

Bali, Indonesia – 23 May 2022

## **Building an inclusive, sustainable and resilient future through social protection and decent jobs**

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The COVID-19 pandemic, in addition to claiming more than 4 million lives, has caused an unprecedented loss of jobs and livelihoods. This has exacerbated income insecurity around the world, particularly for more than half of the global population without any access to social protection, and especially those working in the informal economy. The impact on inequalities in terms of set back from the past progress made, including on gender and persons with disabilities, has been heavy. In this context, countries with strong social protection systems have clearly had an advantage in responding to and recovering from the crisis.

At the same time, the pandemic has accelerated the rise of the digital economy, and contributed to fostering the transition to a green economy. In the recovery phase, countries must seize the opportunity to build forward better. That means to design and implement human-centred policies and investment strategies for creating decent jobs with social protection in the green, care and digital economies, supporting sustainable development and a just transition for all, and building resilience to future crises.

The mission of the International Labour Organization in the post-Covid-19 reconstruction of social protection is linked to its mandate of bringing together representatives of governments, employers and workers from its member States for joint action to promote labour rights, encourage the creation of decent jobs, develop social protection systems and strengthen social dialogue in the world of work.

As a custodian agency, the ILO reports on 8 indicators under SDG8, which promotes “sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”. The ILO gathers information on labour productivity, informal employment, the gender pay gap, unemployment and NEET rates. Under SDG1, which calls for “ending poverty in all its forms everywhere”, the ILO reports on two indicators including 1.3, gathering and analyzing social protection data from around the world, and developing tools for advocacy, public policy and programmatic purposes. Over the past two years, the ILO has produced constantly updated information on how and to what extent social protection and decent work have been used as universal instruments for response and recovery to the COVID-19 crisis.

The ILO believes that sustainable and transformational recovery cannot rely on short-term humanitarian cash transfers alone. Instead, it must aim at building social protection floors, and universal protection systems, and complementarily, at supporting inclusive economic growth

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through full and productive employment. In that sense, the ILO's involvement across the Humanitarian Development Peace Nexus aims at long-term recovery, promoting investments in decent job creation as well as bridging humanitarian cash transfers with social protection systems.

We are talking about a system that can ensure that everyone has access to social protection – one that is comprehensive in terms of the contingencies covered, that is adequate in terms of the level of benefits offered, and that can be maintained throughout life when it is needed - literally "from cradle to grave" - so that when people are sick, when they have an accident at work, when they are unemployed, and when they are old, they can really count on that system to offer them protection. At the same time, those who are physically and mentally able to work should have the opportunity to gainful employment.

**In the context of shocks, such as pandemics, climate-related disasters or financial crises, a strong social protection system combined with public employment must be there to automatically kick in and play this fundamental role of automatic stabilizer, as it provides access to basic services and assets, including education and health care, gives people income security. In so doing, stabilizes aggregate demand and thus prevents the economy from entering a deep recession that would shatter the chances of recovery.**

It is also important that comprehensive employment and social protection policies are coordinated with other policy areas. Coordination between, for example, employment policies and environmental policies for just transitions is very important for many developing countries. These are policies to formalize employment and transitioning from the informal to the formal economy, which we know is essential to finance a sustainable social protection system, using both contributory and tax-based approaches.

Similarly, it is essential that comprehensive employment and social protection policies are coordinated with disaster risk management and other frameworks promoting human security, and contribute to job opportunities that can create climate resilience. For example, this can be done through employment-intensive investment approaches focusing on local labour and resources, including green works contributing to rehabilitation of the environment and more efficient natural resource management. This is especially true in countries facing fragility, leading to necessary adaptations and inter-institutional partnerships that are crucial to support specific population groups, for example displaced persons, offering them job opportunities to support their livelihoods and addressing food insecurity or conflict.

**The pandemic has been a wakeup call for the urgent need to not just “build back better”, but to build forward together, new and better.**

Globally, however, social protection systems remain seriously inadequate and underfunded. Today, 53 per cent of the world population – as many as 4,1 billion people – do not have access

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to even one social protection benefit. This coverage gap exists because of significant financing gaps. To fulfil the global community's commitments to extend coverage, developing countries would need to invest an additional US\$1.2 trillion to close the annual financing gap of social protection. To achieve universal social protection (USP2030), a new level of investment is needed, leveraging the power of partnerships, including across the humanitarian-development-peace nexus, making the most of capacities and technologies, and based on the principles of social dialogue, accountability and solidarity.

**The ILO supported a concrete application of this approach in the context of the Covid-19 recovery - with funding from the German Government. It is the "Covid-19: call to action in the Global Garment Industry" launched in 2021 by the International Organization of Employers (IOE), the International Trade Union Confederation (ITUC) and IndustriAll Global Union, with the endorsement of several brands and manufacturers, as well as workers' organizations.**

This call resulted in a project supporting workers in garment supply chains affected by the Covid-19 crisis in Bangladesh, Lao PDR, Ethiopia, Cambodia, Vietnam, Indonesia, Madagascar. This support included specific social protection measures in line with international labour standards, combining temporary cash benefits with longer term assistance, such as integration in social insurance schemes. In Bangladesh for example, a tripartite Technical Consultative Council (TCC) provided guidance and oversight over a process initiated with cash transfers in the form of a wage subsidy leading to the development of an unemployment insurance. The ILO in countries has provided technical advice in a variety of ways to support constituents and partners within the UN inter-agency dynamic, towards the integration of social data in centralized information systems (e.g., in Nigeria or in Malawi), or fostering social dialogue and civil society involvement in the identification of potential beneficiaries of Covid-19 response (e.g., in Mozambique).

**Another example is the South African Presidential Stimulus with an ambitious drive to inject much needed jobs into the country's COVID-19 ravaged economy.**

In April 2020, President Cyril Ramaphosa announced a Presidential Stimulus programme in support for job protection and creation supporting a range of public employment programmes, from expanding public employment to protecting existing jobs and creating new jobs through market-based mechanisms. The programme aims to support livelihoods while the labour market recovers – investing in public goods and services, enhancing skills and employability, and boosting demand in the economy at the same time. The Basic Education Employment Initiative in the Presidential Employment Stimulus, placed nearly 320,000 young people as teacher assistants in 23,000 schools to help address education backlogs and teacher shortages caused by the pandemic.

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**To further strengthen multilateral cooperation to achieve these complementary goals, the UN Secretary General has launched recently the “Global Accelerator for Jobs and Social Protection” under the leadership of the ILO, in close collaboration with other UN entities, governments, social partners, the private sector and civil society.**

The core idea of the Accelerator is that coordinated and scaled-up investments in decent jobs and social protection will create a virtuous circle of human-centred recovery from the COVID-19 crisis. An integrated and gender-responsive approach will bolster resilience against future shocks, promote decent work and facilitate a just transition towards inclusive and environmentally sustainable economies and societies. A just transition – one that maximizes economic and social gains from climate action, while minimizing risks of social disruption – is indispensable for these ambitious and integrated actions on employment, social protection and climate change to succeed. It is also essential for renewing the social contract between governments and the people, building trust and social cohesion. Investments in governance, social protection, the green economy, and digitalization could lift 146 million people, including 74 million women and girls, out of poverty by 2030.

The Accelerator includes three mutually reinforcing pillars. Pillar 1 supports the development of integrated national employment and social protection strategies that accelerate a fully inclusive, human-centred recovery from the COVID-19 crisis and a just transition. Pillar 2 addresses the challenge of resource mobilization, complementing domestic fiscal efforts with international financial support, including from international financial institutions. As effective action under pillars 1 and 2 is contingent on stakeholder commitment to a common roadmap, Pillar 3 aims to enhance multilateral cooperation, including by establishing a high-ambition coalition of countries.

**In conclusion: decent jobs and universal social protection are the high road to resilience.** Promoting integrated policy solutions that create decent work and strengthen social protection systems is key not only to reverse the tide of poverty and inequality that has risen during this pandemic, but also to create that sense of social inclusion to combat the mistrust and intolerance that is emerging in these difficult times, and that risks tearing our societies apart.

In that sense, the Accelerator represents really a system-wide response — under the UN’s leadership and with coordinating support from the ILO — to the glaring deficits in decent jobs and universal social protection, and to a rapidly moving environmental disaster, laid bare and exacerbated by the COVID-19 pandemic. Our ambition is to bring together Member States, international financial institutions, the social partners, civil society and the private sector, to build a better future and keep the promises of the 2030 Agenda.