

Think Recommendation: Reimagining Supply Chains

Earl Anthony Wayne, May 2020

Recommendation: The G7 Summit leaders in their June communique should state: “We agree to establish an experts’ group to give us recommendations for reimagining supply chains so they can be more resilient, diversified, robust and secure if faced with global disruptions as all faced with the current pandemic.”

Rationale: The pandemic has fueled the ongoing debate about the dangers inherent in the long supply chains built by the private sector during the last several decades of globalization. Many already accused these supply chains of draining jobs away from G7 countries and many now call attention to the security threats inherent in being dependent on supply chains that have been disrupted by the pandemic. There is little doubt that there will be a re-thinking of existing supply chains by the private and the public sectors. Many quickly focused on the need to have a more diversified set of suppliers in case of disruption. Others have talked about the need to build up stockpiles of “essential” materials or about the need to have shared understandings between governments about what supply chains are “essential” to keep open during a future global disruption similar to that the world has been experiencing with COVID-19. Others still see this as the rationale they have been seeking for reshoring investment and jobs back to home countries.

There are many pros and cons to the various options being raised, but most could have major impacts on the economies and societies of the G7 as well as other countries. It would be very beneficial for the G7 nations to convoke experts for a discussion of the potential policy options regarding supply chains that might flow from the experience of the pandemic and to offer leaders a serious examination of the costs and benefits of them. The G7 could call on the OECD, for example, to help in the work and would want significant input from the private sector and well as relevant social actors. A specific set of ideas on how to build more resilient and robust supply chains in the health sector to help all better manage and future global health-related crises would be valuable.

Such a study and report would be consistent with substantial previous G7 work on trade related matters.

Think 7 Recommendation: Workforce Development

Earl Anthony Wayne, May 2020

Recommendation: The G7 Summit leaders in their June communique should state: “We agree to identify and share best practices to provide workers with the skills they will need to find good jobs and to contribute to a strong post-pandemic economic recovery, engendering close and cooperative partnerships between the private sector, academia and local, regional and national governments to give workers and businesses the skills needed to prosper.”

Rationale: Long before the pandemic swept the globe, the world’s economies were facing massive transformation in workplaces, spurred on by the rapid deployment of new technology redefining, eliminating and creating jobs across the G7 and other countries. Each G7 country has come up with some cluster of initiatives to provide the re-skilling and up-skilling needed for existing workers to keep up with the vast changes in the workplace, while educational institution and private sector companies have searched for new models that will allow better education for both new members of the workforce as well as those entering the workplace for the first time.

The needs of created by this massive transformation in work has been highlighted by the regularly reported skills shortages in CEO surveys and by the serious work undertaken by many on the Future of Work, with organizations such as the Work Economic Forum producing annual studies on the needs and opportunities ahead.

The President of the United States is just one of the G7 leaders to launch a major work skills initiative, championed by his daughter and his secretaries of Commerce and Labor. The Prime Minister of Canada has been pursuing a similar initiative. While in Europe, the German model is often cited as an effective, if unique, set of practices, and the United Kingdom has undertaken a major transformation over the past decade in private-sector training initiatives encouraged by new legal frameworks.

The post-pandemic economic recovery is likely to increase the deployment of technology and the transformations in the workplace across a wide range of sectors. Mid and lower skilled workers are those most likely to suffer, but many at all levels of education will likely need to learn new skills to hold good jobs and to be most productive in contributing to an economic rebound.

Leaders should ask their employment and economic ministers to convene leaders from the business, education, union and sub-national government sectors already involved in responding to changing skills and employment requirements to provide a report on best practices for meeting the job skills needs that can most effectively support rebounding G-7 economies and an good jobs for G7 workers. This initiative would build on the many previous G7 efforts aimed at strengthening economic practices and performance.

Think 7 Recommendation: Coordinated Effort to help those most impacted by the Pandemic

Earl Anthony Wayne, May 2020

Recommendation: The G-7 leaders in their June communique should state: “We commit to coordinating closely in our efforts to help and support those countries hit most severely by the COVID 19 pandemic to recover and to resume a path to prosperity.”

Rationale: The G7 has a long history of working together to help others that are more needy in the world. The 2005 Gleneagles Summit, for example, unveiled an agreed plan to support development in Africa through increased assistance resources as well as enhanced cooperation among the G7 and with recipient countries. The G7 have regularly been among the most generous donors responding to natural and man-made disasters around the world.

While the COVID 19 crisis has hit hard in all of the G7 countries, as well as other more development economies, it is likely that the pandemic will severely harm many countries much less able to defend their economies and societies and much less well-resourced to rebound from the effects of the pandemic.

A G-7 leader pledge to reinforce coordination and collaboration in relief (including on debt burdens) and development assistance as well as to explore other viable steps would send a very positive signal to the rest of the world. The G7 effort could encompass coordination of bilateral assistance as well as coordination in the IMF, the World Bank, the Paris Club, the G20, UN bodies, and other international groups and organizations to mobilize resources to help those countries most negatively impacted by the COVID 19 scourge. In addition to working in coordination with other donor nations, G7 governments would engage closely with major and respected NGOs, many of which are based in G7 countries, to help meet the most pressing needed of poorer countries trying to rebound from the effects of the pandemic.