



International
Labour
Organization

Office for the
United Nations

**Second Committee of the 76th Session of the UN General Assembly
Item 18: Macroeconomic Policy Questions and
Item 19: Follow-up to and Implementation of the Outcomes of the
International Conferences on Financing for Development**

United Nations Headquarters, New York

13 October 2021

**Statement by: Ms. Beate Andrees, Special Representative and Director,
ILO Office for the United Nations**

Madame Chair,

The pandemic has spread far beyond the health crisis and has become a threat to socio-economic development. This will have far reaching impacts on governments ability to finance their development goals.

Employment is one of the key generators of economic growth and fiscal space yet, the equivalent of 225 million jobs were lost as a result of the pandemic, which is disproportionately affecting women because of their predominant role in key sectors. This is leading to a sharp increase in poverty and inequalities. There are sectors that could and should be targeted for investment such as the health and social sector and green sectors, which have the potential to create hundreds of millions of jobs.

The pandemic has revealed the importance of putting people at the centre of economic growth and recovery measures, which is so powerfully reflected in SDGs. We also know from previous crises, including the Great Recession of 2008, that economic recovery is often delinked from jobs and labour income, which in turn contributes to further widening inequality. The situation is even harder for vulnerable groups, including many women, young people, and informal workers.

Many of the solutions are connected to sound macroeconomic policies which include monetary, fiscal, industrial policies and other related policies concerning mobilizing national financial resources for public interest. Such polices have direct impacts on jobs and social protection, and thus impact the overall resilience of the labour market. We now also know that these policies have greater implications for health and health systems which are another crucial dimension of people's wellbeing.

It is high time to leverage both fiscal and monetary policies to create decent jobs and promote inclusive growth. There is a growing recognition of the need to place jobs, social protection, health and education

at the centre of macroeconomic policies. Monetary policies should recognize both quantity and quality of employment as a guiding indicator along with inflation. Fiscal decisions need to be taken with full consideration of their impacts on jobs and income. Similarly, spending limited resources on skills, education and health is indeed an investment which boosts productivity. Evidence also shows that social protection can maintain consumption and thus aggregate demand – which also means a good investment in promoting economic resilience. It is now important to facilitate and reinforce this policy shift, secure global consensus, and implement it in member states.

The Global Accelerator on Jobs and Social Protection which was launched by the UN Secretary General on 28 September 2021, provides a mechanism for aligning financing and investments to create at least 400 million new jobs and increase social protection coverage by 50 percent to reach those currently without coverage. It will be essential to mobilize the necessary resources to shore up and repair a fragile social contract and to enable countries to enjoy a socially just future. Such a high-road policy approach will empower societies to deal with future crises and challenges.

Thank you.