

IOE IOE digital conference on the impact of COVID-19 on
global trade, supply chains and employment

Covid-19 and the world of work: An update

8 April 2020

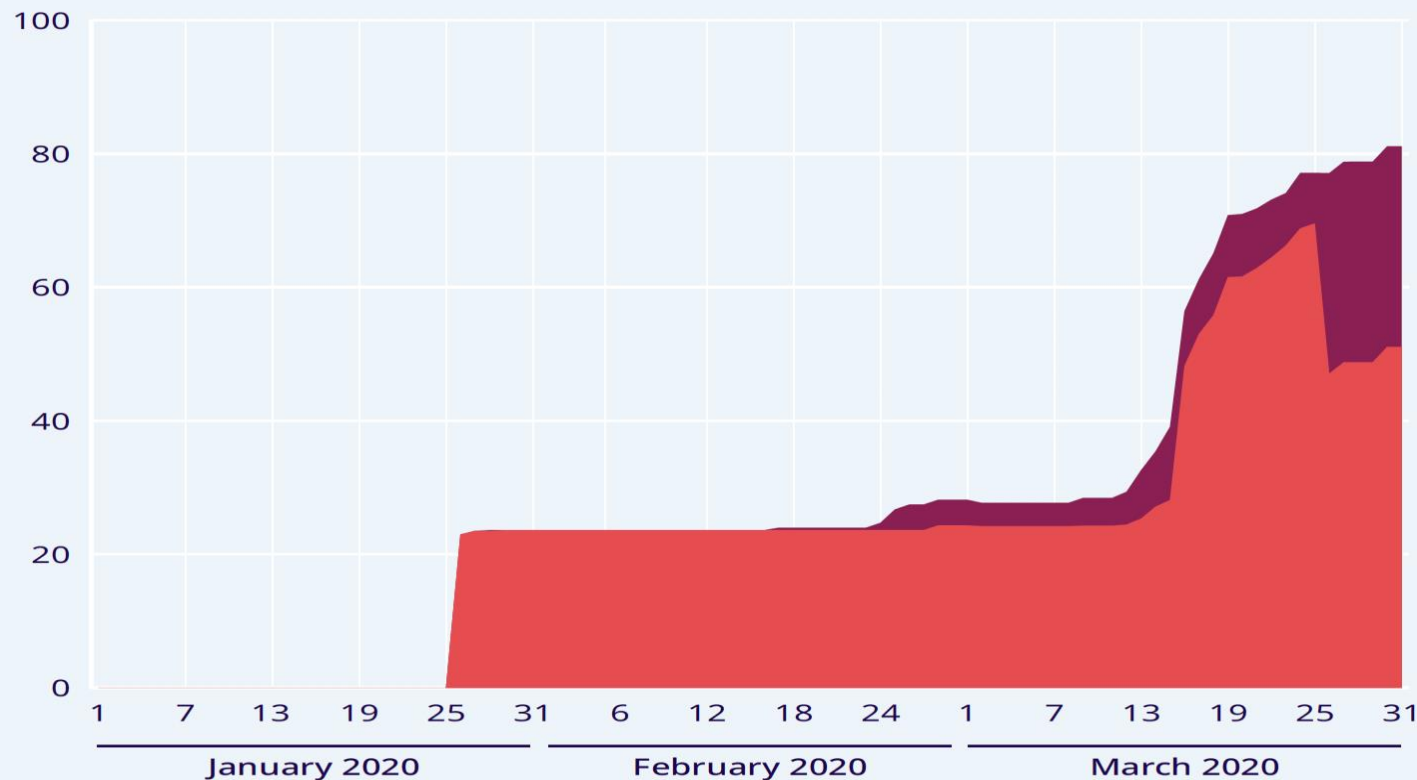
Sangheon Lee, Employment Policy Department, ILO

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

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► Figure 1. Employment in countries with workplace closures

Global workforce (%)



- Share of world's employed living in countries with **recommended workplace closures**
- Share of world's employed living in countries with **required workplace closures**

Note: The share of employed in countries with recommended workplace closures is stacked with those in countries with required closures. See Technical Annex 1 for more information.

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

... Leading to massive
losses in working
hours & jobs:

ILO's nowcasting for
Q2

► Table 1. Crisis is leading to a severe decline in working hours and employment (FTE)

	Decline in working hours (%)	Full-time equivalent (40 hours, million)	Full-time equivalent (48 hours, million)
World	6.7	230	195
Low income	5.3	14	12
Lower-middle income	6.7	80	70
Upper-middle income	7.0	100	85
High income	6.5	36	30
Africa	4.9	22	19
Americas	6.3	29	24
Arab States	8.1	6	5
Asia and the Pacific	7.2	150	125
Europe and Central Asia (Europe)	6.0 7.8	24 15	20 12

Note: (1) Magnitudes above 50 million are rounded to the nearest 5 million, magnitudes below that threshold are rounded to the nearest million; (2) The full-time equivalent employment losses are presented to illustrate the magnitude of the estimates of hours lost. Their interpretation is the estimate of the reduction in hours worked, if those reductions were borne exclusively and exhaustively by a subset of full-time workers and the remaining workers did not experience any hour reduction. The figures should not be interpreted as numbers of jobs actually lost nor increases in unemployment. See Technical annex 2 for full details of the estimation methods.

But the
shock is not
uniform,
with some
sectors at a
greater risk

► Table 2. Workers at risk: Sectoral perspective

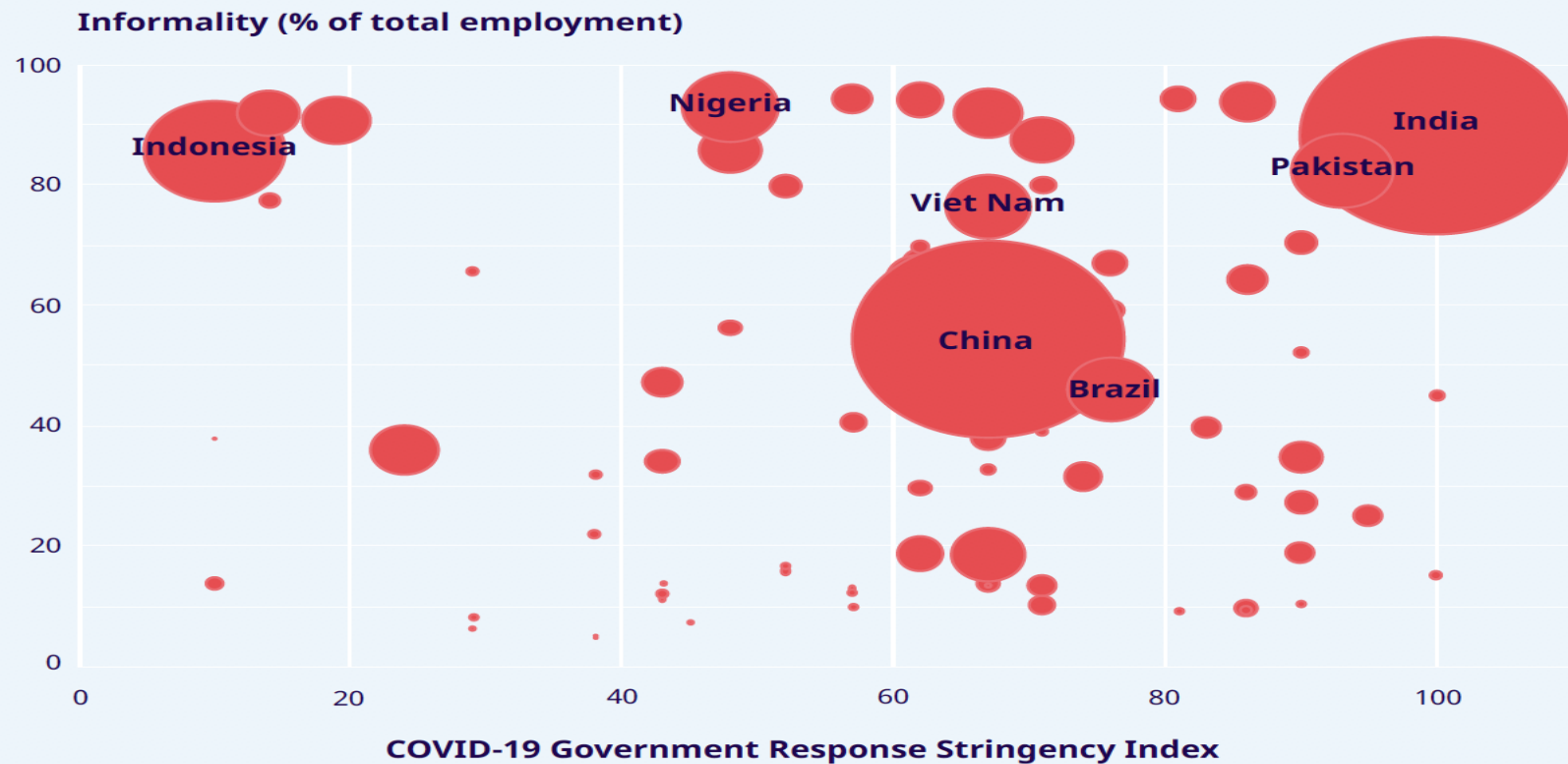
Economic sector	Current impact of crisis on economic output	Baseline employment situation (global estimates for 2020 prior to COVID-19)			
		Level of employment (000s)	Share in global employment (%)	Wage ratio (av. monthly sector earnings/av. total earnings)	Share of women (%)
Education	Low	176560	5.3	1.23	61.8
Human health and social work activities	Low	136244	4.1	1.14	70.4
Public administration and defence; compulsory social security	Low	144241	4.3	1.35	31.5
Utilities	Low	26589	0.8	1.07	18.8
Agriculture; forestry and fishing	Low-Medium*	880373	26.5	0.72	37.1
Construction	Medium	257041	7.7	1.03	7.3
Financial and insurance activities	Medium	52237	1.6	1.72	47.1
Mining and quarrying	Medium	21714	0.7	1.46	15.1
Arts, entertainment and recreation, and other services	Medium-high*	179857	5.4	0.69	57.2
Transport; storage and communication	Medium-high*	204217	6.1	1.19	14.3
Accommodation and food services	High	143661	4.3	0.71	54.1
Real estate; business and administrative activities	High	156878	4.7	0.97	38.2
Manufacturing	High	463091	13.9	0.95	38.7
Wholesale and retail trade; repair of motor vehicles and motorcycles	High	481951	14.5	0.86	43.6

Note: ILO's assessment of real-time and financial data and ILOSTAT baseline data on global estimates of sectoral distribution of employment (ISIC Rev. 4). See Technical annex 3 for further details.

* denotes sectors that include subsectors that have been affected in different ways.

And a tougher task awaits us: the question of informality

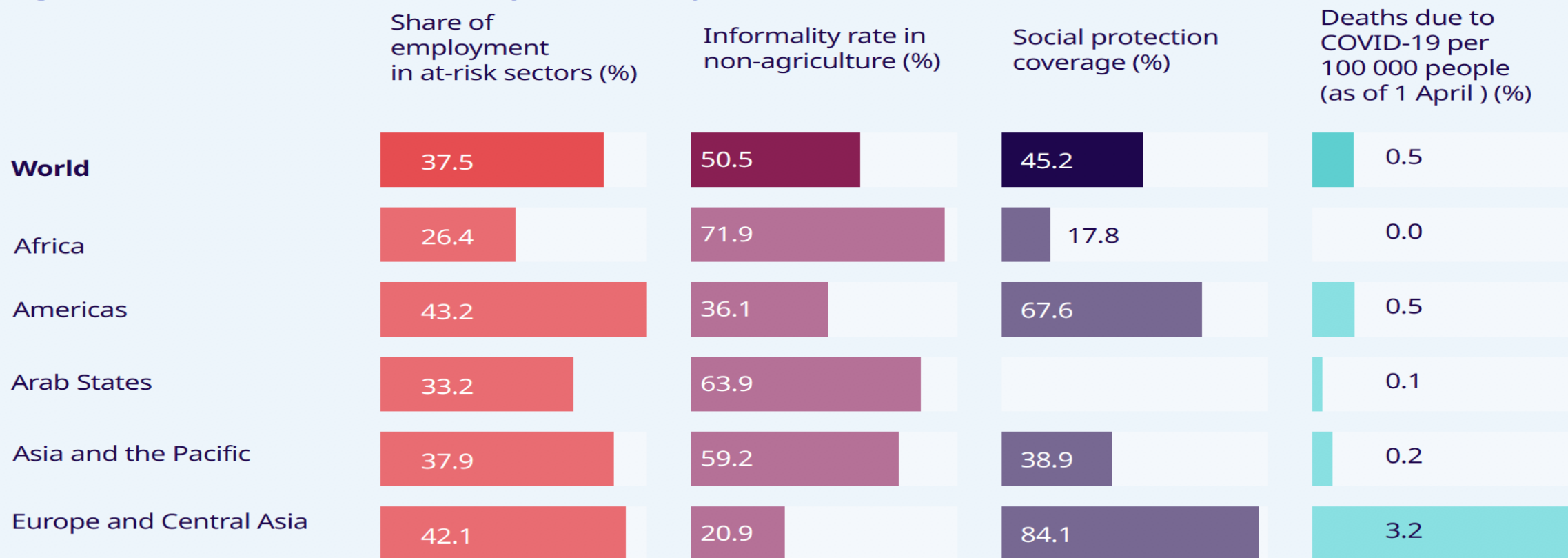
► Figure 3. Informal workers under lockdown and other containment measures



Note: The horizontal, x-axis of this chart displays University of Oxford's COVID-19 Government Response Stringency Index. The vertical, y-axis shows informal employment as a share of total employment in the respective country, based on internal ILO calculations. As a third dimension, the respective size of each bubble shows the relative size of total informal employment in each country, which is calculated by multiplying the percentage of informal employment (i.e. the value shown on the y-axis) by total employment as per ILOSTAT's modelled estimates for 2020. See Technical annexes 1 and 3 for further details.

A snap shot of an uncertain time (as of 1 April)

► **Figure 2. Workers at risk, informality, and social protection**

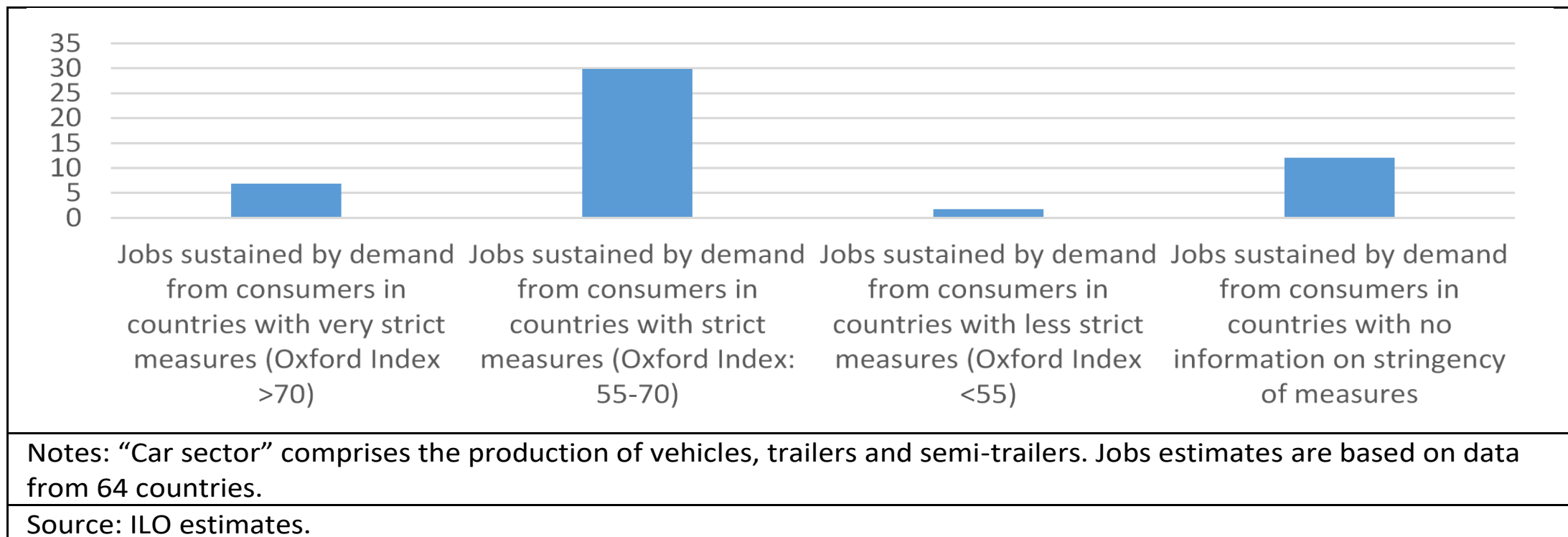


Note: Sectors considered at high risk of disruption are accommodation and food service activities; manufacturing; real estate, business and administrative activities; and wholesale and retail trade, repair of motor vehicles and motorcycles.

Source: ILOSTAT, ILO modelled estimates, November 2019; ILO, *World Social Protection Report 2017-19*; ILO, *Women and men in the informal economy: A statistical picture*, Third edition; and European Centre for Disease Prevention and Control.

Possible extension to global supply chains

Global jobs in the value chain for car production, millions, by source of demand



Source: Viegelaahn and Kuhn (forthcoming)

► 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