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Provided to the G-24 Finance Ministers and Central Bank Governors' Meeting

Washington D.C., 14 April 2020

The human, social and economic impacts of the COVID-19 pandemic are devastating. Recovery requires an immediate human-centred response through global solidarity.

The lockdowns and other containment measures necessary to fight the spread of the COVID-19 pandemic have generated an unprecedented reduction in economic activity, incomes and employment. ILO estimates that 81 per cent of the global workforce lives in countries with mandatory or recommended closures. The greatest decline in working hours and jobs is expected in lower and upper-middle-income countries where the loss of full-time equivalent jobs is estimated between 70 and 100 million in the current quarter only.

Businesses across a range of economic sectors are facing catastrophic losses, which threaten their operations and solvency, especially among smaller enterprises, while millions of workers are vulnerable to income loss, layoffs and falling into poverty. The impact on income-generating activities is particularly strong for unprotected workers and those in the informal economy.

The total effect of the crisis on employment and incomes over 2020 will depend on the size and speed of the policy response supporting a sustainable global recovery. Policy responses need to focus on providing immediate relief to workers and enterprises in order to protect businesses and livelihoods, thus ensuring the conditions for a prompt, job-rich recovery once the pandemic is under control.

Policy responses are needed along four interrelated pillars

First, **stimulating the economy and labour demand by using all macroeconomic tools at our disposal**. ILO welcomes the widespread support of the international community to deploy all available resources and explore additional measures needed to support EMDC. This should include supporting global financial stability and alleviating liquidity constraints to provide EMDC with the fiscal space needed to overcome the ongoing crisis.

ILO strongly supports the joint call by the IMF and World Bank for bilateral creditors to suspend debt payments from IDA countries on request, beginning right now. The poorest countries among us should not be forced to choose between honoring their debt obligations and protecting their people, who comprise two thirds of those living in extreme poverty. Global solidarity requires such urgent action.

Direct government intervention to support enterprises and employment will be needed after the most acute health emergency and containment phase. The effect on commodity prices, capital flows including remittances and disruptions in trade and supply chains will affect the capacity of many EMDC to make progress on a path of sustainable growth and full and productive employment. Therefore, international financial support and coordinated fiscal and monetary policies will be absolutely essential to support the global recovery to the benefit of the weakest as well as the strongest economies.

Second, **supporting enterprises, jobs and incomes**. Fiscal and monetary intervention packages should continue to provide direct relief to enterprises – the global engine of jobs and growth – including with

infusions of cash and credit to reschedule payments, financial obligations forbearance and offer loans at very low or no interest. The support to business continuity should mitigate the employment impact of the crisis and be aimed at retaining workers in employment. Intervention packages should also provide income support and employment services to those who have lost their jobs and who were without work before the crisis began.

Social spending, particularly on targeted transfers and automatic stabilizers, such as unemployment benefits, must be prioritised in each country's stimulus package. This crisis has confirmed social protection's vital role as a social buffer and economic stabiliser. Both developed and developing countries need more flexibility for deficit financing and concessional international borrowing to support investments in social protection systems. In more advanced countries the magnitude of the current crisis might require the allocation of significant additional funding to ensure continuity of benefits and services to all those who need them. In countries that do not yet have sufficiently solid health and social protection systems in place, further efforts will be necessary to ensure an immediate crisis response, and temporary external support may be required to safeguard the necessary investments in health, education and social protection.

Third, **protecting workers in the workplace**. During the pandemic we have come to rely on millions of dedicated workers in health care and essential services who continue to report to work each day despite the risks to their own well-being. About 70 per cent of those workers are women. We must protect them in the workplace through strong occupational safety and health measures, starting with rapid provision of adequate personal protective equipment. This requires equally rapid adaptation of our supply chains to manufacture what we need.

All workers, employers and their families should be protected from the health risks of COVID-19. With less than two-thirds of all countries having a social insurance and/or social assistance scheme in place providing sickness benefits, the ill are often forced to choose between endangering personal and public health and paying their bills. It is therefore crucial to enhance universal access to collectively-financed health services for all, including uninsured workers and their families, and to expand access to collectively-financed paid sick leave, sickness benefits, and parental/care leave to ensure income security for those who are sick, quarantined or caring for children, elderly or other family members.

Whenever possible, protecting workers means encouraging appropriate flexible working arrangements, such as teleworking. These adaptations of working arrangements need to respect fundamental principles and rights at work, including non-discrimination, and must be designed and implemented in dialogue with employers' and workers' representatives.

Fourth, **utilizing social dialogue for solutions**. Building confidence through trust and dialogue is crucial to make policy measures effective. We know from experience in earlier crises that social dialogue results in strong, consensus-driven policy responses and ensure they serve those who most need them.

A sustainable recovery is possible in socially just societies

The COVID-19 crisis has revealed the extent of decent work deficits worldwide: the devastating consequences of gaps in social protection coverage, including for part-time, temporary and self-employed workers; the precarious situation of many micro-, small and medium enterprises; and the

weaknesses of global supply chains, including the consequences for those who work across those chains.

EMDC should be supported in some needed reforms to extend social protection to uncovered groups, to remove liquidity constraints for SMEs and create decent employment, while relying on social dialogue for achieving effective and socially sustainable solutions.

ILO is ready to respond to the G24 request to collaborate with the IMF, the WBG, the other MDBs and the UN System and to use its technical assistance to the fullest extent possible to assist EMDCs limit the loss of lives, manage the outbreak, and address the social impact of the health crisis.