

ILO African Regional Virtual Meeting

2nd July 2020

COVID-19 Crisis in Africa: Building Back Better

Concept Note

Introduction

After the first infections in China at the end of 2019, the Coronavirus disease (COVID-19) has continued to spread across the world. Declared a pandemic by the World Health Organization (WHO) on 11 March 2020, COVID-19 has become a global emergency, given its impact on the entire world population, the economy and the World of Work. Globally, as of 16th June 2020, WHO¹ reported there have been 7,941,791 infections, and 434,796 deaths. Of these, 251,866 cases have been confirmed in Africa with 6,769 deaths². Beyond the health impact, COVID 19 has severely affected the economy through the lockdown and restrictive measures, which have been put in place in most African countries – with long lasting socio-economic repercussions.

African countries have formulated policy responses to address the impact of COVID-19, drawing among others, from the *UN Framework for immediate socio-economic response to COVID-19* and the *ILO Policy Framework to fight COVID-19 crisis based on international standards*. These policy responses need to be applied effectively as the necessary prelude to gradual and safe returns to work. Critically, much debate is taking place about what the world of work will look like as we grapple to coexist with the pandemic, with the idea of a “new normal” at work gaining considerable currency. However, little effort is being made to distinguish between new practices, which will be required today with the threat that the virus poses, and the longer-term perspectives for the future that can be addressed free from those constraints. It is argued that whatever the limitations faced today, the future of work can and must be what we want it to be. Therefore, recovery plans need, from the outset to lay the foundations for the “better normal”. Africa is an active participant in this policy dialogue, to bring on the table the region’s peculiar dimensions.

The Impact of COVID-19 on the African Continent

Although the number of COVID-19 cases and fatalities might still appear low in Africa compared to other continents, the looming health crisis could have disastrous impacts on the continent’s already strained and under-resourced health systems, and indeed has already degenerated into substantial and widespread socio-economic hardships.

The impact of the lockdowns adopted to mitigate the pandemic has vastly surpassed that of the initial trade shocks and of the travel restrictions introduced soon after the outbreak. The uncertainty around the virus and the consequent policy actions, such as physical distancing and lockdowns, have led to a decline in demand for African products due to a sharp decline in global manufacturing activities, compounded by a decline in economic activity on the continent as the

¹ <https://covid19.who.int/>

² africacdc.org/covid-19/

labour force remains at home to combat the virus. Non-essential services, production and supply chains have been directly affected by the lockdowns, which has led, among other things, to a reduction in the number of hours worked as well as to losses in employment and income.

Consequently, the COVID-19 crisis is threatening the robust growth pattern in Africa and has severe implications for the achievement of decent work. According to the United Nations Economic Commission for Africa (ECA), in a best-case scenario, Africa's average GDP growth for 2020 will fall 1.4 percentage points, from 3.2 per cent to 1.8 per cent. In a worst-case scenario we anticipate Africa's economy contracting by up to 2.6 per cent in 2020.

ECA further estimates that between 5 million and 29 million people will be pushed below the extreme poverty line of \$1.90 per day owing to the impact of COVID-19, compared to the baseline 2020 African growth scenario. Vulnerable households affected by COVID-19 face an increased probability of moving into transient poverty by 17.1 per cent, a 4.2 per cent increased probability of staying in poverty for a decade or longer, and a fall in the probability of moving out of poverty by 5.9 per cent. Increased poverty levels will also exacerbate existing income inequalities.

The impact on employment in Africa is likely to be severe in urban areas. With urban-based sectors of the economy (manufacturing and services) which currently account for 64% of GDP, leading to substantial losses in productive jobs. In particular, the approximately 250 million Africans in informal urban employment (excluding North Africa) are and will be at risk – with more women working in this sector. Enterprises in African cities are highly vulnerable to COVID-19 related effects. As a result, the ILO currently estimates³ that Africa is likely to suffer an unprecedented loss in employment to the extent of 42 million full-time equivalent jobs (measured in working hours, assuming a 40-hour work week) in Quarter 2 of 2020.

Moreover, according to the latest ILO estimates, 80% of total employment in Africa took place in enterprises of less than 10 workers and close to 75% of total employment in informal economy enterprises of less than 10 workers⁴. The situation has deteriorated due to the pandemic. Confinement measures and a drop in demand have affected revenues of formal and informal enterprises. As business owners of MSMEs, in particular those in the informal sector, lack financial buffers to weather such crises, they are often compelled to sell their productive assets for use to quench immediate consumption needs for survival, impacting significantly the livelihoods of themselves and their workers.

Furthermore, with COVID 19, increased incidents of violation of workers' rights including salary deductions, terminations without cause, forced leave without pay etc. have been observed. The pandemic also threatens to undo all the progress that has been achieved in reducing the worst forms of child labour on the continent. By May 2020, 148 million jobs were at risk in informal enterprises engaging in high-risk sectors in Africa.

The most affected include waste recyclers, street vendors, and workers in transport, construction, domestic service, tourism, hospitality, arts and culture sectors, including small peasants in rural or peri-urban areas that were producing for the urban market. Women and persons with disabilities are particularly more vulnerable. Furthermore, migrant workers, whether national or

³https://www.ilo.org/wcmsp5/groups/public/@dgreports/@dcomm/documents/briefingnote/wcms_745963.pdf

⁴ <https://www.ilo.org/global/topics/employment-promotion/small-enterprises/covid-19-vis/lang-en/index.htm>

international, are particularly vulnerable as they may well be without a 'home' under lockdown, and lack access to neither formal nor informal social protection systems.

In summary, the impact of COVID-19 on enterprises, jobs and incomes in MSMEs and their workers, in particular in the informal economy, will be more severe given the inadequate or absence of social protection options available to them and their lower average income and productivity to start with. This could, disrupt the production and flow of goods and services, the collapse of economic units, increased inequality and poverty.

Policy Response Frameworks to Date

The *UN Framework for immediate socio-economic response to COVID-19* and the *ILO Policy Framework to fight COVID-19 crisis based on international standards*⁵ provide integrated and mutually reinforcing complementarity of health, humanitarian, and social and economic dimensions of the responses; and the understanding that these must lead to a process of building back better in the recovery period.

The ILO framework has structured the policy responses around four pillars, with each pillar complementing the others in sharing the weight of the enormous load faced by countries. International labour standards provide a tried-and-trusted blueprint for policy responses designed to facilitate a recovery that is sustainable and equitable. These standards make up the pedestal on which the four pillars rest. The pillars are:

- (a) Stimulating the economy and employment** - Active fiscal policy; accommodative monetary policy; and lending and financial support to specific sectors, including the health sector.
- (b) Supporting enterprises, jobs and incomes** - Provide various types of relief, including financial and tax relief, for enterprises; implement employment retention measures; and extend social protection to everyone.
- (c) Protecting workers in the workplace** - Strengthen occupational safety and health measures; adapt work arrangements (e.g. teleworking); prevent discrimination and exclusion; provide access to health for all; and expand access to paid leave.
- (d) Relying on social dialogue for solutions** - Strengthen the capacity and resilience of employers' and workers' organizations; strengthen the capacity of governments; and strengthen social dialogue, collective bargaining and labour relations institutions and processes.

ILO member States have implemented COVID-19 responses based on the above four pillars – and from the shared information on [national policy responses](#), the evidence is that actions in these areas have proven effective, especially in the short term. However, challenges remain.

ILO African Regional Virtual meeting

The virtual ILO meeting of tripartite constituents in the Africa Region will be held on 2nd July 2020, from 09:00 – 12:30 hrs (GMT) to discuss the responses to COVID 19 Crisis in order to build back

⁵ It should be emphasised that the ILO framework continues to be aligned to the UN 2030 Agenda for Sustainable Development; the African Union Agenda 2063; ILO Centenary Declaration on the Future of Work; and the ILO Abidjan Declaration of the 14th African Regional Meeting.

better; as part of the process leading to the [ILO Global Virtual Summit and the World of Work](#) on 7-9 July 2020.

It is acknowledged that 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 probable social upheaval. Furthermore, the pandemic has reaffirmed the need to implement the Centenary Declaration, Abidjan Declaration, and clearly shown the human price of failing to do so.

Therefore, the process of building back better will need to respond to some pressing questions and challenges. In particular, the African Regional Virtual Meeting will seek to address the following (in short, medium and long term):-

- (i) How to promote sustained, inclusive and sustainable growth, full and productive employment and decent work for all in Africa? How can COVID-19 responses be designed to ensure that Africa recovers quickly and effectively addresses 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 compounded 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) What are the sectors of economic activity and categories of worker who require particular support and attention? How 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?
- (iv) How can the reduction and elimination of poverty and imperatives of rights and social justice be placed as central objectives of the recovery process?
- (v) How would 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?

Objectives of the ILO African Virtual Regional Meeting

The objectives of the ILO African Virtual Regional Meeting is to present a platform for the tripartite constituents to:

- (a) Discuss the impact of COVID 19 on the World of Work in Africa, while addressing the questions above, in the context of the Centenary Declaration, Abidjan Declaration and the ILO policy framework for response to COVID 19;
- (b) Share good practises in responding to the impact of COVID 19 on the World of Work in the context of the ILO framework (stimulating the economy and employment, supporting enterprises, jobs and incomes, protecting workers in the workplace, based on social dialogue), while also while addressing the specific needs of the informal economy; and

- (c) Advocate for concrete measures to respond to the impact of COVID 19 in Africa.

Participants

- a. Government through the Ministries of Labour. Other relevant Ministries will be invited
- b. Representative of Workers' Organizations
- c. Representatives of Employers' Organizations

The African Union Commission, Regional Economic Communities, Regional Labour Administration Centres, Representatives of Informal Economy Operators, Economic Commission for Africa and other United Nations agencies, African Development Bank, World Bank and other development partners will be invited.

Format of the Virtual Meeting

The meeting will be moderated by Ms Nozipho Mbanjwa, and organized as follows:

Opening	09:00-09:35
Speakers:	Regional Director Government Representative Employers' Organizations Representative Workers' Organizations Representative African Union Commission
Panel 1	09:40- 10:50 ILO policy framework for responding to the COVID-19 crisis – Building Back Better in Africa Speakers: (20min) Minister of Labour Minister of Finance/Economy/Planning Employers' Organizations Representative Workers' Organizations Representative Open Discussion (50 minutes) (by Ministers, Senior Officials, Workers and Employer Representatives) <i>Interventions based on the list of speakers</i> <i>A maximum of three (3) minutes will be allocated for each intervention.</i>
Panel 2	10:55-12:05 Addressing Challenges of the formalization of the Informal Economy in Africa Speakers: (20 min) Minister of Labour Employers' Organizations Representative Workers' Organizations Representative Informal Economy Representative

Open Discussion (50 minutes)
(by **Ministers, Senior Officials, Workers and Employers
Representatives**)

Interventions based on the list of speakers

A maximum of three (3) minutes will be allocated for each intervention.

Closing:

12:10-12:30

Strategic Messages from Africa

Government

Employer

Worker

Regional Director

Meeting Logistics

- There will be simultaneous interpretation in the following languages: Arabic, English and French.
- The regional event will be conducted using a Zoom platform.
- The Office will soon provide you with the connection details.
