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# 145th IPU Assembly

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Standing Committee on  
Sustainable Development

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13 September 2022

## Panel discussion on the theme *Reconnecting local communities with a local sustainable inclusive economy to achieve the targets of SDG 8*

*Friday, 14 October 2022, 11:00 – 13:00  
(Room MH4, ground floor, Kigali Convention Centre (KCC))*

### Concept note

A local sustainable inclusive economy is important for local prosperity and the local economic ecosystem. A local economy that connects with the local society increases the well-being of our households and communities.

The COVID-19 pandemic has led to the loss of the equivalent of 255 million full-time jobs. This is four times more than the number of jobs lost during the financial crisis in 2009. It has led to an increase in the number of unemployed and untrained youth lacking proper education. These youngsters are at a high risk of falling into poverty and will experience great challenges in regaining their livelihoods during the recovery. Global unemployment has increased by 33 million persons in 2020, with the unemployment rate increasing by 1.1 percentage points to 6.5 per cent. However, unemployment figures reflect only a small proportion of the jobs lost as a result of the pandemic. A further 81 million people were not actively seeking employment or were simply unable to find employment due to COVID-19-related restrictions. Young workers, especially women, were particularly hard hit by the 2020 crisis, with employment losses of 8.7 and 5 per cent, respectively, compared to 3.7 per cent for all adults and 3.9 per cent for men.

Significantly affected by the pandemic were the 1.6 billion informal economy workers who lack a social safety net. Many small (ultra-micro, micro and small) businesses struggled to survive during the pandemic and many had to cease their activities.

The global GDP per capita dropped from +2.2 per cent in 2017 to -4.6 per cent in 2020. In many countries, economic growth is expected to return to pre-pandemic levels only in 2022 or 2023 and international tourism is expected to return to its 2019 levels in up to four years. In countries with an open economy, local players are experiencing difficulties to survive while the huge companies are becoming bigger and so have the cash to take over smaller local businesses.

The local society is disconnected. Because of the pandemic, the local economy was unable to contribute to inclusive and sustainable economic growth and provide full and productive employment and decent work for all. Although the global economy is slowly recovering, economic activity may remain below pre-pandemic levels for a prolonged period.

The Standing Committee on Sustainable Development could investigate whether it is one-size-fits-all and top-down strategies or rather multi-level governance that would offer better solutions and opportunities to reconnect the local economy with the local society.

Given that all major crises are disruptive, they are an opportunity for policy makers to carry out SWOT (strengths, weaknesses, opportunities, and threats) analyses of existing policies in order to formulate better policies and put in place more efficient governance.

In its resolution, the Standing Committee could focus on how the global community can tackle the disconnection problem, on the ways to reconnect local communities with local sustainable inclusive economies, and on the measures and policies that are required to reach these goals.