**Summary Report**

**ILO/UN-OHRLLS Event**

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**Background**

On 19 November 2020, a joint pre-conference virtual event was organised by OHRLLS and the International Labour Organization (ILO). The theme of the event was “Leaving no one behind and building back better from COVID-19: The Future of Work in LDCs”. The featured speakers and background documents can be found at the following link: [https://www.un.org/ohrlls/events/leaving-no-one-behind-and-building-back-better-covid-19-future-work-ldc](https://www.un.org/ohrlls/events/leaving-no-one-behind-and-building-back-better-covid-19-future-work-ldc).

Around 200 participants attended the event meeting via Zoom. The event was also featured on UN WebTV.

**Summary of the Meeting**

**Segment 1: High-Level Opening**

As chair of the meeting, **H.E. Ms. Rabab Fatima, Permanent Representative of Bangladesh to the United Nations** pointed out that COVID-19 pandemic had caused unemployment rate to reach a highest level since the great depression. Nearly 1.6 billion people engaged in the informal economy had lost their livelihood, and LDCs, where nearly 60% of the labour force were employed in the informal sector, are hard-hit. Women were among those who had been particularly impacted. She emphasized that the situation was driving people into poverty and hunger. She also noted that for the first time in recent history, international migration was likely to decline. Remittance earning which accounted for a major source of external financing and income for migrant households was projected to drop by 20% globally, according to the World Bank. Fiscal stimulus had been introduced to offset the impacts of the pandemic, but greater international cooperation and partnerships were needed to address the USD 982 billion stimulus gap in LDCs and other low-middle income countries.

**H.E. Ms. Alya Ahmed Saif Al-Thani, Permanent Representative of Qatar to the United Nations** highlighted that the socio-economic impact of COVID-19 had been extremely serious in the LDCs, threatening to reverse years of progress. Qatar had increased its effort through different types of assistance, including medical supplies. She expressed the hope that the Fifth United Nations Conference on the LDCs (LDC5) would be an opportunity to forge a clear vision help LDCs achieve sustainable development. The new program of action for LDCs should help to accelerate the achievement of Sustainable Development Goals (SDGs), build resilience and achieve a promising...
future of work. She informed that out of 1.5 billion children affected by school closures, 463 million children globally were unable to access remote learning and 17 million children may not return to school. She called on the tech companies to contribute to closing the digital divide by directing their efforts to scale up innovative solutions in order to make digital learning an inclusive right for the most marginalized children across the globe. She indicated that Qatar had been working to develop different financing solutions to meet education needs, including for children in LDCs. Qatar looked forward to working closely with the LDCs, the ILO, and other UN entities to further strengthen their cooperation in the lead up to the LDC5.

**H.E. Mr. Perks Ligoya, Permanent Representative of Malawi to the United Nations** emphasised that the youth were the most affected by COVID-19, as more than 1/6 of the global youth population were out of work. Migrant workers had also been severely impacted. Exports and the tourism sector, had been negatively affected, and the loss of remittances and increasing debt burden were leading to the largest economic contraction in a decade. He further noted that millions of people were at risk of falling into extreme poverty, and LDCs were at risk of facing deeper and longer recessions. He recognized that digital connectivity had proven to be a crucial lifeline in maintaining economic and social activities, and LDCs lacked accessibility to internet, with only 19% of the population being online in 2019. To support development in LDCs, he proposed increased investments, entrepreneurship development through start up financing, upskilling the workforce, comprehensive social security systems, overhaul of education systems, and assistance from development partners. Furthermore, international financial institutions had to fill the resources gap in LDCs. He also called on development partners to support free and affordable access to the COVID-19 vaccine when available.

**Ms. Fekitamoeloa Katoa ‘Utoikamanu, High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States** underscored the LDCs’ challenges, such as complex structural constraints, limited fiscal space, inadequate capacities, and demographics, made them extremely vulnerable to systemic shocks. She noted that COVID-19 had caused major setbacks to LDCs’ development efforts, where progress towards the Istanbul Programm of Action (IPoA) and SDGs was already slow before the pandemic. All sectors and segments of LDCs’ economies, including manufacturing, travel, tourism, and hospitality, had suffered severely. She called for the COVID-19 vaccine to be made available to all LDCs early, to facilitate the recovery process. It was important to reverse the job losses from the pandemic, and to ensure decent work for all in LDCs, especially in the context of the future of work. More had to be done to prevent LDCs from being left out in the digitalization of the future of work. She thanked the Government of Qatar for their generous support to ensure a successful LDC5. The conference would set out an ambitious vision to drive recovery efforts in LDCs and therefore, is one of the most important action moments in the international development calendar in 2022.

**Mr. Moussa Oumarou, Deputy Director General for Field Operations and Partnerships, ILO** stated that labour market had been seriously impacted by the COVID-19 pandemic. To address the socio-economic effects of the pandemic, policy frameworks had to be implemented to make
the labour market more resilient. It was important to leverage new technologies that could promote education and lifelong learning. The COVID-19 recovery would require targeted and comprehensive policies to support employment globally. Decent jobs, fair pay, basic rights of workers and adequate social protection had to be guaranteed. The ILO was committed to doing its part by proposing policy recommendations and solutions, based on reliable data, and by developing effective partnerships to support decent jobs in LDCs.

Segment 2: Technical Discussion

This segment was moderated by Ms. Beate Andrees, Special Representative and Director, ILO Office to the United Nations.

During the panel discussion, Mr. Aurelio Parisotto, Head, Employment and Economic Analyses Unit, Employment Policy Department, ILO highlighted the paradox that countries less affected by the public health effects of the COVID-19 pandemic were nonetheless the ones that were more likely to suffer economically and socially.

Giving a brief contextual overview, he stated that the labour markets in LDCs were suffering from simultaneous shocks that had compounding effects. First, containment measures and voluntary social distancing measures directly affected domestic production activities, in particular, in urban informal economies, which had normally acted as a “buffer” for employment losses in times of crisis. Second, external channels were impacting labour markets in LDCs, due to disruptions in global chains supplies, declining exports, and sharp drops in tourism, remittances and foreign direct investment (FDI). Third, there were macroeconomic effects; contractionary effects were spreading rapidly given the weak social protection systems that could act as automatic stabilizers. LDCs also struggled with limited capacity for countercyclical fiscal measures. Fourth, the indirect public health effects of COVID-19 could be significant and lead to long-run implications for growth.

These effects set the framework for a deflationary spiral, with a negative impact on employment.

Regarding emergency policy responses, some LDCs had acted swiftly with much ingenuity in the public and private sectors. For example, through new ways of reaching out to informal workers and expanding existing social protection systems and cash transfers schemes. Some countries, including Ethiopia, Lesotho, Senegal and Togo, had used technology to register informal workers in social protection programmes. Targeted policies were put in place to support critical sectors through emergency micro-loans, conditional wage subsidies, subsidized agricultural inputs, digital finance with cashless and mobile payment systems, cash for work schemes and EIIPs. Many were reorienting production, for example to produce medical equipment. Accommodative monetary policies had also been put in place.
It was underscored that the key constraint for LDCs was their limited fiscal space. There was a significant discrepancy between LDCs and other countries; for instance, on average, budget support in low-income countries was 1.4% of the GDP, compared with 3.4% and 7.9% in emerging and advanced economies respectively. The fiscal support for LDCs remained well below the size of the economic shocks affecting households and enterprises. Furthermore, the already limited fiscal space was likely to be shrinking due to declining tax revenues, lower foreign exchange earnings, and high external debt repayments. In order to transition from emergency to recovery it would be necessary to address public health challenges, maintain protection for the most vulnerable, restart the economy and stabilize the labour market.

During the COVID-19 recovery era, governments will have to improve the quality of policy design and implementation, and ensure strong employment policies. National plans to restart the economy and promote a job-rich recovery required closer coordination across different government agencies to create synergies and generate fiscal savings. Social dialogue and a broad and open participatory approach to policy design and implementation, involving social partners and stakeholders, was crucial for improving country policy design and implementation. Moreover, better information and data about the labour market was needed to facilitate monitoring and identify critical areas (notably, women, youth and informal workers). Productive transformation was a critical underpinning, through strategic interactions between public agencies, and the private (formal and informal) sector, with new sets of labour market policies and services.

The current global trends involved a steep fall in demand for low-paid and unskilled labour, for two main reasons. First, the looming global recession was creating a global jobs crisis. Second, structural shifts in production and distribution were compounding those effects (with remote arrangements, e-commerce, automation and artificial intelligence, reshuffling of supply chains). Therefore, adapting to those changes would be particularly challenging for LDCs, but could be an occasion for new drivers of growth and productivity, including by leveraging the potential of digital technologies.

Mr. Boštjan Skalar, CEO, World Association of Investment Promotion Agencies (WAIPA) echoed previous statements highlighting that investment would be crucial to build back better. WAIPA worked with LDCs to help build capacities. He recognized that LDCs had responded fast to COVID-19 by creating digital tools to be in touch with existing investors. The main task of WAIPA, was to support both investors and governments. WAIPA had conducted a survey, which had indicated that 57% of IPAs globally anticipated that there would be budget cuts. IPAs should be put more at the forefront and increase the budgets instead of lowering them. To address capacity building constraints in LDCs, WAIPA had started a master class together with ILO. This included many IPAs from LDCs and aimed at equipping countries with skills to respond to COVID-19 related challenges. The survey conducted by WAIPA had also shown that LDCs would need to revisit previous investment strategies due to the pandemic. Some sectors had been terribly affected while some new sectors were emerging. These new sectors required new talents, new skills and sector prioritization aligned with the SDGs. Among best practices in LDCs, Mr. Skalar highlighted
the creation of special incentives, including work permits to keep foreign workers in the countries, and a focus on youth employment.

Regarding digital tools to build back better, Mr. Skalar stated that it was not just about digital FDI, but also how to use the digital tools to help vulnerable LDCs IPAs to be able to cope with challenges. He stressed the importance of reaching out to investors and highlighted several challenges faced by LDCs including, inadequate technologies and the need for a regulatory framework to be able to use these technologies, for instance to give to investors online registrations.

**Ms. Chema Triki, Advisor, Tony Blair Institute for Global Change – Embedded at the Jobs Creation Commission, Ethiopia** stated that job creation was a challenge in most Sub-Saharan countries. For instance, in Ethiopia, 2 million people entered the labour market every year, with a substantial part of them being low-skilled and most of them entering subsistence agriculture and self-employment. Since its’ creation in 2018, the Jobs Creation Commission (JCC) has launched several surveys in collaboration with the ILO and the World Bank, to provide an early assessment of sectors that had been hit the hardest by COVID-19. The evidence had indicated that, in the case of Ethiopia, the shocks had been mostly driven by the fall in demand. Furthermore, there had been significant losses in income for workers and revenues for firms.

In addition, the JCC had provided focused efforts on protecting workers from lay-offs, but COVID-19 was putting increased financial pressure on firms. This situation illustrated a clear trade-off caused by tight fiscal space. The government had mobilized resources to provide support to businesses, especially from donors, as it was complicated to get those resources from the public sector. Wage subsidies were now being implemented, through soft loans to provide support for businesses’ operation costs.

She highlighted three opportunities that the crisis had provided in Ethiopia. First, the knowledge on micro, small and medium enterprises (MSMEs) was improving, because information was being gathered from applicant businesses, which could enable the government to cope with fragmented and inconsistent data, a problem in many low-income countries. Second, social protection has proven to be an automatic stabilizer so continued efforts to expand social protection coverage was a priority. Job retention mechanisms could potentially be reactivated in the future in the case of another economic downturn. The third issue highlighted was that of digitalization of public services, such as wage subsidies, which had been put in place through a platform. Mobile payment had also been envisioned, but it was not possible due to the low infrastructure, low data, and weak mobile penetration in the country. Nonetheless, it remained a plan for the future.

**Ms. Khamati Mugalla, Executive Secretary of East African Trade Union Confederation (EATUC)** highlighted that the pandemic had deepened pre-existing structural inequalities, poverty, unemployment and decent work. Before COVID-19, LDCs had already been experiencing job-less growth. There were projections that more jobs would be lost. Furthermore, issues on workers’
rights were being undermined, and social protection mechanisms were already stretched before the pandemic.

It was important to focus on a job-rich recovery, especially considering that one of the main causes of informality was the inability of economies to generate decent jobs. It was also noted that the informal economy, especially in Africa, was resilient in nature, as it was offering employment to millions of people in a shrinking economy. Moving forward, efforts must focus on formalizing the economy through sector-specific policy interventions. Building and strengthening social protection floors was critical to protect the most vulnerable and support equitable growth. A social protection fund was necessary to support and kick-start social protection in the LDCs.

Labour market institutions and social dialogue needed to be strengthened, with a specific focus on engagement with informal workers. It was also important to implement regulations that protect digital workers and informal workers on digital platforms. Domestic resource mobilization had to be strengthened to finance development and meet the SDGs, especially SDG 8.

In order to create equitable human centred economies, attention should be given to issues impacting women and youth. Promoting a human-centred economy required broader participation from various target groups in policy formulation, implementation and monitoring.

Ms. Mugalla underscored that trade unions were undertaking country assessments on the implementation of the SDGs. In 2020, 14 reports were prepared, of which 5 (Burundi, Gambia, Malawi, Zimbabwe and Kenya) were for Africa. These reports had highlighted how governments had implemented transparency and made use of consultation and social dialogue in drafting and implementing SDGs in national plans. The reports are used to proactively engage with governments.

Ms. Grace Suh, Vice President, Education and Skills, IBM, stated that technology had the power to accelerate the acquisition of skills, to move workers out of low wage jobs, and to promote inclusive learning and resilience. Public-private partnerships held the potential to address skills gaps and to ensure technology could help overcome development challenges. Such partnerships could create an ecosystem between governments, NGOs, educators and private partners. Free technology platforms were needed to ensure inclusive online learning and delivery of content to schools, children and adults.

Ms. Suh highlighted three strategies for more inclusive use of technologies. First, content focused on building technical, professional and adaptable skills had to be provided. Second, it would be helpful to provide workers with certifications when they enter to the labour market, to highlight the skills they have attained. IBM proposed that workers earn free digital badges to reflect which skills they had acquired, that could be shared with employers and demonstrate the credibility of the skills. Third, as technology in itself was not sufficient to deliver content effectively, Ms. Suh emphasized the importance of formal partnership with governments, schools, training providers
and NGOs to support learners in classrooms. Formal partnerships could also ensure that content was reaching the right learners and targeted vulnerable people and people in need. It could further ensure that the content was providing opportunities to engage with hands-on projects with employers, thereby allowing workers to acquire skills rapidly and build their own networks, which was critical to getting jobs.

It was clear that overcoming the challenges faced by LDCs required targeted investments. IBM’s Skilling African Youth programme was designed to empower young people across the continent, with digital, technical, professional and entrepreneurial skills. It was critical to work with partners to deliver skills to people most in need and to integrate needed skills into a national curriculum.

Access to technology was a key challenge. One solution was to deliver content on phones and tablets but also in person, both in classrooms and through non-profit organizations. Companies had to change their mind-sets and become more engaged in upskilling and reskilling. It was key for companies to clearly articulate skills requirements and work with governments to articulate how trainings could be conducted to reach specific target groups. The private sector had a key role to play in helping to inform curricula where education and skills were linked to demand for existing and future jobs.

During the interactive discussion, Mr. Serhad Varlithe, Deputy Permanent Representative of Turkey underscored that the UN Technology Bank initiated a technology access partnership together with the WHO, UNCTAD and UNDP, to help contribute to the local production of medical equipment in developing countries. Approaching the end of the IPoA, he underscored achievements made in LDCs particularly in the areas of poverty eradication, targets on water and sanitation, in the areas of STI. He emphasized that the international community needed to make sure that those gains were not lost, especially as countries were facing the pandemic.

The establishment of the UN Technology Bank for LDCs in Turkey, in 2018, was a major accomplishment as it contributes to building productive capacities in LDCs. Turkey had committed to provide USD 2 million annually for a period of five years to the Technology Bank. The final contribution will be in 2021. He emphasized the need to make good use of the Technology Bank in addressing automation and digitalization of LDCs. He underlined the necessity to continue to support LDCs in their efforts to mobilize domestic resources and enable them to foster environments for private investors. As economic stability was key, LDCs should not suffer from unfair trading and fiscal rules.

Mr. Mohammad Naeemi, Deputy Permanent Representative of Afghanistan stated that UNDP had estimated that the poverty rate in Afghanistan was expected to surge by 13 percentage points, due to the pandemic. The majority of Afghan women who work in the informal sector had lost their jobs since the beginning of the pandemic. He recognized that the continued uncertainty was making it challenging to attract investment. He called for more support and international solidarity from development partners and noted the need for more regional and sub-regional cooperation among and between LDCs and other developing countries. He expressed hope that
the fourth industrial revolution could be a source of economic opportunities for the young population.

H.E. Mr. Nkopane Raseeng Monyane, Permanent Representative of Lesotho to the UN expressed concerns about the impact of the COVID-19 pandemic, particularly in the form of job losses. He called for meaningful investment in productive capacity in LDCs, including investments in technology both capital and human to build back better.

In their closing remarks, panellists affirmed that a sustainable recovery from the COVID-19 pandemic would require national plans to promote a job-rich recovery, a whole-of-government approach and policies targeting the quantity and quality of jobs. Efforts should be underpinned by a productive transformation, based on strategic interactions between public agencies and private sectors. It was also essential to have a broad and open participatory approach to policy implementation, involving social dialogue and support from stakeholders. Continued investments in infrastructure, productive capacities and labour market institutions were needed. The LDC5 Conference, provided an opportunity to prioritize policies that foster green, inclusive and equitable growth to help meet the development objectives of LDCs.

KEY POLICY MESSAGES

- Expand international assistance and cooperation to provide emergency financial assistance, i.e. debt suspensions, expand the use of Special Drawing Right (SDRs) to redirect resources for relief to the most vulnerable groups;
- Utilize limited fiscal space to invest in health and social protection to restarting economies, stabilizing labour markets and creating new jobs;
- Expand existing cash transfers schemes, in-kind support and other transfers to vulnerable households and workers including in the informal economy;
- Extend grants, loan guarantees and financial support to businesses, targeting MSMEs and most-affected sectors (e.g. tourism);
- Develop comprehensive national plans for a job-rich recovery, with close coordination across government agencies, reliable labour market information to facilitate monitoring of progress, and social dialogue to ensure accountability;
- Strengthen and expand social protection floors to provide a minimum set of basic guarantees, with participatory mechanisms for design and accountability;
- Invest in the care economy to create jobs and address gender inequalities;
- Promote employment-intensive public employment programmes (PEPs) and hiring subsidies to support those hard hit by the crisis (youth, women);
- Reshape skills development systems and address key skills gaps due to changes in demand and the digital revolution;
- Invest in labour market institutions, including minimum wages, employment protection and telework regulations to strengthen and scale up employment services;
- Enable productive transformation through strategic interactions between public agencies and the private sector, with labour market programmes, employment services and training institutions as key facilitators.
• Enhance tax collection and broaden the tax base (including through formalization of informal businesses);
• Support investment promotion agencies to strengthen the link between business and governments in order to promote and facilitate investments, particularly in value added sectors to build back better and create decent work;
• Expand participation in regional trade networks and supply chains;
• Promote public and private investments in infrastructure, skills development, innovation and new and growing sectors, e.g. shift to green technologies, digital economy;
• Promote business environment reforms and measures to improve productivity and working conditions in MSME, including for those in the informal economy;
• Support solutions-based PPPs that promote technology and AI to usher in a more inclusive future of work in LDCs.