

Covid-19: **Taking stock of the impact on Employment and Employment Services**



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Covid-19:
Taking stock of the impact on Employment
and Employment Services



ILO/WECC Webinars series on Covid-19 and Employment Services

- I. Taking Stock of the Impact
- II. Activation for Recovery
- III. Making Social Protection
Responsive



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Programme

- **The labour market impacts of the COVID-19: A global perspective**
Sangheon Lee - Employment Policies Department, ILO
- **The Impact on Employment Services**
Eve-Marie Mosseray - World Association of Public Employment Services (WAPES)
Denis Pennel - World Employment Confederation (WEC)
- **Country Cases: how have Employment Services responded?**
 - Korea Employment Information Services ([KEIS](#)) – Ji-Young Yoon
 - Recruitment, Consulting and Staffing Association ([RCSA](#)) , Australia & New Zealand – Charles Cameron
 - Agency Work Association ([ABU](#)), The Netherlands – Femke Kooijman
 - Agence Nationale de Promotion de l'Emploi et des Compétences ([ANAPEC](#)), Morocco – Hind Boubia
- **Social Dialogue in times of Covid-19: The Case of Italy**
Luca Barilà - National Secretary FELSA CISL
Agostino Di Maio - Director Assolavoro
Gianni Rosas - ILO Country Director Italy
- **Wrap up**
Annemarie Muntz - President World Employment Confederation
Sangheon Lee - ILO

Moderation

Miguel Peromingo



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Feel free to engage!

- **Chatbox** for general remarks, comments.
- **Q&A box** for specific questions to the speakers
- Please **mute your microphone** when you're not speaking. If given the floor, the moderator will unmute you.
- For optimal connectivity, **please disconnect camera** when you're not speaking
- **A report** including webinar material will be shared afterwards with the participants.
- The Webinar is **recorded** for those that cannot join

today.



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ILO-WEC webinar: Covid-19: Taking stock of the
impact on Employment and Employment Services

***The labour market impacts of the COVID-19:
A global perspective***

17 June 2020

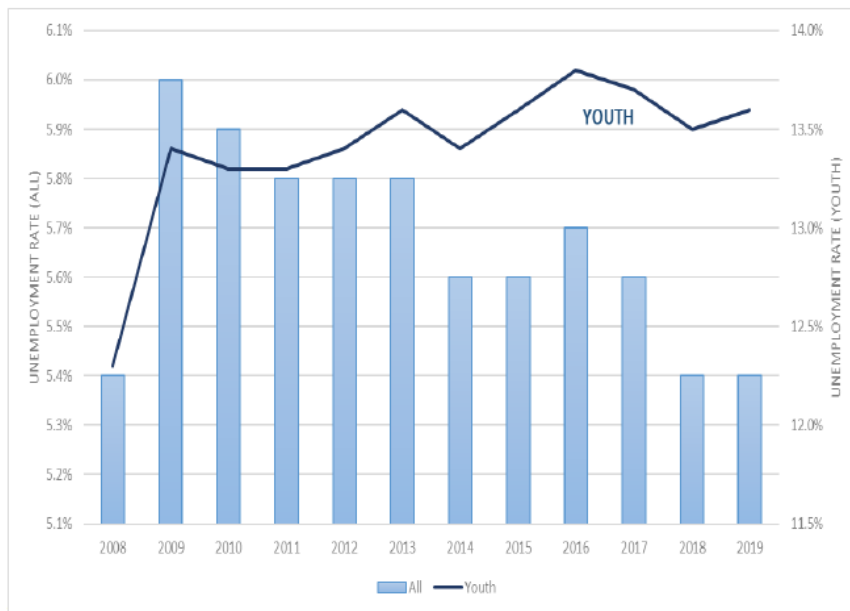
Sangheon Lee, Employment Policy Department, ILO

Epilogue:

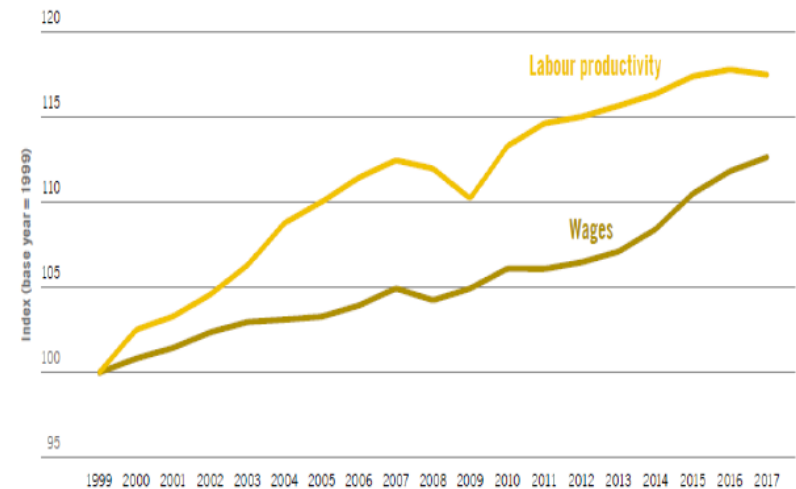
Do we learn from, or repeat, the past “mistakes”? (e.g., Great Recession)

2

1. Unemployment: 10 years to get back to the pre-crisis level (and youth unemployment rate never made it!)



2. Labour income (and wages): Lagging behind economic growth and productivity

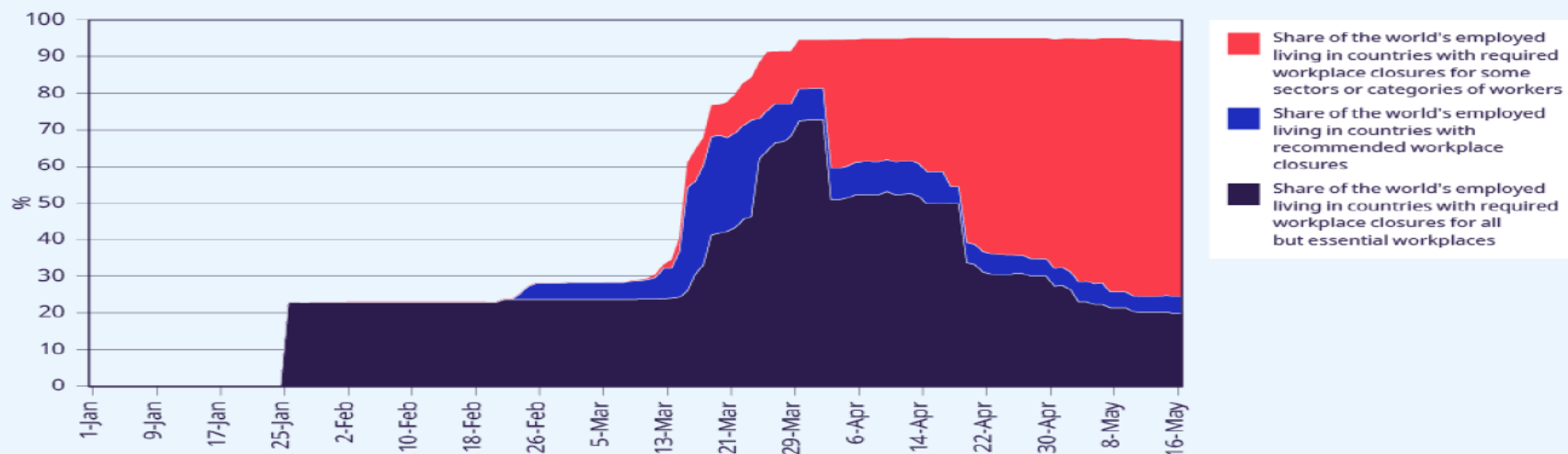


Source: ILO estimates.

As the Covid-19 continues to spread, the global workforce is subject to various forms of workplace closure

3

► **Figure 1.** Relaxation of lockdown measures is leading to a declining share of workers in countries with general workplace closures

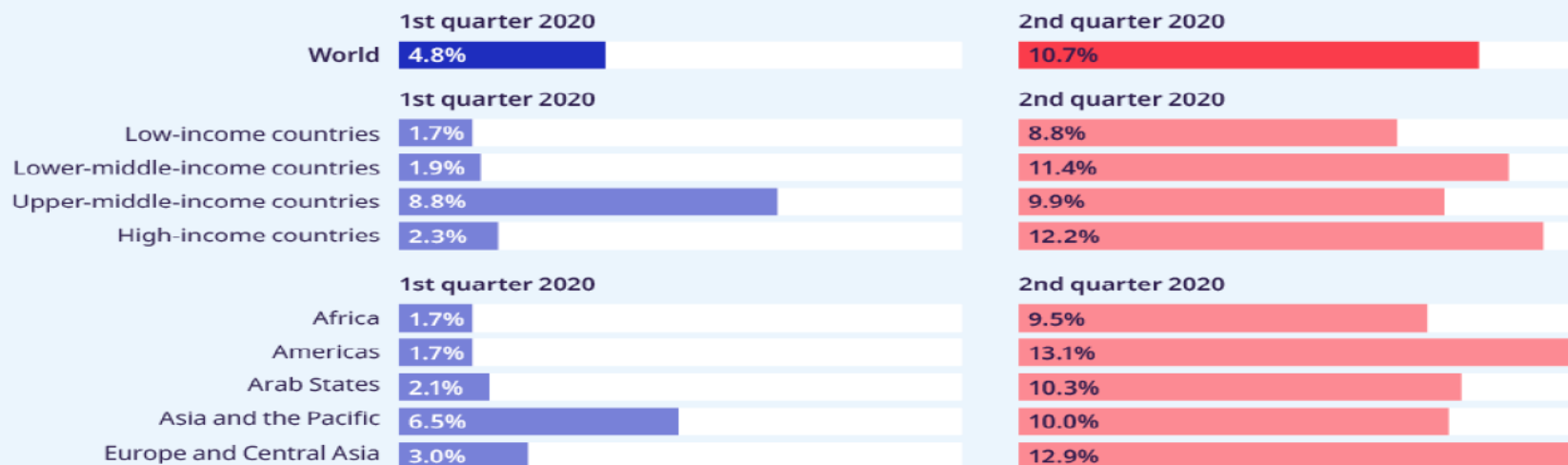


Note: The shares of employed in countries with required workplace closures for some sectors or categories of workers and recommended workplace closures are stacked on top of the share of employed in countries with required workplace closures for all but essential workplaces.

Source: ILOSTAT, ILO modelled estimates, November 2019, and Oxford COVID-19 Government Response Tracker.

► **Figure 2. Drop in working hours in the first and second quarters of 2020 is severe**

Estimated percentage drop in aggregate working hours relative to the pre-crisis baseline (4th quarter 2019, seasonally adjusted)



Source: ILO nowcasting model.

And ...

**Enterprises
at risk,**
(436 million)

**especially
micro firms**
(2-9 employees)

► Table 1. Impact of the crisis on enterprises (employers and own-account workers) in hardest-hit sectors

Economic sector	Impact of crisis on economic output	Baseline employment situation (global estimates for 2020 prior to COVID-19)				
		Employers (millions)	Own-account workers (millions)	Share of own-account workers in total employment (%)	Share of employed in firms with 2-9 employees in total employment (%)	Share of employed in firms with 10+ employees in total employment (%)
Wholesale and retail trade; repair of motor vehicles and motorcycles	High	21	211	45	25	30
Manufacturing	High	12	99	19	15	66
Accommodation and food services	High	7	44	29	29	41
Real estate; business and administrative activities	High	7	35	21	23	56
Arts, entertainment and recreation, and other services	Medium-high	4	57	30	31	39
Transport, storage and communication	Medium-high	4	76	31	19	50
Construction	Medium	9	103	38	26	36
Financial and insurance services	Medium	1	3	6	11	83
Mining and quarrying	Medium	<1	3	28	14	58
Agriculture, forestry and fishing	Low-medium	19	470	55	30	15
Human health and social work activities	Low	2	11	7	14	79
Education	Low	1	7	5	14	81
Utilities	Low	<1	3	10	13	77
Public administration and defence; compulsory social security	Low	<1	0	2	8	90

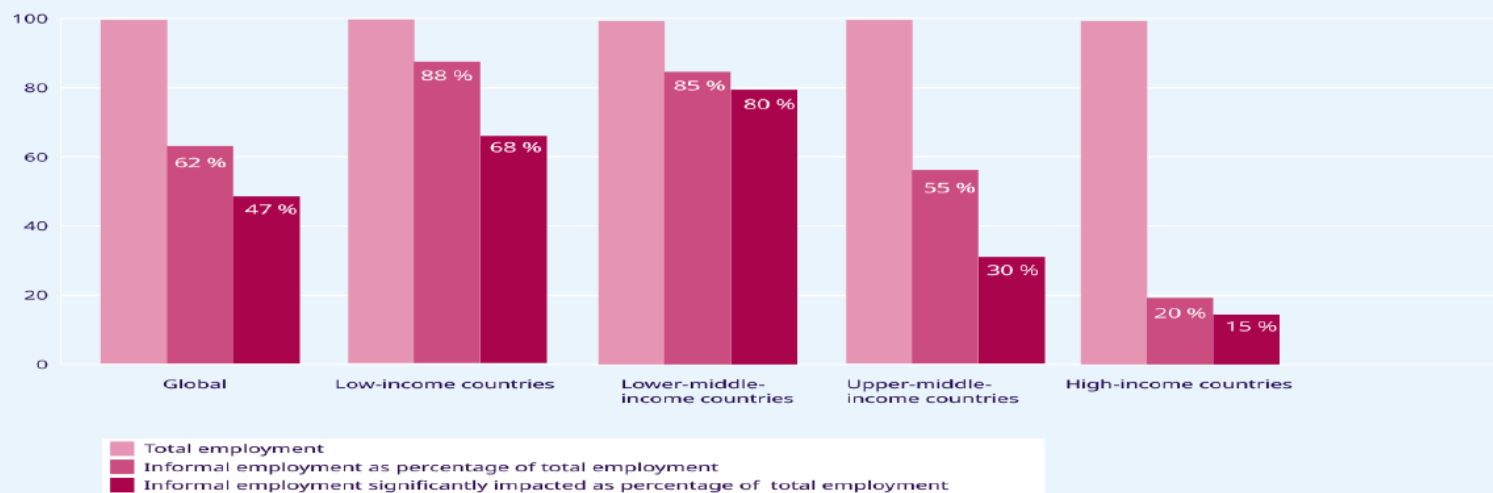
Note: ILO's assessment of real-time and financial data, ILOSTAT baseline data on sectoral distribution of employment (ISIC Rev. 4) and ILO Harmonized Microdata. Figures for employers and own-account workers are based on national household survey data from 114 countries representing 66 per cent of global employment. Figures for firm size are based on national household survey data from 134 countries representing 78 per cent of global employment. These are extrapolated to 2020 global employment by sector. See ILO Monitor, Second edition for further details on ratings of sectors, https://www.ilo.org/global/about-the-ilo/WCMS_740877/lang--it/index.htm.

And a tougher question: the question of informality

6

How many are “at risk”?

Figure 3. Informal economy workers: How many are significantly impacted?



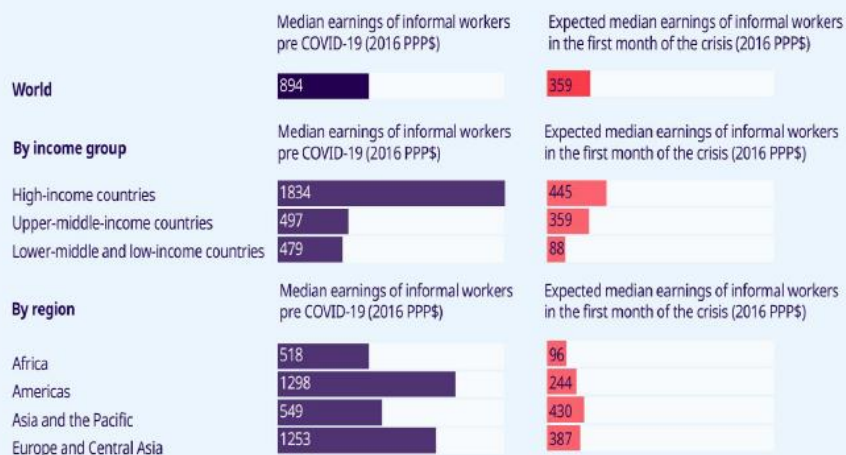
Note: Based on the analysis of national household survey data from 129 countries representing 90 per cent of global employment. Extrapolated to 2020 global employment and by sector. Total employment (represented in light purple) is used as the base of reference (100 per cent) for each income group of countries. Total informal employment is represented in light purple (2 billion informal economy workers). Informal economy workers significantly impacted by the crisis are represented in dark purple (1.56 billion in total). These significantly impacted workers are in countries with workplace closures and/or work in at-risk sectors. See Technical annex 2. The proportion of informal workers significantly affected is given by comparing the light and dark purple areas. Information by sectors classified by level of risk and size of enterprises available in table A3.

Income and poverty impacts:

7

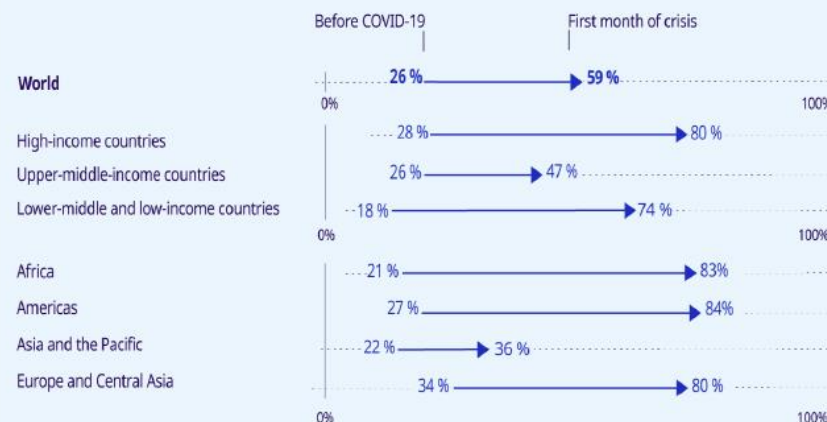
What would happen to informal workers in the first month when the crisis breaks out?

► Figure 4.
Potential impacts of the pandemic on earnings of informal workers



Note: Estimates are based on weighted averages from 64 countries with data collected on a time interval between 2016 to 2019. Earnings include earnings from own-account workers, employers self-reported earnings and wages of wage employees. The estimates exclude unpaid family workers who are not usually asked to declare monetary earnings. Whenever possible, estimates include earnings from jobs other than the main job. The original local currency values have been converted to constant 2016 PPP dollars. The countries covered represent 65 per cent of the world's employees and include the economies with the largest population in each region. No data is available for Arab economies.

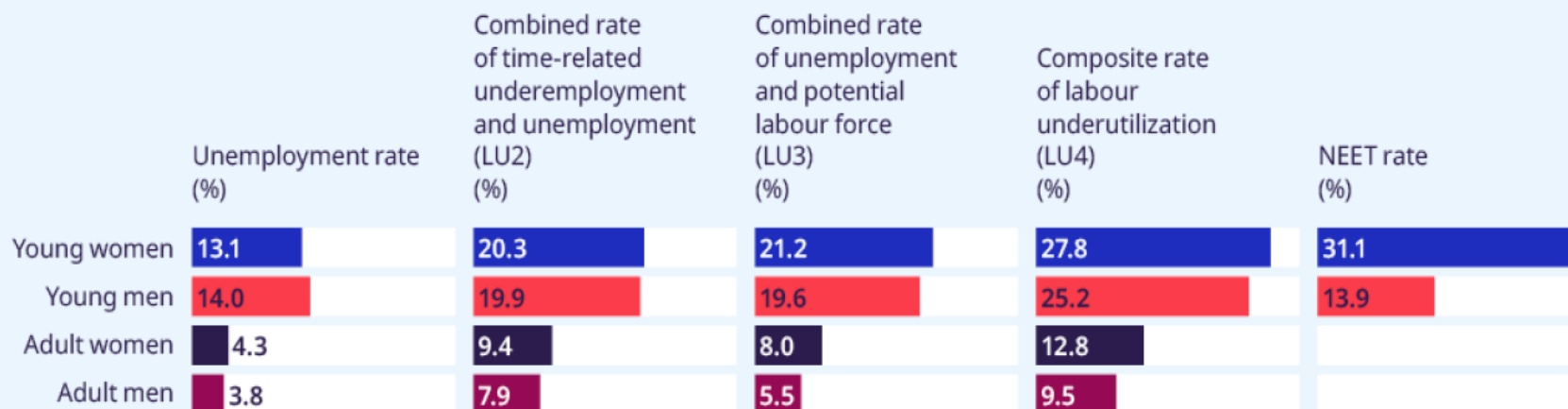
Potential impacts of the pandemic on poverty levels of informal workers
Expected rise in relative poverty rates of informal workers



Note: Estimates are based on weighted averages from 64 countries with data collected on a time interval between 2016 to 2019. Earnings include earnings from own-account workers, employers self-reported earnings and wages of wage employees. The estimates exclude unpaid family workers who are not usually asked to declare monetary earnings. Whenever possible, estimates include earnings from jobs other than the main job. The original local currency values have been converted to constant 2016 PPP dollars. Relative poverty is defined as the proportion of workers with monthly earnings that fall below 50 per cent of the median monthly earnings. The countries covered represent 65 per cent of the world's employees and include the economies with the largest population in each region. No data is available for Arab economies.

Youth employment: Pre-crisis situation

► Figure 4. Labour underutilization was much higher among young people, especially young women, than among adults before the COVID-19 crisis (global estimates for 2019)



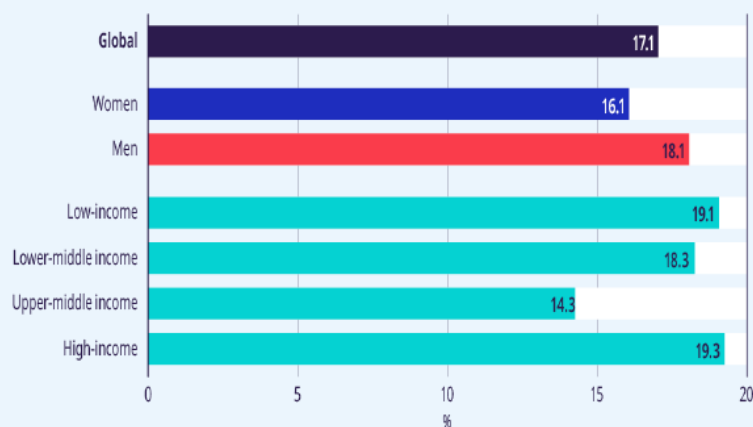
Source: ILO modelled estimates, November 2019.

Youth employment: Risk of a “lockdown generation”?

9

Double shocks on demand and supply, which may lead to stronger “scarring” effects

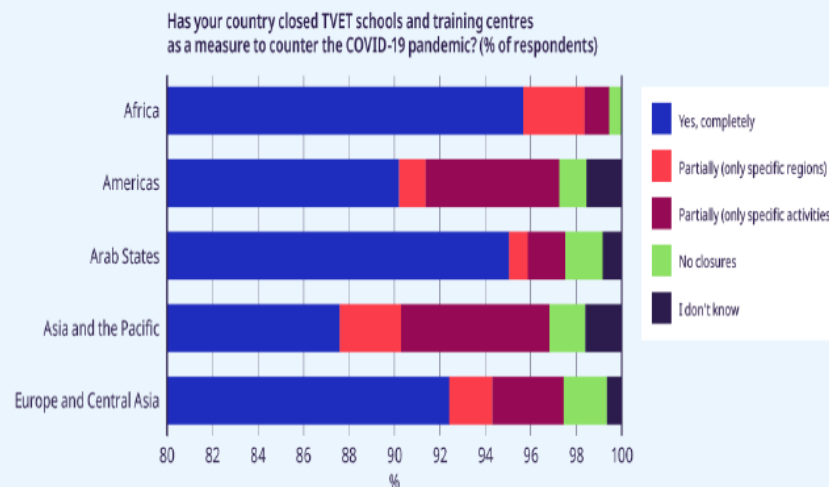
► Figure 6. Global Survey on Youth and COVID-19: Share of young people (aged 18-29) who reported having stopped working after the onset of the pandemic (%)



Note: The figure shows the share of young people who reported having stopped working since the start of the COVID-19 outbreak relative to all those who had worked before the outbreak.

Source: Global Survey on Youth and COVID-19 (see Technical Annex 3).

► Figure 5. The closure of TVET schools and training centres has affected all regions, particularly Africa



Source: ILO-UNESCO-World Bank joint survey on the provision of TVET during the COVID-19 crisis.

ILO's policy framework towards “job-rich” inclusive recovery ¹⁰

► Figure 4. Policy framework: Four key pillars to fight COVID-19 based on International Labour Standards

Pillar 1

Stimulating the economy and employment

- ▶ Active fiscal policy
- ▶ Accommodative monetary policy
- ▶ Lending and financial support to specific sectors, including the health sector

Pillar 2

Supporting enterprises, jobs and incomes

- ▶ Extend social protection for all
- ▶ Implement employment retention measures
- ▶ Provide financial/tax and other relief for enterprises

Pillar 3

Protecting workers in the workplace

- ▶ Strengthen OSH measures
- ▶ Adapt work arrangements (e.g. teleworking)
- ▶ Prevent discrimination and exclusion
- ▶ Provide health access for all
- ▶ Expand access to paid leave

Pillar 4

Relying on social dialogue for solutions

- ▶ Strengthen the capacity and resilience of employers' and workers' organizations
- ▶ Strengthen the capacity of governments
- ▶ Strengthen social dialogue, collective bargaining and labour relations institutions and processes

The Impact on Employment Services



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AMSEP WAPES AMSPE

World Association of Public Employment Services
Association Mondiale des Services d'Emploi Publics
Asociación Mundial de los Servicios Públicos de Empleo

Joint ILO/WEC Webinar - Covid-19: Taking stock of the impact on Employment and Employment Services

June 17, 2020



AMSEP WAPES AMSPE



WAPES : who are we, what are we doing ?



PES facing the COVID19 crises

- **As employer**
- **As labor market actor, intermediary between labour supply and demand**



We can point out 3 key aspects during and in the way out of the COVID19 crisis :

- Anticipate and face the solicitations
- Adaptation to the various changes of the economic sector
- Accompany the most affected audiences



WAPES actions to support PES : LTS & SamPES

Development of a self-assessment method and tools that will facilitate:

- Knowledge of the current reality and needs of the various PES in the World.
- Identification and prioritization of progress targets
- The formalization of the next steps to follow (acts plan)
- Setting up a worldwide learning network





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The Impact on Private Employment Services



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The Voice of Labour Market Enablers

Denis Pennel
Managing Director

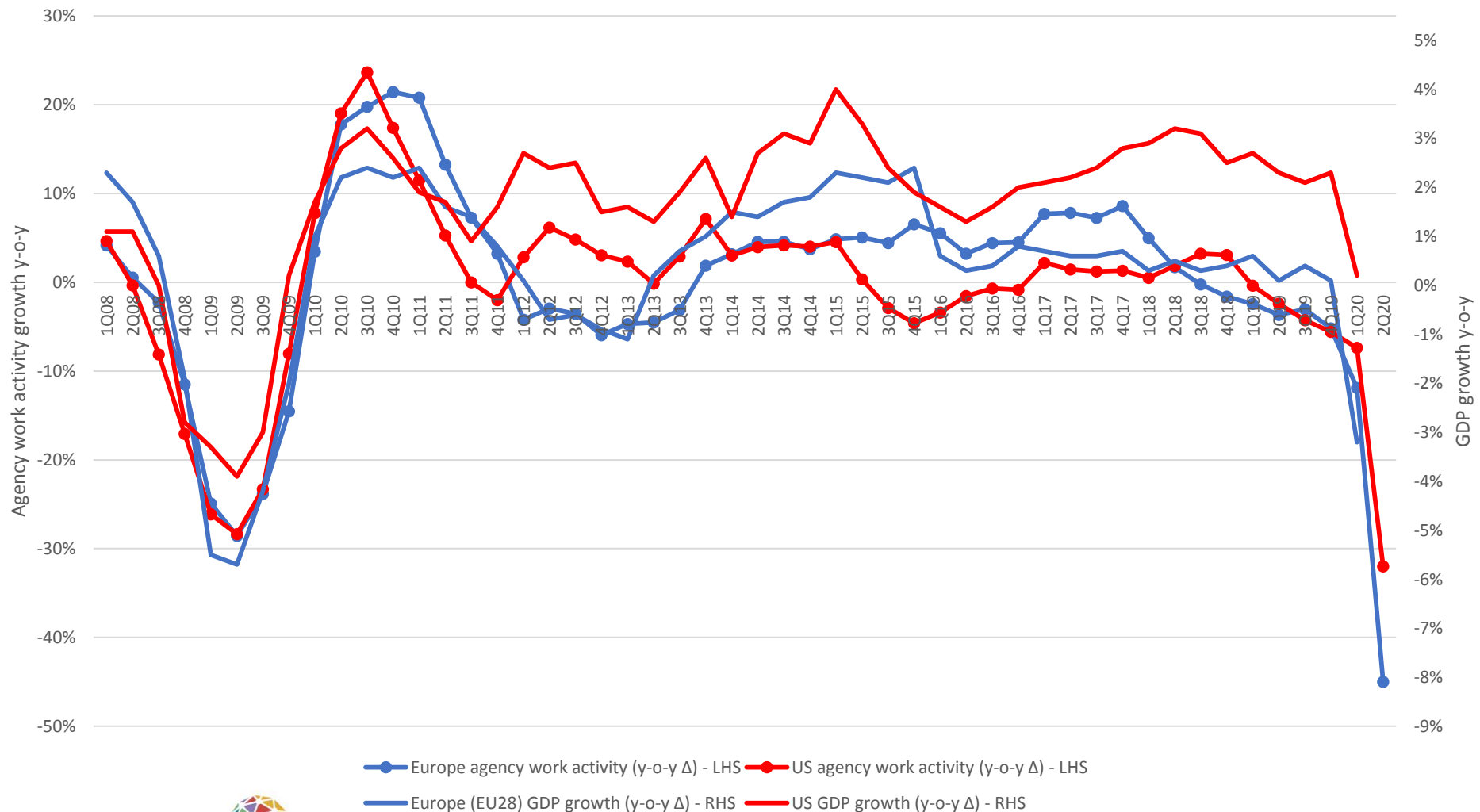
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17 June 2020

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Impact of Covid-19 on Private Employment Services

23

Agency work activity vs. GDP growth, Europe and US



Impact of Covid-19 on Private Employment Services

24

Hours worked (yoy % change)	April 2020	May 2020
Belgium	-44%	
France	-61%	-50%
Italy	-30%	
Netherlands	-24%	-24%
Spain	-38%	
Switzerland	-27%	

Revenues (yoy % change)	April 2020	May 2020
Belgium	-42%	
France	-62%	
Netherlands	-17%	-19%
Spain	-31%	
Finland	-23%	

Impact of Covid-19 on Private Employment Services

25

Qualitative feedback from PrES businesses and industry associations

Policy & Regulatory



- Respect for government resolve
- Recognition of PrES as essential service to secure labour market re-allocation
- Enabling remote matching (eSignature of labour contracts)
- Mixed (effective) coverage of agency workers in STWs and other income relief and social protection measures

Economic & Operational



- PrES continued matching remotely (video-interviews, on-line skills assessment, etc.)
- Immediate liquidity concerns and bankruptcies
- Immediate and steep drop in demand vs. growth due to crisis re-allocation to healthcare, logistics, food, etc.
- Crunch between job retention and business continuity

See the [Covid-19: The Road to Recovery](#) policy paper for more impacts and lessons learned

Country Cases: How have Employment Services responded?



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Korea's Main Initiatives of PES on COVID-19

1. Initiative

- The Supportive strategies for **employees and employers**

2. Why?

- **Employees and employers**
 - ▶ Most directly affected group in employment & labor sector due to COVID-19

3. The Main Success Factors

- ▶ The government's swift response
- ▶ **Effective Utilization** of employment & labor statistics
- ▶ **Customized supportive policies** for separated target group

4. Implications for notice

- ▶ Evidence of effective COVID-19 responses in korea
 - * According to the IMF's 2020 economic growth forecast, Korea is expected to post the highest economic growth rate among OECDs.
 - * Employment indicators are stable compared to other countries.



Contact Information for Follow-Up

For more questions and inquiries :

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- ▶ Ms. Eun-ji Kang
(E-mail) kej7181@keis.or.kr



Australian Staffing Firms – Jobs Finders for Queensland

The Background

- Queensland is Australia's third largest State with very large tourism and hospitality sectors hit by COVID 19.
- 130,000 Queenslanders became unemployed in March.
- Border closures prevent mobility of labour.

The Program

- Queensland State Government needed geographical reach and occupational coverage.
- Staffing agencies that place unemployed or underemployed workers to work for 40 hours or more are financially incentivised.
- Continuing for 6 months

The Outcomes

1. 8,134 Job Seekers.
2. 74 approved agencies applied to participate.
3. Ready to scale when Queensland opens.
4. New contract with Federal Department of Health to match staffing agencies with aged care surges.

www.jobsfinder.qld.gov.au



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Private Employment Services Industry's reallocation role in The Netherlands

Background

- Temp employment agencies experience a complete standstill vs temp agencies that experience an increase in personnel demand (in crucial sectors)
- Position the value and role of the industry, support members in their reallocation activities

Results (quantitative)

- Survey among members (end of april): of the 45.000 temporary workers who lost their job until the beginning of April, 22.000 have been reassigned (16.000 of them got a job in a crucial sector)
- So far, 595 agency workers used a €500 training voucher to quickly upskill for vacancies that urgently need to be filled (provided by Sectoral Training Fund DOORZAAM)

Results (qualitative)

- 134 members in LinkedIn page ABUmetElkaar (ABUunited) to promote the reallocation of workers across the economy
- #ABUmetElkaar: stories from the temporary employment sector during the corona crisis

www.abu.nl; kooijman@abu.nl



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Social Dialogue in times of Covid-19 The Case of Italy



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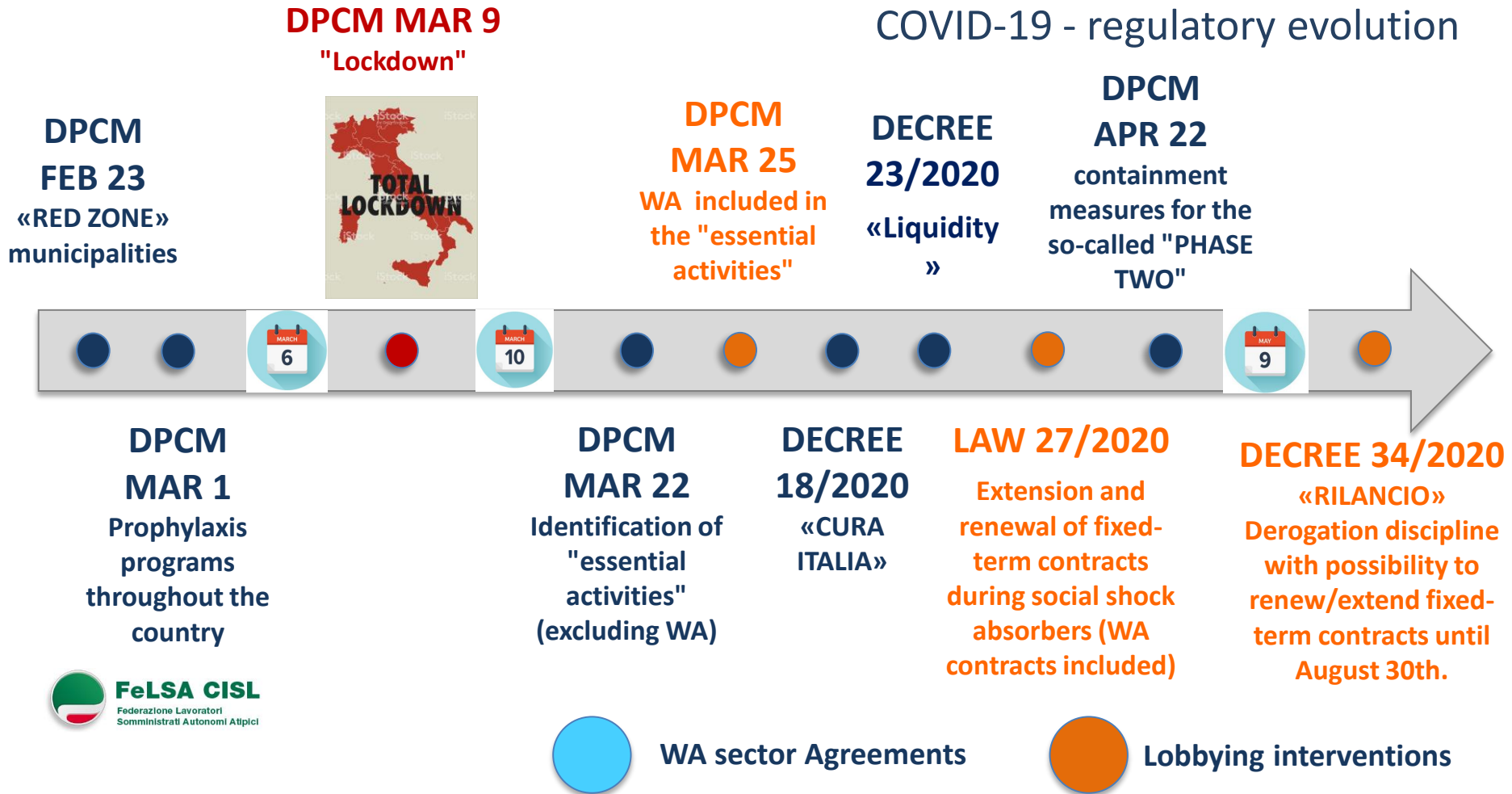
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Focus on Italy

COVID-19 - regulatory evolution



WA sector agreements



Agreement for the continuity of employment and salary support of agency workers affected by COVID-19 emergency

Definition of simplified procedures for wage integration treatments for “red” and “yellow” areas



Extension of the rules to the entire national territory



Simplification of the salary support procedures;

Definition of new benefit paid to workers placed on “standby pursuant” (art. 32 CLA);

Extension of the procedure for lack of work opportunities (art. 25 CLA) for a further period of 120 days.

Bilateral solidarity fund

Introduced by law (Art. 27 Decree n. 148/2015) the Fund provides salary integration treatments to WA workers

During the emergency the Fund was financed:

- by D.L. 18/2020 («Cura Italia»): **80 million euro**;
- by D.L. 34/2020 («Rilancio»): **255 million euro**.

MARCH 2020

- reduction or suspension of work for **5 million hours**
- total amount disbursed: **57 million euro**
- Work agencies involved: **81**
- beneficiary workers: **110 thousand**

APRIL 2020

- reduction or suspension of work for **13 million hours**
- total amount disbursed: **137 million euro**
- Work agencies involved: **87**
- beneficiary workers: **127 thousand**

FeLSA CISL
Federazione Lavoratori
Somministrati Autonomi Atipici

The efficiency of sector social shock absorbers

The social shock absorbers introduced at national level and paid out by INPS/Regions have been very delayed

CIGO «COVID-19»

ordinary allowance «national COVID-19»

CIGD “COVID-19”

CIGO for companies located in CIGS

During the emergency, the sector has shown its ability to respond to the needs of workers.

The Bilaterality of the sector, while waiting for the funding provided by the Government, decided to advance the resources for the payment of benefits, so as to guarantee all employees the regular payment of salaries at the due dates.

Extension of the benefits provided by Ebitemp

The second line of intervention of the Bilaterality concerns the extension of the services provided to the workers due to the emergency

Daily allowance for hospitalizations related to Covid-19

A per diem of € 50 for the worker, spouse and dependent children, up to a maximum of € 2,500

Allowance for home isolation

A per diem of € 50 for the worker, spouse and cohabiting children, up to a maximum of € 700

Contribution for respiratory rehabilitation

A cap of € 60 for pneumological examination (max 3), € 90 for chest physiotherapy (max 10 sessions)

Accident allowance in case of illness for covid-19

46 € per day up to a maximum of 180 days (in favour of those whose fixed-term contract has expired)

A (symbolic) contribution of €5,000 per death due to Covid-19

Reimbursement of expenses for baby-sitting/family assistance

- €500/month for children up to 12 years of age (no limit in case of disability)
- €800/month for old, sick or disabled family members

In total 1 million euro

Further welfare interventions

The Welfare Committee is working to further implement interventions in support of workers in the sector

- support for education and work activities carried out in “remote working”, ensuring an additional contribution of € 150 for the purchase of technological material for workers and students (including children);
- a contribution to ensure 100% of pay in the event of absence for parental leave, integrating the 50% of the total original wage recognized by the State;
- a monthly contribution of € 100 for housing rentals in favor of workers benefiting from sectoral social shock absorbers.



Targeted right to training

In addition to these interventions of emergency nature, the bilaterality introduced the “Right to Training”, an active policy measure that integrates the passive ones introduced the latest stipulation of the CLA.

This is the possibility, aimed at workers who have been unemployed for at least 45 days and with 110 days, as well as those who finish the retraining process in the absence of work opportunities, to choose a Work Agency and start a "service pact" to take charge and activate a training offer.

The activities will consist of Orientation, Skills Assessment and a training course of at least 30 hours (including the module on “workers' rights and duties”), which may also cover transversal skills and active job search.

For this measure is required a placement of 35%

ILO insights on the role of partnership working in employment services in Italy

- *Gianni Rosas* – Director, ILO Rome



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Key Take Away

- *Annemarie Muntz* – President WEC
- *Sangheon Lee* – Director, ILO Employment Policy Department



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- **Activation for recovery**
August, TBD
- **Making Social Protection Responsive**
September, TBD



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THANK YOU!

Slides, report and upcoming dates
will
be shared via e-mail



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