



TRANSCRIPCIÓN

INTERVENCIÓN DEL PRESIDENTE DEL GOBIERNO EN LA REUNIÓN DEL CONSEJO A NIVEL MINISTERIAL DE LA OCDE

París, 28 de octubre de 2020

(*) Documento provisional.
Solo el discurso pronunciado es válido.
La transcripción literal estará disponible en la web www.lamoncloa.gob.es

INTERVENCIÓN DEL PRESIDENTE DEL GOBIERNO, PEDRO SÁNCHEZ

Thank you Manuel, Secretary-General. Excellencies, Ladies and Gentlemen:

Let me start by sending my greetings to the Prime Minister of Japan, Mr. Yoshihide Suga, to the President of Chile, Mr. Sebastián Piñera; and to the newly reelected Prime Minister of New Zealand, Ms. Jacinda Ardern, who will not be able to join us today as she is still in the process of forming her new government. Our permanent representatives and OECD teams have been working closely in the preparation of this Ministerial, showing great team spirit.

A special welcome to our Colombian and Costa Rican friends, the latest and soon-to-be the latest addition to the OECD membership list.

My gratitude also goes to Ángel, our Secretary-General and his team for their invaluable work in leading the OECD through such challenging times. As it approaches its 60th anniversary, the OECD is more influential and more needed than ever. In this time of crisis, you responded, and we, the members of the organization, really appreciate it.

Excellencies, Ladies and Gentlemen:

We are living an unprecedented crisis. After taking over 1.1 million lives worldwide, the pandemic is not yet abating and uncertainty still prevails. We are experiencing new outbreaks in countries that already endured the first wave of the pandemic. Meanwhile, economic activity has contracted dramatically on a global scale. In its latest projections, the IMF foresees a 4.4% drop in global GDP in 2020, 5.8% if we only look at advanced economies. This decrease in output will be even more pronounced in some regions, reaching 8.1% in Latin America and the Caribbean or 8.3% in the Eurozone. On its part, Sub-Saharan Africa will experience its first recession in 25 years, its GDP set to fall by 3%.

In a moment like this, the OECD can be especially useful for all its member countries, honoring its name: Organization for Economic Cooperation and Development. Cooperation with its members and with the rest of the world is at the core of its mandate. Indeed, we all need to ask ourselves how we can better cooperate in the current extraordinary situation, when we prepare for a strong, resilient, green and inclusive recovery, while at the same time have to deal with new outbreaks. The OECD's "*Tackling coronavirus*" hub, that Angel mentioned before, with its more than 150 policy briefs, is a good example of evidence-based analysis and policy recommendations that governments can use as an inspiration to fight the pandemic in many relevant areas.

As Chair of the Ministerial Council Meeting, in the midst of the pandemic, my country Spain proposed transforming the MCM into a process of Ministerial Roundtables



leading up, throughout the year, to today's meeting. This has proven to be a welcome innovation for the organization. The purpose of these Roundtables was clear: to encourage all member countries to share views, experiences and approaches on the different aspects of the Covid-19 crisis and the recovery that we are preparing in our countries, so that we can learn from each other.

Over the last five months, we have seen extensive and fruitful exchanges about the kind of recovery we want and the role of international cooperation to overcome this crisis.

Allow me to highlight four key takeaways from these roundtables.

First, COVID-19 has prompted a massive policy response with major similarities in the instruments used and objectives pursued by OECD member countries: direct and indirect financial support to companies to preserve jobs was coupled, in the vast majority of countries, with strengthened income support for workers and the self-employed, as well as measures to extend support to those in new or informal forms of employment.

All those emergency measures must be progressively adapted and phased out in a timely fashion. Only when the recovery will be consolidated and output levels reestablished should we focus on regaining fiscal balances, gradually and carefully. As many international organizations have noted, including most recently the IMF, rushing fiscal consolidation could jeopardize our efforts.

Second, while the response has been massive, the impact of the crisis has been unequal. The most vulnerable in our communities have been most affected: low-paid and precarious workers, the elderly, the poor and socially excluded, children from disadvantaged backgrounds, migrants, women, youth, single parents... Impact has also been asymmetrical across firms and sectors. Yet, the way employment and income have been affected has been largely determined by our policy responses, including the use of furlough and short-time work schemes and the strengthening of social protection systems.

Economic policies should be tailored to ensure a strong recovery that leads to the creation of more and better jobs, and which leaves no one behind. Likewise, labour market and social protection measures should be well aligned to promote a recovery that protects the most vulnerable and avoids the compounding of existing socio-economic divides.

Third, as Angel mentioned before, our secretary general, the ecological and energy transitions will shape our recoveries. The pandemic cannot be an excuse to put aside our green plans. On the contrary, most among us share the urgency to and have the political will to accelerate existing plans to transition to a decarbonised society and transform our economies.

Fourth, and underpinning the rest, we need, as Angel said before, international cooperation and strong multilateral institutions. Not only to help end the pandemic more quickly, speed up the economic recovery, strengthen the resilience of global value chains and preserve a global level playing field at this crucial time; but also to tackle long lasting international challenges such as climate change, fighting poverty or preserving biodiversity.

In short, we need a clear direction going forward. We cannot go back to the economy as it was pre-COVID-19. OECD Member countries must see the recovery as a huge opportunity to advance towards a growth pattern that is more resilient, greener, digital, and more inclusive. Countries that understand this and act quickly will emerge stronger and with a competitive edge out of the pandemic.

Excellencies, ladies and gentlemen:

Building on the conclusions of the three roundtables, these two days can serve to complete the picture and to hold a comprehensive and full conversation on the recovery. Today we will start with two breakout sessions, one on the fiscal and monetary aspects of the recovery, and the other one to reflect on the role of trade and investment and on how to strengthen global value chains in an ever changing globalization process.

Two other dimensions of the recovery should also be part of the conversation.

Firstly, we cannot have a recovery that is not truly global, that does not include all developing countries. Not after a crisis caused by a pandemic that knows no borders. Not in our increasingly interdependent and interconnected world. Not when history calls for more multilateralism, for enhanced global efforts to tackle pressing challenges that affect humanity as a whole: from climate change and environmental degradation to demographic imbalances and the associated migratory trends. After all, the OECD does not only mind about the future of its members: its convention, the one that is going to be 60 years old on the 14th of December, clearly mandates us to care for international development at large.

Secondly, both our conversations and the recovery itself will not be truly comprehensive unless we include the gender perspective. As we fight the global COVID-19 pandemic, we thank the many women, in all their diversity, who have bravely served and continue to work on the frontlines of their communities. It is a fact that women are disproportionately represented among essential workers in areas such as healthcare, education, food service, and caregiving, and many shoulder an even greater burden of unpaid care work. In other words, women have had to bear the brunt of the pandemic. As we continue to safely restart our economy and build fairer and more inclusive societies, a feminist, intersectional response to the pandemic and recovery will protect the social, economic and political gains women and their allies have fought hard to secure for decades.



Now, as our prospects for a recovery become clearer and closer, the pandemic has evolved and taken a new turn.

Today, we are fighting new outbreaks, as Ángel said, of the virus in many countries that already suffered a first wave of the pandemic from mid-March until June or even July. Similarly to some of your countries, last Sunday, my Government, The Spanish Government, declared the State of Alarm again to control the new outbreaks. This means that we are working on our recovery plans and simultaneously adopting measures to stabilize and suppress the new flare-ups. But let me be clear: there is no trade-off, as Ángel said before, between fighting COVID-19 and supporting the economy. Without strict measures to control the pandemic, there will be no lasting economic recovery.

In the current circumstances, I believe there are at least three key questions to be addressed in our conversation during this MCM:

- A) First, how do we combine the fight against the virus with the implementation of our recovery plans?
- B) Second, to what extent are we committed to include in our short-term recovery response a sense of the reforms that we need in the medium and long term?
- C) Third, and very much related to the previous question: are we willing and ready to give the recovery a sense of direction towards a new approach to economic growth? An approach where the questions of income or gender inequality and inclusiveness are front and center? An approach where the green and energy transitions take central stage? An approach where a new digitalized but human-centric economic base is a key component of the recovery and of future growth?

The answer that we give to these three overarching questions will go a long way in shaping the future of our economies. After the sharp output drops of 2020, we expect strong rebounds in activity in 2021. According to the IMF's, global GDP should grow by 5.2% next year, and by 3.9% among advanced economies. But, in truth, the V shaped recovery is not guaranteed, it depends on us, on how we react in both the health front and the socio-economic realm.

Excellencies, ladies and gentlemen:

We should not only aim at speeding up the recovery. This crisis is our opportunity to build a better future. A future where we fulfill the collective goals that we set for ourselves with the 2030 Agenda and the SDGs. A future with a strong multilateral system, because we know that together we are stronger. A future where economic well-being goes hand in hand with environmental protection and the preservation of our planet. A future of rules-based technological progress that leaves no one behind.

My Government, the Spanish Government is firmly committed to this approach, as attested by the array of measures implemented in the past few months. From the start of the pandemic, my Government set out what we call a "social and economic shield" to protect families, workers and companies. Overall, more than 20% of our GDP has been mobilized for this purpose:

- to protect, for instance, 3.4 million jobs through short-time work and furlough schemes, and 1.5 million self-employed through extraordinary support schemes.
- to ensure through bank-guarantee facilities of over 140 billion euros, the survival of over 500 thousand solvent companies, that saw their revenues dramatically coming to a halt.
- to support, for instance, over 850 thousand vulnerable families that will benefit from the Minimum Living Income that has been recently approved, a clear sign that we want a recovery that leaves no one behind.

While we were fighting the pandemic, we did not stop our forward looking reforms, adopting a climate change and energy transition act, a circular economy strategy, and a law on remote working, to name just a few.

And throughout the pandemic we have emphasized the importance of deepening social dialogue. I am proud to say that all key socio-economic measures approved in my country during the pandemic have been previously negotiated and agreed between trade unions, business associations and the Government.

This is also the approach that we have chosen in the EU, which I firmly believe has taken the right decision with the historic agreement of the European Council on the 21st of July, creating a major Recovery Fund: the Next Generation EU. Its 750 billion euros, funded through European common debt issuance, will finance investments and foster reforms to accelerate the recovery of its Member States. This agreement shows to the world the collective determination of the European Union to overcome this crisis together, with more integration, more solidarity and more responsibility of all Member States.



In Spain, we are already working at full speed on our national Investment and Reform Plan, which is built on 4 cross-cutting pillars: the Green Transition, the Digital Transformation, Social and Territorial Cohesion and closing the Gender Gap.

The Plan defines a clear roadmap for the modernization of the Spanish economy; for a robust, inclusive and resilient recovery; and for responding to the challenges of the coming decade. Overall, we will devote about 38% of all resources to green investments, and 31% to digital interventions. Ultimately, the Plan seeks to speed up and broaden the scope of the major programs of growth-enhancing structural reforms promoted by the Government during the last two years.

In this context, I would like to encourage the OECD to continue its efforts towards the development of an indicator that includes, alongside with GDP, other relevant dimensions of progress and living standards related to sustainability, inclusion and well-being. This new, more sustainable and inclusive economy needs new, more sustainable and inclusive indicators.

Excellencies, ladies and gentlemen:

The conversation that we are about to have is extremely, extremely important. We should explain, among peers, which are our plans for a future of sustainable growth transitioning to a clean economy while generating jobs and income for all our citizens.

As I said before, we are entering a new phase: until effective vaccines and treatments are widely available, we will need to control and eliminate the new outbreaks of the virus while, at the same time, laying the foundations for an economic recovery.

A discussion on the type of recovery is needed in order to set up the policy framework that will allow us to provide the best possible response to the pandemic and build the ground for a vigorous growth that puts people at the center of the recovery.

Yes, growth should be strong, but also resilient.

Yes, the recovery should be vigorous, but also sustainable and green.

28/10/2020

And yes, we want to engineer powerful growth, but socially inclusive and broad-based, leaving no one behind.

This opportunity cannot be seized without strong international cooperation to tackle the cross-border economic dimensions of the crisis. International trade and investments play an important role in supporting our response to the pandemic. We should strengthen our capacity to plan and address possible shortages of essential goods based on international cooperation and a strong multilateral system. And the resilience of critical global value chains need to be strengthened, by integrating the lessons learned from the crisis and further leveling the playing field, but without renouncing to the benefits of open and rules-based trade.

One policy area where international cooperation is more needed than ever is in the field of global taxation and, in particular, digital taxation. The pandemic has reinforced the dominant position of digital business, increasing their revenue at the expense of more traditional businesses. It is thus fair and legitimate to expect that they pay their fair share of tax within countries where they create value and profit. Reaching a consensus-based multilateral solution to the challenges raised by the digital economy is thus more crucial than ever, and the OECD should continue to play a key role in spearheading all efforts to reach this goal.

Finally, the recovery will only be broad-based and resilient if it is global in scope. COVID-19 has hit developing countries at all levels of income and development, with particular severity. Significant international efforts are needed to mitigate the effects of the crisis on the world's poorest. I am in particular concerned about debt sustainability in many vulnerable countries. We have to address the consequences of high debt levels on the ability of these countries to withstand the impact of the COVID-19 shock and collectively engage in debt treatments for those countries that might need them.

My dear friends, Excellencies, ladies and gentlemen:

I hope, I really hope this Ministerial Meeting will serve to forge robust and coordinated policy responses to the crisis. I count on all of you to move in this direction, and I count on the OECD to continue to be there to help and guide us along the way.

We owe this to the planet. We owe it to our taxpayers. We owe it to our children and grandchildren. We owe this to humanity.



So many thanks for your attention. Many thanks, dear Ángel, dear Secretary General.

(Transcripción editada por la Secretaría de Estado de Comunicación)
(Intervención original en inglés)