

1 - 9 July 2020

Background note for Americas' regional event

Productive Recovery and the Future of Work in the Americas: Building a better normal

July 2nd 2020, 10:00 – 13:00 (Lima time, GMT -5)

1. Background

The health emergency resulting from the spread of COVID-19 and its economic and social effects have had a devastating impact on the world of work, revealing vulnerabilities and compromising livelihoods and the wellbeing of millions of people.

According to a recent publication of [ECLAC and the ILO](#),¹ in 2020 Latin America and the Caribbean will most likely experience the worst economic contraction since 1930, with the Gross Domestic Product (GDP) expected to fall an estimated 5.3%. Additionally, the unemployment rate is expected to rise at least 3.4 percentage points, to 11.5%, the equivalent of some 11.5 million newly unemployed persons. The GDP decline and increased unemployment will cause an additional 30 million to fall into poverty in the region. The [World Bank](#) estimates for the US economy are equally bleak. That economy is expected to contract by 7.9% in 2020, and the [US Congressional Budget Office](#) estimates an increase of 11 percentage points in the US unemployment rate, which could reach 15% in 2020.

Labour-intensive sectors such as tourism, trade, manufacturing, real estate and entertainment have been seriously affected. Micro and small enterprises that generate a very large part of employment in the region are facing huge problems and many may not be able to survive a crisis that is affecting almost all enterprises regardless of their size and sector of activity.

Along with rising unemployment, the quality of employment is expected to deteriorate significantly. The region has an average rate of informal employment of approximately 54% and most informal workers have limited access to quality health care and other social security benefits. Families and individuals with low earnings have a limited capacity for savings to use during prolonged periods of inactivity and they have no income protection mechanisms. Consequently, the COVID-19 health emergency is expected to have a major impact on poverty and inequality.

¹ United Nations (2020, May) Economic Commission for Latin America and the Caribbean (ECLAC) / International Labour Organization (ILO), "El trabajo en tiempos de pandemia: desafíos frente a la enfermedad por coronavirus (COVID-19)", Coyuntura Laboral en América Latina y el Caribe, No. 22 (LC/TS.2020/46), Santiago, May, 2020. Available at: https://repositorio.cepal.org/bitstream/handle/11362/45557/1/S2000307_es.pdf

The pandemic's health, economic and social impacts have disproportionately affected the most vulnerable groups, including older adults, young people, women, micro and small entrepreneurs, informal workers, migrants and indigenous peoples.

On the other hand, in the formal economy teleworking and home office have risen significantly, often without the ideal conditions for the implementation of these modalities. The alteration of normal working hours, the requirement to take early or annual leave, or its suspension, the finalisation or suspension of contracts, among other situations, have also been registered.

In recent months, governments of the region have responded to the COVID-19 pandemic both with preventive health measures such as social distancing and the strengthening of health care services, as well as with economic and social measures of support and relief for different sectors. In the social-labour area, responses have focused on policies in three areas: protection of workers in the workplace; protection of economic activities and labour demand; and support to employment and maintenance of income.² In the short term, the key challenge is to reduce the spread of the virus while at the same time protecting the productive and social fabric.

In the medium term, the COVID-19 health crisis will persist until the development, production, distribution and mass application of a vaccine or an effective treatment. To the extent that countries are easing their social distancing policies and embarking on a gradual process of productive and economic recovery, new protocols will be necessary. Occupational safety and health have become crucial for protecting the wellbeing of workers and guaranteeing the survival of enterprises.

In the long term, it is important to bear in mind that the economic recovery and rebuilding of labour markets can establish the groundwork for creating more and better jobs with economic diversification and productive transformation in a framework of sustained, sustainable and equitable economic growth. The crisis offers the opportunity – by intensifying social dialogue – to develop a comprehensive strategic vision in which not only reactivation measures are adopted in economic and productive systems, but also in which these measures entail a transformation that implies promoting formalization in the labour market and the universalization of sustainable social protection, whilst at the same time reducing environmental degradation and labour market inequalities.

This virtual Regional American Summit will give participants the opportunity to analyze the impact of COVID-19 on the world of work. They will also exchange perspectives and experiences on measures to mitigate impacts and promote economic recovery with sustainable enterprises, and decent and productive employment. To this end, the Summit will collect good practices and systematize the lessons learned during the region's response to the pandemic, considering the conceptual framework and the principles established in the ILO's Centenary Declaration for the Future of Work and the Declaration of the American Regional Meeting in Panama.

The discussions during the regional summit will serve as input for the deliberations among Heads of State and Government and ILO constituents during the global sessions of the ILO Global Summit

² ILO, 2020. ILO Monitor: COVID-19 and the World of Work. Second edition, 7 April

https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/documents/briefingnote/wcms_740877.pdf ;

ECLAC, 2020. "Dimensionar los efectos del COVID-19 para pensar en la reactivación", April
<https://www.cepal.org/es/publicaciones/45445-dimensionar-efectos-covid-19-pensar-la-reactivacion>.

on COVID-19 and the World of Work – Building a Better Future of Work, which will be held in Geneva 7-9 July.

2. Objectives

- Promote social dialogue and provide ILO tripartite constituents with a high-level virtual platform to discuss the social-labour impact of the COVID-19 pandemic.
- Take advantage of good practices and identify specific difficulties in the Americas to conciliate the challenges of continuing to stem the spread of the virus while enabling economic activities to continue. At the same time, discussions will focus on strategies and policies for the promotion of economically sustainable production, and employment with inclusion, equity and social and environmental sustainability, in line with the ILO Centenary Declaration.
- Enhance the value of the ILO Centenary Declaration for the Future of Work for the post-pandemic reconstruction by establishing more solid bases, in accordance with the commitments of the 2030 Agenda for Sustainable Development, in particular Goal 8.
- Promote the tools that the ILO offers to countries to address these challenges, identify potential new needs that require attention and inform on future ILO activities in the region.

3. Participants

Participation in the event will be open to all ILO tripartite constituents of the region, as well as to a select number of relevant regional and multilateral institutions. Following standard ILO practices, the list of participants on the panels and speakers will include mainly ministers of labour and employment and representatives of workers' and employers' organizations. The following regional and multilateral institutions (ECLAC, UNDP, IDB, the World Bank and CAF) will be invited to register to participate on the panels, time permitting. Additionally, the Development Coordination Office (DCO) of the United Nations Sustainable Development Group and resident coordinators will be invited as observers.

Participants will connect through an online video and audio platform. Participants will interact mainly through a chat function, which will enable a discussion facilitated by session moderators. The event will also be live-streamed and open to the public.

Due to time constraints, speakers and panelists will be selected considering the region's geographic and economic diversity, as well as gender parity on all panels. The ILO sub-regional and country offices in the region will actively liaise with the respective national government representatives to guarantee their active participation. The participation and contributions of social partners will be coordinated through the Bureau for Workers' Activities (ACTRAV) and the Bureau for Employers' Activities (ACTEMP), with the Trade Union Confederation of Workers of the Americas (CSA) and the International Organisation of Employers (IOE).

4. Event structure and preliminary programme

The event will be structured around three 60-minute thematic sessions and a conclusion:

10:00 – 10:45: **Impact of COVID-19 on the labour situation of the Americas and policy responses** (7 minutes per intervention)

Focus: Repercussions of the pandemic on the world of work and the productive fabric. Impact on sectors. Overview of policy responses. Cost of informality and inequality. Analysis of socioeconomic and political risks.

Comments in accordance with the list of speakers (3 minutes)

- 10:45 – 11:45: **Stemming the spread of transmission to employment through promotion of enterprises, employment and income** (7 minutes per intervention)

Focus: Policy responses for stimulating the economy and employment. Financial and fiscal support to enterprises. Policies that create an enabling environment for sustainable enterprises. Policies for employment retention, paid leave and expansion of unemployment insurance. Extension of social protection. The future of teleworking. Reinforcement of occupational safety and health. Social dialogue and international labour standards during the reactivation. The situation of essential workers. Informal employment. Policies for vulnerable groups (older adults, youth, indigenous populations, migrants). Gender.

Comments in accordance with the list of speakers (3 minutes)

- 11:45 – 12:45: ***Bases for the recovery of labour markets in the medium and long term and construction of a better normal*** (7 minutes per intervention)

Focus: The role of the ILO Centenary Declaration and the Panama Declaration. Just transitions and green jobs. Productive transformation and sector diversification, productivity. Digitalization and platform economies. Capacity building and vocational and professional training for the future of work. Strengthening of institutions and processes of labour relations, collective bargaining and social dialogue. Promotion of international labour standards. Building of capacities and resilience of employers' and workers' organizations. Formalization of employment and universalization of sustainable social protection. Support to sectors and value chains.

Interventions in accordance with the list of speakers (3 minutes)

- 12:45 – 13:00: **Conclusion: Messages from the Americas for the Global Summit** (5 minutes per intervention)