

## **Remarks by Richard Trumka (President of TUAC and the AFL-CIO)**

### **OECD's First Ministerial Council Roundtable on Paths to Recovery and Macroeconomic Policies**

June 10, 2020

- General Secretary and Ministers, I am Richard Trumka, President of the TUAC, and in my country, the President of the AFL-CIO, America's labor movement. TUAC thanks the OECD for this moment to reflect on the Economic Outlook.
- The OECD Economic Outlook just delivered is sobering. A decline of 7.1% in global GDP, 9.1% among OECD nations and a staggering 12.9% in the Eurozone in 2020 should get everyone's full attention. These aren't just numbers, the fall in GDP means a drop in people's employment and in their incomes. These numbers are the sum of the markers of people's lives and experiences. They mean dashed dreams, delayed investments in their skills or their children's education and crushing poverty for too many.
- And, as we painfully learned from the financial crisis, it can mean a political crisis of democracy or a new birth of solidarity, depending on how democratic governments respond.
- Fortunately, so far, nations have responded with equally unprecedented responses of monetary and fiscal policy to address obvious needs. So far, most OECD countries have put people first-- both in fighting the disease and the economic crisis the disease has brought on. Comprehensive, aggressive employment support in countries like Denmark, Germany and the United Kingdom have, with the involvement and support of national labor movements, have kept unemployment in check in the face of unprecedented economic contraction.

- Even in the US, where we have allowed unemployment to soar, conservative estimates are almost \$8 trillion were saved by our efforts to contain the COVID virus.
- Obviously, the fight against the coronavirus continues, with working people bearing the brunt of that fight-- hospital workers, food industry workers, emergency workers.
- So let us hope that the principal of people first can continue. Let's not lose this moment to return to a world of bankers first, money centers first, profits first.
- We must keep true in this moment to the original spirit that formed the OECD--the idea that only an economy that preserves people is sustainable because that economy will foster the democracy that will protect the economy.
- So, if we keep this spirit together, we will not emerge to austerity, and forget our lessons from the Great Recession such a short 10 years ago. We came to 2020 with a world struggling with inequality and workers around the globe poised in precarious lives: wage gains too low to recover their lost savings, governments too weak to ensure people their dignity and young workers frustrated they did not see paths to stable lives. I am glad the OECD Outlook calls attention to the plight of non-standard work. But, structural reforms in the labor market pushed more workers to this corner that was promoted as a cheap way to boost growth in an age of austerity. The down side risk of those policies are now being paid for by these workers who fall through the policy cracks-- workers even in the world's wealthiest economies who face the pandemic without unemployment insurance, without health care, without paid sick days.

- We need a global deal coming out of this, similar to the world view the OECD embodied coming out of World War II and our last great challenge to humanity: we need global cooperation that lets governments meet the needs of their people.
- Here are things we propose:
  - protect workers, including those at the frontlines, through the highest safety and support measures, involving trade unions and social dialogue to set protocols and legal foundations-- starting with payroll supports for workers idled by the pandemic and mandatory paid sick days for all workers threatened by the pandemic;
  - Support developing countries and avoid increasing poverty through debt relief and suspension, the issuance of Special Drawing Rights, the creation of a global social protection fund and stepping up Official Development Assistance (ODA);
  - Tie fiscal support packages to the protection of jobs; fair wages (established through bargaining); work site representation of workers; the transition to low-carbon economies; the Sustainable Development Goals; and strict corporate governance and tax standards that aim for a sustainable recovery;
  - Uphold and extend measures to preserve existing employment and wage/income compensation schemes, provide adequate income replacement and extend paid sick- and pay-leave entitlements to all workers, students and apprentices irrespective of their employment status in the formal and informal economy via universal coverage.
- We can seize the importance of this historic moment to make something good out of something bad. We have a choice. Let's choose wisely.

