



International
Labour
Organization

Office for the
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**Statement by the International Labour Organization to the
Organizational session of the Preparatory Committee for the Fifth United Nations
Conference on the Least Developed Countries**

8 February 2021, United Nations Headquarters, New York

Excellences, Dear Ladies and Gentlemen,

As the world is grappling with the health implications of the COVID-19 pandemic, the socio-economic fallout of the crisis is still playing out before us. Global labour markets have been severely impacted, marked by a sharp loss in working hours and an increase in precarious employment.

According to ILO's most recent estimates, this crisis' impact on labour markets is four times more severe than the financial crisis in 2009. In the last quarter alone, the loss of full time employment amounts to 255 million jobs. In many LDCs, women and men lost their livelihoods not only due to lockdowns but also to the disruptions of global supply chains.

As we embark on the review process of the LDC Action Plan, and as member States negotiate a new 10-year framework, policies must be considered that allow LDCs to emerge from this crisis well prepared to achieve the SDGs. In my short intervention, I would like to highlight three policy areas, which the ILO believes will make a difference:

First, LDCs require the necessary fiscal space to stimulate labour market recovery and to strengthen social protection floors. ILO has measured the financing gaps for social protection to amount to US\$ 1.2 billion or 3.8% of GDP in developing countries. The fiscal financing gap for active labour market stimulus measures is estimated at US\$45 billion in low-income countries.

Second, well before the crisis, many LDCs have made progress in promoting an enabling environment to attract foreign investments. This entails good labour market governance, social dialogue, and respect for international labour standards and measures to enhance productivity. It is important that the private sector and public institutions continue working together on strengthening such an enabling environment for investments.

Third, as every country in the world, LDCs need to adapt to climate change and the rapidly digitalisation in the world of work. This will require access to technologies and know-how, and an investment in skills. The ILO stands ready to support LDCs for a just transition to the green economy and to prepare for a digital future of work, which the pandemic has accelerated in unforeseen ways.

To conclude, Excellencies, ladies and gentlemen, this new plan of action for LDCs is an opportunity to put in place the right mix of policies to create a conducive environment for people to work themselves out of poverty in a decent and sustainable way and to heal the deep scars on jobs and incomes resulting from the COVID-19 pandemic. The ILO will play its role to support this process.