

The road less travelled?

Different scenarios for decent work after covid-19

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<https://www.wei.manchester.ac.uk/research/projects/decent-work-and-the-city/>

Overview

Aim

- Assess the threats to (and opportunities for) the decent work agenda from covid-19; and explore alternative policy scenarios during and after the pandemic

Questions

- To what extent have policy responses prioritised the four pillars of decent work (job creation, rights, social protection and social dialogue) and what specific measures seek to protect low paid/precarious workers?
- To what extent is decent work part of the emergency and recovery narrative of IOs?
 - IMF, World Bank, OECD, ILO, UNDP

Methods/data

- UNDP global gender policy tracker
- Comparative data social protection, social dialogue, working time, wages
- 2020-2021 Flagship reports, interim reports/working papers, leadership and policy statements

Covid-19: A crisis like no other?

- An unprecedented **aggregate economic shock**
 - **Global GDP loss** of \$4trn in 2020
 - Global impact on **working hours** was four times greater than for the global financial crisis (total hours/hours worked per person)
- **IOs and global compacts** forged in times of crisis
 - An opportunity to strengthen global coordination, place **four pillars of DW** at the heart of the recovery
- *“Pandemics have forced humans to break with the past and imagine their world anew”* ([Roy, 2020](#))
- **Long-term trends towards chronic instability and volatility:** widening decent work deficits

IOs and the crisis: a time for action, solidarity and a focus on human needs

“This is the greatest test for international cooperation in more than 75 years. Workers and businesses are facing catastrophe, in both developed and developing economies. We have to move fast, decisively, and together”. **ILO DG Guy Ryder (7th April, 2020)**

“The world is facing an unprecedented test. And this is the moment of truth. Hundreds of thousands of people are falling seriously ill from COVID-19, and the disease is spreading exponentially in many places. Societies are in turmoil and economies are in a nose-dive. The magnitude of the response must match the scale of the crisis -- large-scale, coordinated and comprehensive, with country and international responses being guided by the World Health Organization”. **UN Secretary-General António Guterres (26th March, 2020)**

“The human costs of the Coronavirus pandemic are already immeasurable and all countries need to work together to protect people and limit the economic damage. This is a moment for solidarity” **IMF MD Kristalina Georgieva (20th March, 2020)**

“The health and economic impacts that the COVID-19 pandemic and shut down have inflicted on developing countries are severe. Our estimate is that up to 60 million people will be pushed into extreme poverty – that erases all the progress made in poverty alleviation in the past three years.” **World Bank DG David Malpass (19th May, 2020)**

“The coronavirus pandemic is a public health crisis without precedent in living memory, and it is also setting in motion a major economic crisis. It looks increasingly likely that we will see sequential declines in global GDP or regional GDPs in the current and next quarters of 2020, and we must act now to avoid a protracted recession” **OECD DG Angel Gurría (21st March, 2020)**

Emergency responses

- Surprisingly **interventionist** approach of most governments
 - **2,500 policies** recorded by UNDP (59% social protection, 16% labour market, 25% fiscal stimulus/support)
- Huge expansion of **social protection** measures – supported by IMF and World Bank
- **Job retention** (short-time working/furlough) – supporting around 50 million jobs (OECD, 2021)
 - Expansion of existing schemes, and creation of **new schemes**
- **Cash transfers** – 1/3rd of social protection measures, 1.1bn people, up 240% pre-covid (World Bank, 2021)
- **Suspension of conditionality** and (some) extension of coverage to those in non-standard jobs and informal work
- Don't roll back extant **rules and labour laws** (World Bank)

A renewed role for social dialogue

- **70% of countries used peak-level social dialogue** to agree emergency measures, around half of those used tripartite social dialogue (ILO, 2021)
 - Collective agreements used to agree job retention and sick pay (e.g. Denmark, Norway, Sweden)
 - Trade unions involved in job retention schemes (e.g. UK, Netherlands) and income protection (Sri Lanka, Argentina)
 - Coordination important to prevent gaps between sectors
 - Bypassed completely in India (Ghosh, 2020)
- Many **agreements made outside of existing frameworks** – lack of preparedness, but also evidence of adaptation?
- Sustainability likely to be constrained by LT trends of decline, **as economy reopens back to business as usual?**

Adjustment measures

- Many **JR schemes** have been **extended** several times
- OHS protections for workers, access to telework (ILO, 2021; IMF, 2021)
- Greater legal protection for non-standard workers (e.g. gig workers in UK and Italy)
- **The level and value of social protection** has not necessarily increased in line with coverage (e.g. Ghosh, 2020)
- **Only 13% with a clear impact on women** (mostly cash transfers and in-kind support for head of households)
- JR schemes winding down, conditionality creeping back in, **activation programmes scaling up**

Recovery phase: building back better or back to normal?

“We must keep our focus on escaping the crisis...and deal with the long-term scars of this crisis—among them is the impact on human capital” **Kristalina Georgieva, IMF Managing Director (March 31st 2021)**

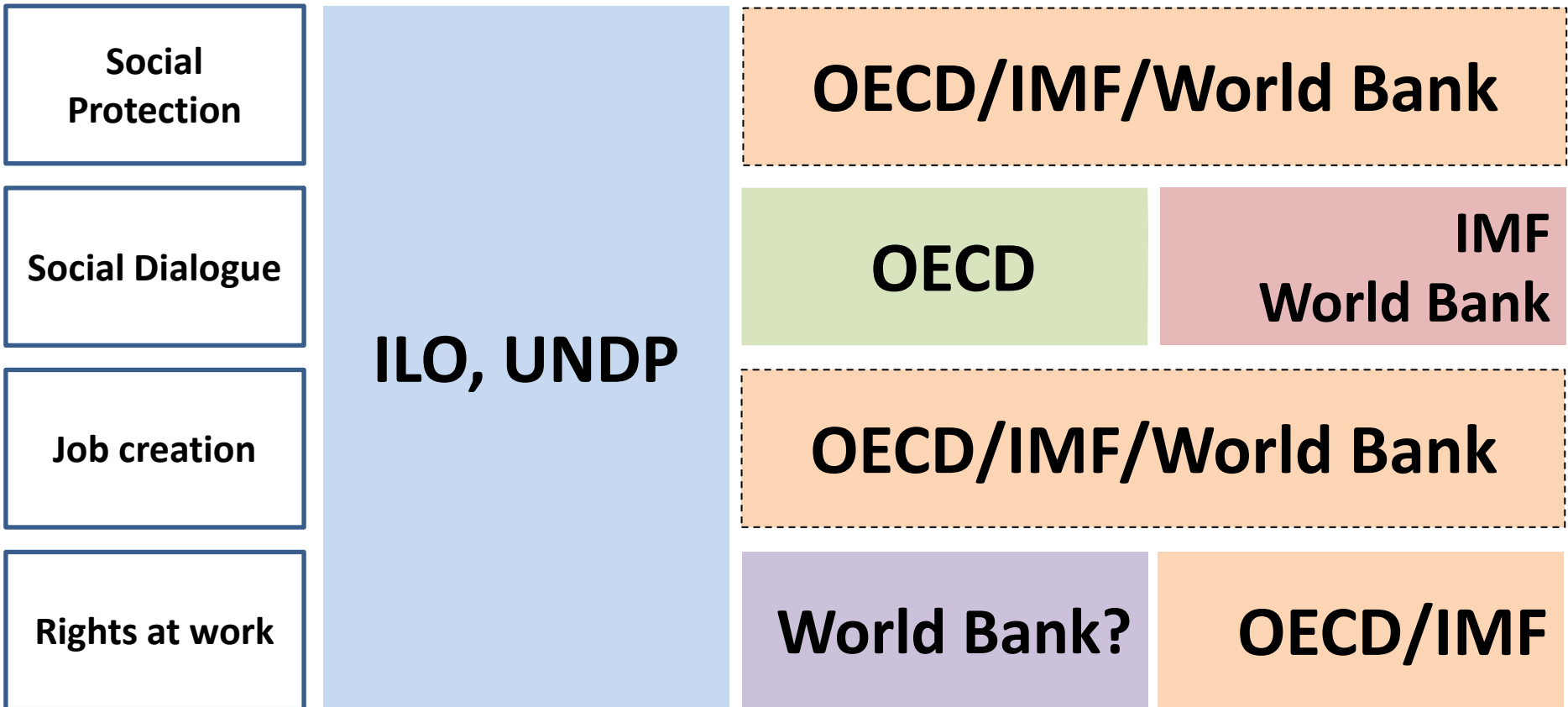
“To repair the damage, we will need integrated, long-run strategies that emphasize green, resilient, and inclusive development. Governments can help to lay the foundations...the private sector also needs to accept corporate responsibility – whether that’s applying robust environmental and social standards, paying taxes, or playing its part in debt resolution.” **World Bank DG David Malpass (29th March, 2021)**

Focus of recovery	Decent work outcomes	Precarious work outcomes
<p><u>Job rich recovery</u> (private sector will drive job creation)</p>	<ul style="list-style-type: none"> -Challenging idea that any job is better than no job (IMF) - Not creating poor quality jobs that waste productive potential (IMF, World Bank) 	
<p><u>A sustainable recovery</u> (economic, environmental, social)</p>	<ul style="list-style-type: none"> - Training and skills to support labour reallocation (OECD) - Investment in green economy (World Bank, ILO) - Investment in <u>foundational economy</u> 	
<p><u>A wages led recovery</u> (social protection only a temporary measure)</p>	<ul style="list-style-type: none"> -Average wages growing rapidly in some countries - A renewed role for collective bargaining (OECD) 	

An equitable recovery? The role of minimum wages

- Minimum wages a **crucial policy tool** to reduce inequality and shore up earnings of lowest paid (Guy Ryder, 2021)
- Promote **gender equality and formalisation** (Dingeldey et al., 2021)
- Build on **tripartite social dialogue** used during crisis
- Most countries that adjust regularly **increased rates in 2020**, but fewer than 15% that adjust irregularly did so (ILO, 2021)
- **Wide range in uplift**
 - Malawi 40% (but significant share of informal labour)
 - Germany 2% (part of a four stage uplift)
 - UK 6% (but with a number of trade-offs)
- A growing role for **state/provincial/local agreements?**
 - New York state (11%), Quebec (5%)
 - [Greater Manchester living wage city region](#)
- Concerns for productivity, job creation and formality? (IMF)

IOs and the four pillars



Austerity and fiscal consolidation in recovery phase are main threats to inclusive approach particularly for LDCs

IMF Deputy Geoffrey Okamoto:
"keep those receipts"

Conclusion – a shared crisis but divergent recoveries?

- **A different crisis requires different responses** (e.g. Cook and Grimshaw, 2020)
- **Interventionist approach** of governments prevented wholesale collapse of labour markets
 - Lessons learned from previous crises? **State/local governments often more progressive than national**
- Recovery progressing at **different speeds** and along **different trajectories** (UNDP, 2021)
- **A renewed role for IOs**
 - Not just economic issues but coordinated response to **global human health and social crisis**
 - Beyond debates about **productivity and growth**
- **ILO and Just Recovery - preparing for the next 'cataclysmic' event: R 205 'Decent work for peace and resilience'** (Selberg, 2020)