

The World of Work and COVID-19

Summary

The COVID-19 pandemic has a dramatic effect on jobs, livelihoods and well-being of workers and their families and on enterprises, particularly the small and medium sized, across the globe.

- By mid-May 94 percent of the world's workers were living in countries with some type of workplace closure measures in place.
- Massive losses in working hours which are equivalent to 305 million full-time jobs are predicted for the 2nd quarter 2020, while 38 percent of the workforce – some 1.25 billion workers – is employed in high-risk sectors.

Vulnerable groups are particularly hard hit

- Those toiling in the informal economy – often without rights at work and social protections – suffered a sixty percent decline in earnings in the first month of the crisis alone.
- Young people account for more than four in ten employed globally in hard-hit sectors. Combined with disruptions in education and training, this places them at risk of becoming a 'lockdown generation' that will carry the impacts of this crisis with them for a long time.
- Women are disproportionately employed in critically affected sectors such as service, hospitality, tourism and are also impacted by the shifting of economic activity into the domestic sphere, where they carry the majority of increasing levels of unpaid care work.
 - Workers in care sectors, between 60 and 70 percent of which are women, are often exposed to low wages and informally employed, with little recognition.
 - Unpaid care work has increased during the pandemic lockdowns, further constraining women's access to employment and impacting physical and mental health stressors.
- Refugees and migrant workers (many of them working as domestic workers) have been particularly affected by the economic consequences of the virus. They tend to be concentrated in sectors with high levels of temporary, informal or unprotected work characterised by low wages and lack of social protection, including in care work..
- Labour market vulnerabilities have worsened for many other already disadvantaged groups as well, including persons with disabilities, indigenous peoples and members of disadvantaged ethnic groups, internally displaced people, smallholder farmers and others.

The sectors most at risk are all highly labour intensive.

- They include food and accommodation (with 144 million workers), retail and wholesale (482 million); business services and administration (157 million); and manufacturing (463 million).
- Heavy negative impacts are also expected for the agricultural sector in the longer run with its high share of poor people.
- Small and medium-sized enterprises – the engine of the global economy – are suffering immensely and many may not recover.
- Those living in developing countries and fragile contexts face the most dramatic risks or have least resilience. Persons with disabilities, already facing exclusion in employment, are also more likely to experience greater difficulties returning to work during recovery.

Even before the crisis, these vulnerable groups faced decent-work deficits such as a lack of rights for workers, insufficient social protection and social dialogue, persistent inequalities, high shares of informality,.

Many of those who have lost their jobs and their livelihoods in recent months will not be able to re-enter labour markets any time soon.

Fears regarding the drivers of change such as new technologies, demographic changes, climate change and globalization add to anxiety and a feeling of uncertainty.

In the face of all these trends, there is a risk that massive unemployment and loss of income from COVID-19 could further erode social cohesion and destabilize countries in both the North and the South, socially, politically and economically.

A reset to the past is not an option.

- The level of change and transformation required to rebuild the global economy goes beyond building back better. It requires balancing the socioeconomic system with the ecosystem, investing in skills, infrastructure and technology and promoting - through fiscal stimulus and beyond - a shift towards a more human-centred and inclusive digitalisation, more investment in the care economy and a greener and gender-equal economy for all.
- Our policies should build on existing normative frameworks, best guided by the 2030 Agenda on Sustainable Development, the Paris Agreement on Climate Change and the ILO Centenary Declaration for the Future of Work and relevant International Labour Standards.
- Social dialogue has proven to be an effective means for identifying specific local conditions and needs and is also a source of innovative and creative solutions. Within a whole-of-society approach, all stakeholders should participate in setting the commonly agreed parameters for a sustainable recovery.

With smart timely action at all levels we can emerge from this crisis stronger, together, with better jobs and a more equal and greener future. In order to accelerate the transition to a more inclusive, and sustainable and resilient world, large-scale and proactive policy actions should be pursued in the following three areas.

- In the short-term, provide immediate support for at-risk workers, enterprises, jobs and incomes to avoid enterprise closures, job losses and income decline and mitigate the shift in work and labour into the domestic sphere. Interventions should build on existing institutions, while steering workers and enterprises towards sustainable development for a better and stronger recovery.
- In the medium-term, ensure a comprehensive approach to returning to work without giving up on protecting the health of workers or forgoing hard-won gains to suppress the spread of the virus. Protecting health does not mean keeping enterprises and economic activity locked down.
- In the longer-term, create decent and productive jobs for a green, inclusive, and resilient recovery and future of work. With this long-term vision in mind, policies need to ensure: Investment in social protection; transition to formality; investments in climate change and green jobs; a 'high road' to care work; targeted approaches for the most vulnerable and the hardest-hit and future-oriented sectors, including through developing job creation programmes and building a sustainable business environment and innovative business models; and to reduce the digital divide and leverage new technologies for human-centred development,.

Decisions taken now will have dramatic implications for current and future generations. With smart timely action during all phases, we can emerge from this crisis stronger, more resilient and more sustainable.