THE PLENARY INTERVENTIONS ON THE REPORT OF THE ILO DIRECTOR-GENERAL, DURING THE 110TH INTERNATIONAL LABOUR CONFERENCE, 2022; 9TH JUNE 2022

Director General's Report: The least developed countries Crisis, structural transformation, and the future of work

The President of the Conference,

- Greetings from the Federation of Kenya Employers!

- The report of the Director General comes at a defining moment for the world. The Covid-19 pandemic, the conflict in Ukraine and other global challenges have converged to adversely impact the developing world, particularly LDCs.

- Despite the low-level contribution of LDCs to global production, around 12% of the world population, live in a LDCs. Productivity, informality, and skills development, which are key priorities to Employers, are major challenges in LDCs. The ILO will never reach the objective of "leaving no one behind" without fully addressing the interconnection between these issues and implementing activities to address them all.

Ladies and Gentlemen,

- **The** report shows that the majority of those employed in the LDCs are in agriculture and that jobs are highly informal. We need to push for policies and interventions that transform Agriculture in these countries and promote value addition, agro-processing, and adoption of technology.

- The report also highlights the export situation in the LDCs. The high youth unemployment in Africa is partly due to the unbalanced trade practices where developed countries import raw materials from poor countries and then sell them finished products. Jobs are in effect shipped away from LDCs and other developing economies. This also contributes to the migration challenges faced.

- The following specific steps should be taken to redress the plight of LDCs:

Ladies and Gentlemen

1. LDCs need to create a stable business environment that is based on the rule of law, transparent and viable institutions, and robust anti-corruption efforts. They also need well-functioning education systems and judicial and legal frameworks that ensure respect for property rights and the enforcement of contracts. Employers invite the ILO to assist LDC's countries in identifying and addressing the challenges faced in creating enabling environments for sustainable enterprises.

2. **Reducing Informality** is a priority for creating productive employment and decent jobs in LDCs and reducing poverty. Informal operators have limited to a range of productivity enhancing goods and services, including training, technology, support services, markets, and investment capital. Informality perpetuates low productivity and weakens competitiveness of these countries.

3. **Productivity Improvement** must be at the core of LDC's sustainable development policies. Paragraph 17 of the report indicates that "the rate of extreme poverty remained at 32 per cent; and although the LDCs made up 14 per cent of the global population, they accounted for only 1.3 per cent of global production". Employers have repeatedly urged the ILO to support LDC countries to implement an enabling environment for productivity growth, at the macroeconomic level and develop a comprehensive and coherent office-wide strategy for the promotion of productivity growth. The ILO should allocate resources (human and financial) to:

   ♣ Promote knowledge sharing and undertake evidence-based research on drivers of productivity growth for decent job creation, with particular emphasis on MSMEs.

4. **The ILO should also support capacity -building initiatives** to help constituents develop strategies to address the micro and macro drivers of productivity growth, leveraging on the potential of the International Training Centre of the ILO and collaboration with other international organisations on productivity.

Lastly Mr. President,

- The ILO must provide this much needed leadership to the world.

- We congratulate the newly elected Director General Gilbert Houngbo on his election and thank the outgoing DG Guy Ryder for all the work done. Employers look forward to greater collaboration with the ILO to effect real change on the ground.

Thank you

Ms. Jacqueline MUGO,

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