

Furthermore, we must do much better to anticipate needed **skills**. The skills agenda of the ILO must be robust, much more innovative and leading the global action.

We also need to build **sustainable social protection systems** that respond to the specific needs and be coherent with the socio-economic traditions of the respective countries. This links to informality as well.

The Declarations and Initiatives we adopted at the last ILO regional Meetings in Bali, Istanbul, Panama and Abidjan together with the Centenary Declaration provide us with a solid foundation, I heard just about every leader say this yesterday...but there might be additional approaches we should consider as we move forward.

Colleagues, as I said earlier, the ***ILO has a central role to play in assisting tripartite constituents navigate through the crisis and recover from it in a sustainable manner***. It also has a key role in understanding the realities of the ***constituents themselves and in assisting them in their own institutional resilience strategies***.

The ILO must help to strengthen employer and business organisations on the ground in terms of anticipating new challenges and providing modernised and innovative solutions for their members to prepare for future crisis and challenges. The ILO must invest more in strengthening labour market institutions to identify the real market needs and challenges.

Combatting the social, labour and economic impacts of this global challenge require not only preservation of jobs, but also **continuity, sustainability, survival and resilience of enterprises**. Full and productive employment and decent work will be a reality if, and only if sustainable enterprises continue to exist. No sustainable enterprises simply means no jobs.

The ILO Office must vigorously prioritise and develop expertise on these areas in the delivery of policy advice and technical assistance from HQ, the regions and at country level...then the world will prioritise us and see us as relevant.

I look forward to listening to the rich virtual exchanges in the four panels we have on our agenda today.

Asante sana, merci beaucoup, muchas gracias.

Panel 1: COVID-19 responses to support full and productive employment and decent work for all by Ms Renate Hornung-Draus - Managing Director, European and International Affairs (BDA) & IOE Regional Vice-President (Europe & Central Asia)



Dear Ladies and Gentlemen,
Dear Colleagues and Friends,

The crisis induced by the drastic measures taken to contain and control the pandemic has aggravated many existing problems, such as informality and insufficient social protection floors, rigid labour market regulations and skills building systems which do not reflect labour market needs.

We need to take rapid action to come out of the immediate crisis, but in doing so, we need to ensure that we flag the proper orientations and pave the way for sustainably, better and more conducive policy frameworks for job creation, entrepreneurship and skills development. We do not wish to return to the pre-Covid-19 mode of business-as-usual.

And because of the devastating employment and economic effect of the measures against the pandemic, it is even more important to undertake the necessary comprehensive and brave reforms

- to come to more dynamic, open and inclusive labour markets, which will enable and encourage companies to hire and retain workforce and will support people to move into the sectors where jobs are created;
- to improve access to credit, particularly for SMEs, so they can build and strength their resilience against economic shocks;
- to promote entrepreneurship and innovation to create vibrant economies for jobs and growth;
- to fight red-tape, corruption and bureaucracy, which are a major barrier for business and societies alike;
- to address informality and developing innovative approaches to ensure all parts of society are contributing to the development of economies and societies. With ILO Recommendation No. 204 concerning the Transition from the Informal to the Formal Economy, there is a global tripartite consensus on what needs to be done to address the informal sector. This needs now to me rigorously implemented;
- to build at national level sustainable social protection systems, so in the next crisis, people will not fall into the abyss.

We need systemic change. But this does not mean that we need to re-invent the wheel. In many ways, “building back better” means to finally undertake the actions from which we know for a long time that they need to be done. In short, we now need to turn words into action.

The ILO Centenary Declaration for the Future of Work has paved the way and provided direction in our course as we navigate through and out of this crisis.

Ladies and Gentlemen,

Lockdowns and confinements have speeded-up the digitalization and modernization of work processes and work arrangements. What we will see in the future will be an even bigger differentiation between diverse forms of work. We can't stop or legislate against these changes but must make full opportunity of these developments and facilitate access to all forms of work to maximize quick recovery and employment creation. Old world, one-size-fits-all work rules can be too rigid to adapt to new practices, as illustrated by the incompatibility of some working time rules to new and more flexible work practices. This means that we need to ensure that employment frameworks fully capture the emerging world of work and that education and training systems keep pace with them.

Ladies and Gentlemen,

The pandemic has shown everyone how important the private sector, how important SMEs, how important global supply chains are. Conducive environments for business are not an aim, but the basis for employment, growth and development. The former UN Secretary General Kofi Annan stated that "it is the absence of broad-based business activity, not its presence, that condemns much of humanity to suffering". It is in this spirit that we need to rebuild our economies.

Thank you.

Panel 2: COVID-19 – the first shock: Tackling informality and gaps in social protection by Mr Guido Ricci – Legal Advisor (CACIF – Guatemala)



La necesidad y urgencia de transitar de la economía informal a la economía formal, tema de fundamental importancia para los empleadores, se hace ahora más evidente ante la grave crisis causada por la pandemia de la COVID19 sobre todo en los países en desarrollo donde representa aproximadamente el 70% de la fuerza laboral.

En contextos en los que los trabajadores del sector informal no cuentan con otra fuente de recursos, las medidas de cuarentena pueden resultar ineficientes y hasta contraproducentes, pues estos trabajadores antes que medidas de aislamiento se buscan la subsistencia misma día con día. Los trabajadores de la economía informal al carecer de protección laboral, social y de salud, son particularmente vulnerables.

Anteriormente ya nos hemos referido a la informalidad como uno de los mayores desafíos para el desarrollo económico y el progreso social de nuestras naciones. Asimismo, hemos llamado a la implementación de estrategias tripartitas para abordar la informalidad. Sin embargo, las causas profundas de la informalidad pueden resultar aún más complejas después de la actual crisis. La pobreza y la pérdida de empleo se acentuarán ante el grave impacto económico si no tomamos acciones urgentes.

Debemos ir más allá de centrarnos en los déficits de trabajo decente en el sector informal y examinar sus causas últimas con la mira puesta en eliminar las barreras dentro del sector formal para crear más y mejores empleos y así evitar que la pobreza empeore, poniendo en riesgo la cohesión social. Buscamos pues la facilitación de la transición a la formalidad y la sostenibilidad de las empresas.

Debemos tener cuidado en no simplificar la informalidad como un fenómeno socioeconómico. No todos los trabajadores del sector informal están allí por las mismas razones. Unos pocos estarán por elección, buscando evitar las obligaciones legales; la gran mayoría lo están por razones tales como la falta de información, conocimiento, recursos, regulaciones complicadas, barreras burocráticas, costos asociados a la formalidad o una gobernanza débil o inexistente.

No perdamos de vista que la crisis actual ha impactado especialmente a las MiPyMEs, empresas que para la mayor parte de las naciones representan la columna vertebral de la economía al constituir el 90% de las empresas a nivel mundial y la fuente del 50% de los empleos formales. En los mercados emergentes, la mayor parte de los empleos (7 de cada 10) son generados por las MiPyMEs. Son estas empresas vulnerables, las que, de no contar con un marco de políticas adecuado para su resiliencia, pueden acabar transitando a la informalidad o peor aún, desaparecer.

Tenemos que aprovechar el momento para solucionar de una vez por todas el gran problema estructural que representa la informalidad. Se deben implementar sin demora incentivos innovadores, impulsar decididamente la formación y el desarrollo de capacidades, aprovechando el uso de las nuevas tecnologías.

Además de nuestro compromiso ya evidenciado muchas veces y que hoy reiteramos, es necesario que los gobiernos brinden apoyo a las empresas mediante estrategias innovadoras para abordar los desafíos ocasionados por la informalidad, tal el caso de la competencia desleal y la concentración de la carga fiscal en las empresas del sector formal. También debe apoyarse la resiliencia y sostenibilidad de empresas en áreas estratégicas.

Otro aspecto clave es el desarrollo de sistemas sostenibles de protección social. Para ello, es necesario mejorar el marco de condiciones para que las empresas contribuyan al crecimiento económico y la creación de empleo en el sector formal, mejorando la productividad. Un entorno empresarial adecuado y la transición a la formalidad permitirá ampliar los recursos asignados a los sistemas de protección social y así garantizar su sostenibilidad financiera.

Los sistemas sostenibles de protección social que garantizan un ingreso mínimo son un pilar importante de los sistemas socioeconómicos que contribuyen a reducir la pobreza y prevenir

la exclusión social. Con la Recomendación 202 de la OIT, existe un consenso tripartito global, que debe implementarse vigorosamente de acuerdo con las realidades nacionales.

Sin embargo, también debemos tener en cuenta el contexto de demandas competitivas de fondos públicos limitados y el hecho de que el espacio fiscal no es autosostenible. Existen limitaciones claras para financiar dichos sistemas.

El desarrollo de los sistemas nacionales de protección social debe ir de la mano de políticas para abordar la difícil situación de trabajadores en el sector informal, que no están cubiertos ni contribuyen a ellos.

La tarea no es fácil, pero a través de un diálogo social efectivo y comprometido con el desarrollo económico y la empresa sostenible, única capaz de generar trabajo decente, así como con el actuar responsable de gobiernos, lograremos desarrollar políticas eficaces que disminuyan radicalmente la informalidad.

Panel 3: COVID-19: Spotlight on most impacted sectors of economic activity and vulnerable populations by Mr M S Unnikrishnan - Chairman Confederation of Indian Industries (CII) National Committee on Industrial Relations & MD & CEO



Thank you for this opportunity to join the ILO's largest gathering of world leaders, from the governments and workers side, and the business world.

I start my interventions with a quote from Herbert Hoover who said it in 1932 and is still relevant today in 2020. 'The most essential factor to economic recovery today is the restoration of confidence'.

I am hopeful that this global gathering today, the highest level of social dialogue on the world stage, will help in its own way - plant the seeds to slowly restore confidence. This is what we need now to restart our economies. We need to set the direction and course on what the ILO should do with its convening power as the main UN agency with a mandate on labour and social issues.

The world looks to the ILO for its leadership and guidance. But as mentioned by our Australian employer colleague last week, 'The ILO is not remote from us. THE ILO IS US – governments, employers and workers. We should all work together, genuinely together, towards a fast and resilient economic and labour market recovery.

Companies of all sizes from all sectors and industries around the world are struggling tremendously for business continuity and for survival. Companies are facing liquidity problems, and many are at risk of permanent closure. Not a single business has escaped the

disruption of the pandemic. In particular, SMEs - the backbone of most economies – are suffering the most.

The most obvious impacted sectors are the aviation, tourism, hospitality, manufacturing, mining, oil & gas and financial services. They are the ones experiencing a sharp drop in demand. IATA for instance estimated \$419 billion in revenue losses for 2020, with 7.5 million flights cancelled between Jan and July this year.

The range of restrictive measures to contain the pandemic, such as those on immigration, trade, travel and border controls have led to devastating consequences on economies. In some mining regions, for instance, the crisis affected workforce productivity due to restrictions of travel on skilled technicians. Construction companies were unable to access skilled personnel based in affected regions. Hospitals were unable to operate at full capacity without the skills of migrant health workers.

In the long term, the sectoral impact of the crisis remains to be uncertain and uneven across different sectors. Return to pre-crisis levels may not be observed until 2023 at best and structural issues could remain until 2030, unless policy makers adopt results-oriented policies now. A private sector led 'sectoral approach' is needed as industries have been hit in very different ways.

Workers in these affected sectors will also need support from governments, including women, the youth and migrant workers. In order to help these categories of workers who need support and attention, it would be important to help enterprises navigate through this crisis. Together, employers and workers, can come out from the crisis better and stronger.

The recovery process can certainly embody a transformative agenda for gender equality and diversity and promote the advancements of young people in the world work. Social protection, societal transformation, political will, leadership, skills development and strong networks can help offer opportunities for women, youth and migrants in the jobs creation process.

Please let me conclude with these points in efforts to go forward. Private sector led economic growth is the best path to sustainable and inclusive recovery. We need to focus on business continuity and recovery. This means ensuring an enabling environment for business development and resilience. We need to protect and promote productive employment and incomes. We must look for innovative solutions to formalise those in the informality sectors. There is a need to engage Employer Organisations in skilling and life-long learning initiatives. We need to build sustainable social protection systems. The ILO has a central role to play in assisting tripartite constituents navigate the crisis and recover from it in a sustainable manner.

And finally, determined collaboration between the public and the private sector is more important than ever.

Thank you.

Panel 4: COVID-19: Working together to build back better by Ms Gabriella Rigg Herzog – Vice-President, Corporate Responsibility and Labor Affairs (USCIB)



Thank you for this opportunity to join the ILO's largest gathering of world leaders, from the governments and workers side, and the business world.

I would also like to take the opportunity to thank the ILO staff for all your hard work in putting together this important virtual summit, and for the work you do every day all around the world.

Our nations continue to struggle with the spread of Covid-19, yet as we all work to progress towards recovery, cooperation among stakeholders is more essential than ever to ensure that people are healthy, that workplaces are safe and that employers are supported in their struggle and goal of returning to operation and contributing to the rebuilding of our economies and economic development. .

Indeed, U.S. Secretary of Labor Scalia said it best today on an earlier panel, when – and I may not paraphrase exactly correctly – he emphasized the key priorities of focusing on safe workplaces, and recognition of and support for the crucial role of the private sector in our economic recovery towards a new and even better normal.

We've been proud to participate actively during this momentous ILO virtual global summit, and we've heard a great deal of alignment. Speaker after speaker this week and last highlighted priorities including: 1. coordination of fiscal and monetary policy with employment policy responses, 2. calls for addressing – finally and meaningfully – informality and its root causes, 3. calls for investment in skills development, 4. support for sustainable social enterprises, 5. sustainable social protection systems, and above all – the need for this to be developed through social dialogue – with the social partners at the table.

Most importantly, throughout we have heard shared energy and commitment to join together in addressing these priorities.

Collaboration between the public and private sectors must be strengthened at all levels. The ILO, as the house of social dialogue, is well placed to set the example. Together, as the ILO's constituents, we need to set the direction and the course for what the ILO should do with its convening power as the main UN agency with a mandate on labour and social issues.

Multilateralism is under pressure, affecting the credibility of the UN system. Today's challenges require an innovative approach to recovery, development, and to the promotion of peace, security and strong institutions. Addressing the employment and economic impact of the pandemic will help to reduce inequalities.

The negative social and economic impacts of the COVID-19 crisis worldwide add urgency to the already complex but important priority of UN reform, as well as the critical need to get back on track towards implementation of the UN sustainable development goals.

To achieve both these priorities, all UN agencies will need to rely on stronger partnership with non-governmental stakeholders, like businesses and employer representatives, that can contribute to effective policies and concrete results to the benefit of all. As many other speakers have stressed, it is critical for us to work together in a partnership approach for shared success.

The private sector can play an enabling role in supporting the realization of the SDGs, and not just via financial contributions.

We're seeing many positive examples of social partners working in tripartite settings at national levels to engage collaboratively in policy making to ensure business continuity, income support for workers, as well as the development and implementation of OSH policies. Through these examples, we're seeing meaningful engagement with the private sector, and for the SDGs the private sector has the ability to:

- provide products and services that help resolve societal challenges;
- take risks, and investing and creating jobs;
- contribute experience of best practices and promoting appropriate regulatory frameworks for sustainable enterprises and job creation;
- supporting inclusive solutions to modern slavery, forced labour and fraudulent recruitment practices. Bringing employers to the table is essential for shared approaches and solutions;
- supporting the promotion of active dialogue between businesses, unions, and governments oriented towards concrete actions and programmes (towards women empowerment, diversity at the workplace, youth employment, etc.).

The role of Employers and Business Organisations in the crisis recovery and in reaching the SDGs has been demonstrated – not just through their role as social partners, but also as the representative and legitimate voice of business vis-à-vis governments, International Organisations and the UN.

The ILO, OECD, World Bank and governments have recognized this as well, because they too have prioritized health, and support for enterprises in their recommendations for pandemic response. Employers and Business Organisations are being consulted by Governments regarding the economic and social measures to mitigate the pandemic, and they have convening power by reaching not only a limited number of multinational enterprises, but also the broad mass of small and medium sized companies, which are the backbone of nearly all economies.

Through awareness raising, capacity building and the development of collective action, Employers and Business Organizations are supporting sustainable change on the ground. The IOE and its member federations in 150 countries, representing more than 50 million companies, are highly committed to make the recovery a success, and in particular to reach

SDG target #8 on Decent Work and economic growth. Key to achieving SDG 8 and entire 2030 agenda is also SDG #16 and the shared work we need to do to support strong and effective national governments and institutions.

In summary, Employers are fully determined to ensure full and productive employment and decent work for all, leaving no one behind. Productive employment is the foundation for generating wealth, eradicating poverty, promoting democracy and ensuring respect for human dignity.

There are huge concerns but important opportunities. Look to Employers as your key partners committed to identifying and supporting meaningful solutions in the challenging post- COVID-19 scenario and to build back better. We are serious, we are committed, and we're ready to get to work with the ILO and our tripartite partners.

Many thanks.

Closing Speech by Mr Mthunzi Mdwaba – IOE Vice-President to the ILO



Colleagues,

On behalf of our global employers, I am hugely appreciative of the rich and diverse contributions we have received in the last few hours.

The future of work is no longer the future, but it has now become the reality.

Our reality today is one where the global economy must be rebuilt; companies need to be restarted, revitalised, and restructured; and markets need to be re-invented.

In my opening speech this morning, I mentioned that we must avoid old thinking and old ways of approaching things. I spoke about the need to avoid “**Dinosaurism**”.

I am quite puzzled by one statement made in the opening, suggesting to reject the trickle-down economics and the fact that support to the private sector to provide jobs is NOT the answer. I wonder.... ***How are jobs going to be created for workers as we recover from this crisis? Are they all going to be created by the public sector? Who will pay for all of that? Where will decent work come from without enterprises and work? This is a major conundrum.***

Also, I would like to clarify that the causes of **decent work challenges in production linked to some global supply chains** are exactly the same as those linked to domestic supply chains, so seeking to develop two different approaches to tackle these issues would be completely

ineffective and lead to a two-tiered system. We don't have a regulatory gap at international level, but an implementation and enforcement challenge at national level. All production of goods and services takes place within a national jurisdiction and is covered by national laws and regulations. This means that all companies operating in a particular country, whether they produce for the domestic market or for export and regardless of their size, are subject to the laws and regulations of the country, including laws based on ratified ILO Conventions. But we know from more than 90 years of ILO supervision in CAS and the Committee of Experts that ratified ILO Conventions are often not fully implemented, and that many countries lack the capacity to develop adequate systems of labour administration and inspection. There is where we need to focus on. Why are we consistently ignoring this elephant in the room?

I was surprised by the intervention of some governments, two to be specific that know they transgress Freedom of Association and have had to use great restraint not to mention them by name in the interests of having constructive conclusions. We would appreciate their being truthful and not pretending to support social dialogue when in reality they do not. We shall address them at the right time.

I will leave these simple but fundamental and realistic thoughts on the table for now.

Colleagues,

I fully support the statements made by many of the representatives today recognising that ***new business models are key for our recovery, especially to provide jobs for women, youth and migrant workers and highlighting the importance of entrepreneurs in our society.*** I could not stress enough the positive role played by sustainable business within society.

And as my colleague, Renate Hornung Draus, did in Panel 1, I would like to quote the former UN Secretary General Kofi Annan, who stated that **"it is the absence of broad-based business activity, not its presence, that condemns much of humanity to suffering"**. It is in this spirit that we need to rebuild our economies.

During the next coming years, and I would even say a decade, it will be our mission to come up with strategies and policies that will enable ***sustainable business to create employment, create more opportunities for the vulnerable, foster unity instead of discord, and increase prosperity and the quality of life for all people across the world.***

As I said earlier, businesses are part of the solution in tackling the impacts of the COVID-19, in the same way as they are the solution to long term sustainability challenges and the recovery we want.

Businesses can achieve this by providing people with jobs, goods and services; by developing means for preventing and treating diseases; by creating responses to climate change and environmental problems; and by contributing to public revenue for education, security, healthcare and sustainable social systems.

Enhanced, strategic and determined collaboration between the public and the private sector is more important than ever to pave the path for a quick, strong and resilient private sector led recovery from this crisis and to build a better future.

As I said in the opening, no enterprises, means no employment, no employment means no work, and no work means no decent work, no decent work means poverty and no dignity for all.

This requires solidarity, international cooperation and an extraordinary collective effort from all of us. International solidarity is the key to promote the well-being of our societies.

While businesses themselves make every effort to survive and recover, policymakers should also provide them the right conditions to do so.

Furthermore, the ILO must maximise social dialogue and get involved in the design of public policies for development.

It must expand its focus beyond standard - related or regulatory issues...we need more, flexible and diverse tools to respond to a world that is very, very different from the world that gave birth to us in 1919.

The ILO must undertake as a matter of priority and with a sense of urgency substantial work in the support of assisting its constituents in their journey to provide innovative solutions, addressing solutions related to informality, anticipating skills, increasing productivity, improving professional education, and supporting innovative sectors. With this type of support from the ILO, we would surely have more competitive countries, and better and greener jobs.

Colleagues,

We are convinced that a ***much better private sector environment is the best path to a sustainable and inclusive recovery.*** In this regard, I refer to Secretary of Labour Eugene Scalia's words this morning, "It is crucial to note the role of the private sector...it is entrepreneurs and enterprises that create jobs."

In order to do so, we need to focus on:

- **business continuity** and ensure an **enabling environment for business development and resilience**;
- **Resilience of social partners, employers and workers organisations**
- an array of innovative solutions to address informality, including transitions from **informality to formality** based on solidarity and incentives;
- anticipate needed **skills** for the post Covid era;
- build **sustainable social protection systems** that respond to the specific needs and be coherent with the socio-economic traditions of the respective countries.

The Centenary Declarations and its Resolution has been widely supported and reinforced by many.

The ILO Office must vigorously prioritise and develop expertise on these areas as already stated.

I conclude again by stressing that ***full and productive employment and decent work will be a reality if, and only if sustainable enterprises continue to exist. No enterprises simply mean no jobs.***

Asante sana, merci beaucoup, muchas gracias.

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