



## ► Concept note

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### 1. Before the pandemic

In 2019 the International Labour Organization marked its centenary with the adoption by the International Labour Conference of the Centenary Declaration for the Future of Work.

The Declaration recognises that the world of work is undergoing transformative change driven by technological innovation, demographic shifts, climate change, and globalization. And it sets out a road map of action for the Organization and its tripartite constituents to shape and direct these changes through a human-centred approach to the future of work in the context of the persistent poverty, inequalities, injustices, conflict and disasters that continue to threaten shared prosperity and decent work for all. The Declaration stresses the need to strengthen the capacities for all people to enable them to benefit from change at work, to strengthen the institutions of work to ensure adequate protection for all workers, and to promote sustained, inclusive and sustainable growth, full and productive employment, and decent work for all.

It equally stresses the critical role of international labour standards and of social dialogue in advancing these goals.

The Centenary Declaration was widely welcomed nationally and internationally, including in a resolution adopted by the UN General Assembly, which recognized its particular relevance to the work of the United Nations system and requested all UN entities to consider integrating its contents into the UN Sustainable Cooperation Framework.

In November 2019 the ILO Governing Body approved a Programme for 2020–21 designed specifically to give effect to the Declaration.

### 2. COVID-19

Nine months after the adoption of the Centenary Declaration, COVID-19 was declared a pandemic by the World Health Organisation.

In the first half of 2020, the virus has taken over 400,000 lives and plunged the world into the most serious human, economic and social crisis of modern times. In line with the report released by the UN Secretary General in March on “responding to the socio-economic impacts of COVID-19” absolute priority has been accorded to the continuing health response, the unfinished task of suppressing transmission and saving lives. But the Secretary-General linked this closely to action aimed at mitigating the impact of the pandemic on people’s livelihoods and material well-being, and to the need to build back better in the aftermath of the immediate health emergency. It is not to be

overlooked that COVID-19 hit just as the international community was embarking on the Decade of Action to deliver on the 17 Sustainable Development goals of the 2030 Agenda.

### 3. The impact on the world of work

The pandemic has devastated the world of work, causing massive human suffering and laying bare the extreme vulnerability of many millions of workers and enterprises.

The latest ILO estimates are that the large scale workplace closures around the world in response to COVID-19 have led to a reduction in hours worked of 10.7 per cent worldwide in the second quarter of this year. That translates into the loss of 305 million jobs – calculated on the basis of a 48 hour working week. The Asia and Pacific region was initially the worst affected, but now it is the Americas, followed by Europe and Central Asia, reflecting the westward movement of the pandemic's epicentre across the globe. Its future trajectory remains uncertain.

In medical terms, the virus does not discriminate. But in its world of work impact it has hit the most disadvantaged and vulnerable in the hardest and cruellest way, so exposing the devastating consequences of inequalities. The informal economy is where over six out of ten working people make their living from day to day. Of these two billion workers, 1.6 billion face an imminent threat to their livelihoods as average income in the informal economy shrunk by 60 per cent in the first month of the pandemic. That has brought a dramatic increase in poverty, and the warning from the World Food Programme in April that the next pandemic could be a pandemic of hunger.

The pandemic has affected women and men in the world of work differently. Women, are over-represented in the more affected sectors such as services or in occupations that are at the front line of dealing with the pandemic, notably health and care personnel where they make up 70 per cent of the total. Women also have less access to social protection and bear a disproportionate burden in the provision of care, which has been exacerbated by the closure of schools or care facilities. Additionally, women in the informal economy are often found in the most vulnerable situations, for instance as domestic workers who have too frequently found themselves in circumstances of extreme difficulty.

Young people, many already in a situation of considerable difficulty in labour markets before COVID-19 have seen their prospects deteriorate sharply. Training and education have been disrupted massively with 50 per cent of learners reporting delays in finishing their courses, and 10 per cent that they doubt they will be able to complete them at all. Of those young people who were in work before the pandemic, one in six no longer are, while the others have seen their working hours fall by 23 per cent. And those leaving education now face bleak prospects in labour markets reeling under the impact of the virus. The evident danger is of a "lockdown generation" in the making.

Enterprises, particularly micro, small, and medium sized ones with few reserves to tide them over even short periods of inactivity face great uncertainty, if not worse. In the four sectors hardest hit by the pandemic alone – wholesale and retail trade and vehicle repair; manufacturing; accommodation and food services; and real estate and business and administrative activities – no less than 436 million enterprises are at high risk of serious disruption.

## 4. The state of the global economy

Forecasts for the global economy must contend with the great uncertainties inherent in the evolution of the pandemic and policy options which have yet to be determined.

With regard to economic growth in 2020, the IMF revised its pre-COVID-19 forecast of + 3.3 per cent to -3 per cent in April, with subsequent warnings that the situation was continuing to deteriorate. Recent forecasts from the World Bank and OECD point to a contraction of between 5 per cent to 8 per cent, in the biggest global recession since World War II.

The WTO's best and worst case scenarios are for a fall in world trade volumes of 13 per cent and 32 per cent respectively.

Meanwhile, as Governments have launched unprecedented fiscal and monetary packages to counter the economic and social impact of COVID-19, to a total of some \$9 trillion, in line with commitments "to do whatever it takes" to protect their people, public debt levels are rising strongly. The IMF estimated in April that average public debt to GDP ratios would rise from 69.4 per cent to 85.3 per cent in the course of the year, with many countries at considerably higher levels.

The bottom line of the human crisis is that, according to the World Bank, between 71 and 100 million people will be pushed into extreme poverty, reversing years of past development progress.

## 5. The policy response to date

The integrated policy response set out in the report of the Secretary-General is based on the mutually reinforcing complementarity of its health, humanitarian, and social and economic dimensions, and the understanding that these must lead to a process of building back better in the recovery period.

The economic and social costs of the necessary efforts to halt the pandemic are undeniable. They have given rise to sometimes challenging debate about the interaction of health and world of work policy goals. But failure to act decisively against the pandemic now would inexorably lead to socio-economic costs of even greater magnitude later.

This being so, the ILO has advocated, and many of its member States have implemented COVID-19 responses based on the four pillars set out below.

### Policy framework: Four key pillars to fight the COVID-19 crisis 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 to all
- ▶ Implement employment retention measures
- ▶ Provide financial/tax and other relief for enterprises

**Pillar 3****Protecting workers in the workplace**

- ▶ Strengthen occupational safety and health 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 ILO has gathered and shared information on [national policy responses](#) and the evidence is that, where implemented, action in these areas has proven effective.

But there are some obvious constraints.

Most obviously, even if they are properly considered as investments rather than costs, fiscal and monetary stimulus and efforts to assist enterprises and to support job retention and incomes require a heavy investment in resources. Such measures cannot, and are not intended to be extended indefinitely; but they may also be beyond the capacity of some countries to implement at all, or for the period required, with their premature withdrawal liable to bring a second wave of great hardship.

In addition, the growing diversity of work forms which have grown up in recent years have themselves been an obstacle to the prompt provision of support to all those in need of it. The self-employed, contract workers, temporary workers, platform workers, and others with uncertain employment status or entitlements have often experienced difficulty in accessing assistance. To these must be added the many millions of informal workers suffering extremes of precarity.

The protection of workers' health has involved three possible options: withdrawing them from workplaces and enabling them to work from home; requiring them to continue in their usual workplaces but with appropriate protective equipment and protocols including social distancing; and simply interrupting their work for the duration of the emergency.

Here too, constraints are evident. The ILO has estimated that only about 18 per cent of workers are doing jobs and are in locations which lend themselves to teleworking. This is far from being an option open for all. Regrettably, and sometimes tragically, those who have continued to work as before – health and care personnel, transport workers, cleaners, today designated as essential personnel – have not always had the benefit of the right protective equipment and procedures. And where migrants not only work, but also live in unprotected conditions, the consequences for public, as well as their own, health can be dramatic. The case of the world's 1.6 million seafarers has revealed particular shortcomings, with some 200,000 stranded on board vessels for extended periods, unable to effect crew changes and to be repatriated.

By contrast, there are no objective obstacles to the use of social dialogue to find solutions to the complex world of work problems thrown up by COVID-19. Where it has been absent, it is generally the consequence of political choice, or a longer-term failure to put in place an enabling institutional framework, or to be supportive, or even tolerant, of strong representative and independent organizations of employers and workers. Not unusually, there are encouraging examples of greater

recourse being had to social dialogue in this period of crisis - as there were in previous ones. The benefits this has brought are demonstrable and provide good reason for a more permanent commitment to bipartite and tripartite action.

Measures of confinement decided by Governments to contain the COVID-19 virus have entailed sometimes severe restrictions on personal freedoms. Generally, they have been accepted by people who recognize them as appropriate, proportional, and limited in time, and therefore legitimate in the fight against the pandemic. But there is no legitimate reason why such restrictions should extend to labour conditions in any way that would infringe on the full respect of labour standards which themselves constitute important tools to address the crisis successfully.

A final constraint has been evident in the level of international solidarity and cooperation brought to the task of responding to the COVID crisis. Unprecedented volumes of resources have been mobilized. But, overwhelmingly they have been used for purely national action. Important initiatives have been taken to alleviate debt burdens, but they appear insufficient to assure debt and development sustainability. We are yet to see the global response commensurate to the global challenge the world faces.

## 6. What happens next?

The health, humanitarian, and socio-economic challenges of the COVID-19 crisis still confront countries across the world and the international community as a whole. While the pandemic continues, existing policy responses will need to be applied effectively as the necessary prelude to gradual and safe returns to work. But that does not imply a return to working as before – at least for that period when we must continue to live and work with the virus and so long as there are no universally available vaccine or therapeutics.

Much debate is taking place about what the world of work will look like as we exit the pandemic, with the idea of a “new normal” at work gaining considerable currency. Too often, little effort is made to distinguish between new practices which will be required in the period that the virus poses the threat that it does today, and the longer term perspectives for the future that can be addressed free from those constraints. The danger in this is that we lose sight of the idea that, whatever the limitations faced today, the future of work can and must be what we want it to be. Rather, recovery plans need, from the outset to lay the foundations for the “better normal” that is sought.

This is precisely why the ILO Centenary Declaration for the Future of Work, with its human-centred-agenda is so important, as we address the task of building back better.

It has to be recognised that the point of departure will not be encouraging. Whatever its future trajectory, the pandemic will leave the world of work with higher unemployment; higher inequality; higher poverty; higher levels of debt, and in all probability higher levels of popular frustration and even anger.

But, equally, the pandemic has highlighted, with startling brutality, the absolute need to act without delay on the principles and objectives of the Centenary Declaration, and the human price of failing to do so.

This being so, the process of building back better will need to respond to some pressing questions and challenges.

- (i) How will it promote sustained, inclusive and sustainable growth, full and productive employment and decent work for all? How can COVID-19 responses be designed to lift the global economy quickly out of recession and put it on a course to navigate the challenges of just digital, demographic and environmental transition?
- (ii) What needs to be done to address the massive vulnerabilities in the world of work made evident by the pandemic? How do we scale up the task of formalising the informal economy and to move decisively towards universal social protection coverage?
- (iii) Do we want to accelerate the use of technologies to enable new ways of working in the light of the experience of pandemic? If so how should such work be regulated?
- (iv) What are the sectors of economic activity and categories of worker who require particular support and attention? Can the recovery process embody a transformative agenda for gender equality and a platform for the advancement of young people in the world of work?
- (v) How can the reduction and elimination of poverty and imperatives of rights and social justice be placed as central objectives of the recovery process?
- (vi) At a time when multilateral cooperation is more than ever indispensable, but facing unprecedented challenges, how can the international community come together with real common purpose and rededicate itself to the delivery of the UN 2030 Agenda?

## 7. The ILO in the year ahead

The ILO Virtual Global Summit on COVID-19 and the World of Work takes place in a year in which the International Labour Conference and the Governing Body have been unable to meet. But it is a crucial year for the Organization and the world of work. This is the context in which the Summit can provide critically important guidance.

The need is to identify how, on the basis of its Centenary Declaration, and the collective efforts and commitment of its global tripartite constituency, the ILO can best contribute to moving the world of work forward from the COVID-19 crisis to the better future it committed to build last year.

In the period leading up to the 2021 International Labour Conference, the Organization must negotiate and adopt its Programme and Budget for 2022-23. Moreover, the Conference itself provides the unique occasion to concretise the Organisation's role in processes of recovery which will have lasting importance for those undergoing the impact of the pandemic, and those who come after.