

Statement

by Mariya Mincheva, Vice President of the Bulgarian Industrial Association,
Employer delegate to the 110-th International Labor Conference, on behalf of Association of
the Organizations of Bulgarian Employers

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

Dear President, Director General, Distinguished delegates, Ladies and Gentlemen

In the last two years, the world is going through unprecedented consecutive crises. We are very concerned about the current geopolitical situation, that is already transforming the international trade, not necessarily in the right direction. We hope the future will be shaped by wise decisions, so we can achieve the “shared blueprint for peace and prosperity for people and the planet, now and into the future”

The Director-General's report this year is focused the **least developed countries**. Undoubtedly, in the final decade of the implementation of the UN's 2030 Agenda, the least developed countries have a key role. In addition to the usual obstacles to their development, we must also take into consideration the fact that the more developed countries, including Bulgaria, have managed to support and help their businesses and citizens to overcome the crisis, which is more difficult for the least developed countries.

We believe that **productivity, informality, and skills development**, which are key priorities to Employers, remain predominate challenges. There must be a strong a commitment to prioritising **sustainable growth**, based on promoting entrepreneurship, conducive business environment and sustainable private enterprises, that can create productive employment and decent work. Reliable infrastructure and connectivity are also critical to unlocking prosperity and opportunities. Significant investments in education and training programmes that build up local skills in science, technology, engineering and mathematics are also needed. However, we believe that assistance in the above-mentioned important areas should be bound with climate change mitigation. Cooperation and partnerships are crucial to create the appropriate conditions for LDCs to achieve energy transition.

The pandemic, the war in Ukraine and their economic effects – rising energy and raw material prices, disruption of supply chains and high inflation severely hit our economies and people's daily life. To avoid a damaging wage-price spiral the push for wage increase policies should be carefully assessed. We regret to note that despite Bulgaria has ratified ILO 131 Convention on minimum wages we still lack the economic criteria set in our national practices for defining the minimum wage. Our strong believe is that the response to strengthen peoples' purchasing power must be to implement a proactive growth agenda that supports the competitiveness of companies. There cannot be social dimension without a sound economic foundation.

The pandemic gave strong impetus to digitalisation and accelerated positive developments in the world of work which otherwise would have taken years. Telework and flexible working hours made it possible for millions of people to keep their jobs and companies running their business in times of a pandemic. This wouldn't be possible if digital solution brought by businesses were not already in place. The emergence of new business models and innovative services, such as digital platforms, created many opportunities for consumers, businesses,

workers and the self-employed. Especially in times of crises, we must not forget that competitiveness and higher productivity, based on skills and knowledge, remain a sound recipe for maintaining and enhancing the wellbeing of our societies and should be used in implementing and achieving the goals laid down in the UN's 2030 Agenda for Sustainable Development.

Thank you for your kind attention.