

# ► Policy brief

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## A policy framework for tackling the economic and social impact of the COVID-19 crisis

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## ► Introduction

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In June 2019, the International Labour Organization's (ILO's) 187 member States adopted the ILO Centenary Declaration for the Future of Work,<sup>1</sup> calling on the Organization to pursue "with unrelenting vigour its constitutional mandate for social justice by further developing its human-centred approach to the future of work, which puts workers' rights and the needs, aspirations and rights of all people at the heart of economic, social and environmental policies". Less than a year later, the coronavirus disease 2019 (COVID-19) has plunged the world into a crisis of unprecedented scope and scale that has made the imperatives set out in the Centenary Declaration even more urgent as the international community engages in a collective endeavour to tackle the devastating human impact of the pandemic.

This crisis has a human face and, as such, it calls for a human-centred response. In this policy brief the ILO offers comprehensive and integrated recommendations on the key areas of policy action that should form part of that response. The brief is addressed at ILO constituents (governments, employers and workers), policy-makers and the general public.

While restoring global health remains the uppermost priority, it cannot be denied that the strict measures required have caused massive economic and social shocks. With the prolongation of lockdown, quarantine, physical distancing and other isolation measures to suppress transmission of the virus, the global economy is sliding into a recession. As supply chains disintegrate, whole sectors collapse and enterprises close, more and more workers face the prospect of unemployment and loss of their incomes and livelihoods, while many micro- and small enterprises are on the verge of bankruptcy. All too often, regardless of where they live, workers and their families lack income support and social protection to keep them from falling into poverty. Developing economies, which already have high levels of working poverty and weak or absent social infrastructure and services, face uniquely pressing challenges in fighting the pandemic.

Countries around the world have introduced a first round of stimulus packages to rescue their economies and support their citizens.<sup>2</sup> The specific policies chosen by countries will determine in what shape their economies and societies will ultimately emerge

from this crisis. A number of key considerations must be taken into account.

First, only by balancing support for enterprises, on the one hand, with support for workers and their families, on the other, will governments be able to address properly the crisis' human dimension. Governments must tailor their support packages so as to save businesses and jobs, prevent layoffs, protect incomes and leave no one behind. It is necessary to focus on all those who work – including the self-employed, own-account workers and "gig workers" – whether in the formal or informal economy, whether paid or unpaid, and of course also on those who have no way of supporting themselves.

Second, the urgency of the crisis and the immediate need for action must not serve as a pretext for jettisoning the normative framework. International labour standards, together with the Decent Work Agenda and the 2030 Agenda for Sustainable Development, provide a strong basis for efforts at the national level to "build back better". These international instruments form an integral part of a broader human rights agenda for recovery.

Third, social dialogue must remain at the heart of policy-making during the crisis. This will help anchor labour market policies in the normative framework, ensure the prompt implementation of measures, strengthen social inclusion and foster a sense of common purpose. The experience of the Great Recession of the late 2000s and of other crises has proved the value of social dialogue in designing effective solutions. In the present crisis, where isolation is the order of the day, the use of technology and other innovative measures can keep governments and the social partners (i.e. employers' and workers' representatives) connected, as indeed many countries have already discovered.

Lastly, we cannot recover without global solidarity. International organizations, including the international financial institutions, play a key role in providing support – financial and otherwise – and it is important to ensure that they communicate coherent messages. Advanced economies must not only attend to the needs of their own populations but also assist countries that cannot achieve recovery on their own. The strength of the international community depends on not leaving its most vulnerable members in the lurch.

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1 ILO: [ILO Centenary Declaration for the Future of Work](#), International Labour Conference, 108th Session, Geneva, 2019.

2 ILO: [COVID-19 and the world of work: Country policy responses](#), web page [accessed 10 May 2020].

## ► A policy framework for responding to the COVID-19 crisis

### Understanding how the crisis affects the labour market

The present crisis is quite different from previous ones. 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 (these restrictions had significant but mainly sector-specific impacts). Non-essential services and production were directly affected by the lockdowns, which led, among other things, to a reduction in the number of hours worked and to job losses. Unless they receive government assistance, previously viable businesses risk going bankrupt. Countries with greater dependence on the service sector, higher levels of informality and weak safeguards against the termination of employment have experienced much higher initial job losses.

Disruptions in trade and along global supply chains had negative effects on developing economies even before the lockdowns were extended. The fall in commodity prices worldwide will weaken exporting countries' trade position even further and reduce employment in exporting sectors, which in turn drives fiscal revenue down. Massive capital outflows have led to currency devaluations, making debt servicing and the importing of food and medical supply more onerous, all of which put additional pressure on developing countries' fiscal balance. This further constrains their ability to respond to the crisis adequately. The effects on enterprises, jobs and incomes will be more severe unless proper measures are taken, all the more so given that workers in these countries already enjoyed less protection and had lower incomes to start with. Moreover, these countries are characterized by labour market volatilities and by the fact that a large majority of their businesses are micro-enterprises operating in the informal economy.

The crisis has had a different impact on enterprises, on workers and on their families, though in each case deepening already existing disparities. Special attention needs to be given to the following groups:

- Women, who hold 70 per cent of jobs in the health and social care sectors and are therefore often on

the front line of the response to the crisis<sup>3</sup> (they are also over-represented in the informal service sector and in the labour-intensive manufacturing sector);

- Informal economy workers, casual and temporary workers, workers in new forms of employment, including those in the "gig economy";<sup>4</sup>
- Young workers, whose employment prospects are more sensitive to fluctuations in demand;<sup>5</sup>
- Older workers, who even in normal times face difficulties in finding decent work opportunities and are now burdened with an additional health risk;
- Refugees and migrant workers,<sup>6</sup> especially those engaged as domestic workers and those working in construction, manufacturing and agriculture;
- Micro-entrepreneurs and the self-employed – particularly those operating in the informal economy, who may be disproportionately affected and are less resilient.<sup>7</sup>

The greater impact of the crisis on workers and micro-enterprises already in a vulnerable situation in the labour market could well exacerbate existing working poverty and inequalities. Moreover, the crisis can potentially give rise to and deepen grievances, mistrust and a sense of injustice over access to health services and to decent jobs and livelihoods, leading to social tensions that could undermine development, peace and social cohesion. With the international community's support, countries need to act swiftly to shore up their economies and protect jobs and incomes, taking into account the specific risks of certain groups.

### The ILO's four-pillar policy framework

The ILO has structured its key policy messages for response to the crisis around four pillars. Like any solid foundation, each pillar complements 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

3 E. Pozzan and U. Cattaneo: *Women health workers: Working relentlessly in hospitals and at home*, ILO news story, 7 Apr. 2020.

4 J. Berg: *Precarious workers pushed to the edge by COVID-19*, ILO blog post, 20 Mar. 2020.

5 ILO: *The impact of COVID-19 on youth employment*, ILO policy brief, forthcoming.

6 ILO: *Protecting migrant workers during the COVID-19 pandemic*, ILO policy brief, 30 Apr. 2020.

7 ILO: *COVID-19 crisis and the informal economy: Immediate responses and policy challenges*, ILO policy brief, 5 May 2020.

and equitable. These standards make up the pedestal on which the four pillars rest.

International labour standards can serve as a “decent work compass” in the response to the COVID-19 crisis.<sup>8</sup> First, upholding key provisions of these standards (particularly those dealing with safety and health, working arrangements, protection of specific categories of workers, non-discrimination, social security and employment protection) ensures that workers, employers and governments can maintain decent work while adjusting to the socio-economic consequences of the pandemic. Second, a wide range of ILO standards – covering such areas as employment, social protection, wage protection, the promotion of small and medium-sized enterprises, and workplace cooperation – contain specific guidance on policy measures that can be used to underpin a human-centred approach to management of the crisis and to recovery efforts. The guidance provided by these standards is applicable to the

specific situation of certain categories of workers (e.g. nursing personnel, domestic workers, migrant workers, seafarers and fishers) who, as has become clear, are extremely vulnerable to the effects of the crisis.

Adherence to international labour standards contributes, moreover, to a culture of social dialogue and workplace cooperation that is key to shaping the recovery and preventing a deterioration in employment and labour conditions during and after the crisis.

Some policy actions, notably social protection, not only support jobs and incomes (Pillar 2) but also protect workers in the workplace (Pillar 3) and are therefore cross-cutting. Those responsible for designing country-level strategies should draw on policy recommendations from each pillar, as appropriate, and take any cross-cutting elements into consideration.

► **The ILO’s four-pillar policy framework, based on international labour standards, for tackling the socio-economic impact of the COVID-19 crisis**

### 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

8 ILO: [Why international labour standards matter in a public health crisis](#), video, 27 Mar. 2020.

## ► Pillar 1: Stimulating the economy and employment

The COVID-19 crisis impacts on both the demand and the supply sides of the labour market, and it has major implications for the goal of ensuring full employment and decent work. In particular, the crisis is pushing many families into poverty and increasing existing inequalities.<sup>9</sup>

Tackling the economic, employment and social consequences of this crisis calls for judicious policy sequencing. First, immediate stimulus packages are needed to strengthen the health sector while mitigating the impact on economies and labour markets through the provision of financial relief for enterprises (particularly micro- and small enterprises) and of income support for workers. Ideally, these policies need to be informed by rapid and reliable assessments of the impact of the lockdowns on economic activity, jobs and households.<sup>10</sup> Sectoral variations should be carefully analysed so as to facilitate sector-specific responses.<sup>11</sup> The measures taken should include the provision of support for workers and enterprises in all the sectors affected so as to prevent further contractions in consumption and investment. One important lesson learned from earlier crises is that support for employment and social protection must be a core element of stimulus packages.<sup>12</sup>

Second, once the spread of the virus has been contained and normal activity slowly resumes, a demand-led employment strategy for a medium- to longer-term recovery of jobs and incomes will be required. This strategy should include promoting employment creation in strategic sectors; restoring a conducive business environment and reinvigorating productivity growth; diversifying the economy and encouraging structural transformation; and making best use of technological advances. The rate at which restrictions may be eased without endangering public health, along with the very real possibility of restrictions being reintroduced if the infection rate starts increasing again, is likely to lead to cautiousness in spending on the part of consumers and to low investment by firms. The combined effect of the latter will probably be weaker demand and lower production and employment

levels. These behavioural changes are likely to be long-lasting. It is important to consider the adoption of measures to restore consumer and business confidence, both of which are essential to prevent an economic depression and accelerate the recovery.<sup>13</sup> While households and the private sector are likely to continue to be cautious, governments can play a decisive role by boosting demand in the construction sector through infrastructure-based stimulus packages, as has been done after other crises in the past. From a recovery perspective, the construction sector has a number of key advantages: it is relatively labour-intensive; its activities can be targeted at geographical areas with particular economic problems; and, in most countries, this sector has a large share of local inputs. It is also able to absorb workers from other sectors relatively easily.

Not all countries are equally prepared to meet the above-mentioned challenges. In addition to suffering the impacts of lockdowns and lower global demand, developing economies are seeing their already limited fiscal space shrink further because of falling fiscal revenues and rising capital outflows. This results in higher borrowing costs and currency devaluations, undermining debt sustainability.<sup>14</sup> Countries experiencing fragility, protracted conflicts, recurrent natural disasters or forced displacement of certain population groups will face even greater challenges.<sup>15</sup> Global support for national stimulus packages is necessary to save lives in these countries, bolster their economies and labour demand, safeguard enterprises, jobs and incomes, and protect workers in the workplace.

### Fiscal and monetary policies must support employment and social protection

The timely and coordinated implementation of fiscal and monetary policies can save lives, prevent people from losing jobs and incomes and companies from suffering bankruptcy, and facilitate a sustainable recovery.

9 ILO: *ILO Monitor: COVID-19 and the world of work*, [First edition](#) (18 Mar. 2020), [Second edition](#) (7 Apr. 2020), [Third edition](#) (29 Apr. 2020).

10 ILO: *Rapid diagnostics for assessing the country-level impact of COVID-19 on the economy and labour market: Guidelines*, ILO technical brief, 5 May 2020.

11 ILO: *COVID-19 and the world of work: Sectoral impact, responses and recommendations*, web page [accessed 10 May 2020].

12 ILO: *Social protection responses to the COVID-19 crisis: Country responses and policy considerations*, ILO brief, 23 Apr. 2020.

13 ILO: *ILO Monitor: COVID-19 and the world of work, Third edition*, 29 Apr. 2020.

14 United Nations Conference on Trade and Development (UNCTAD): *The COVID-19 shock to developing countries: Towards a "whatever-it-takes" programme for the two-thirds of the world's population being left behind*, UNCTAD/GDS/INF/2020/2, Mar. 2020

15 ILO: *Coping with double casualties: How to support the working poor in low-income countries in response to COVID-19*, ILO policy brief, 16 Apr. 2020.

Accommodative monetary policies are already enabling governments to adjust their fiscal policies in support of the economy, making large amounts of public money available to enterprises, workers and households to help them overcome the immediate negative impacts of the economic recession induced by the response to the COVID-19 pandemic. Monetary policy tools must continue to be used to ease financial conditions and alleviate liquidity constraints, thereby giving governments the fiscal space that they need to support business continuity and household income.

Available fiscal policy tools include higher spending and forgone revenues (e.g. through tax exemptions), public sector loans and equity injections, and loan guarantees. Fiscal support is also provided by “automatic stabilizers” – features of the tax and benefit system that stabilize incomes and consumption, such as progressive taxation and unemployment benefits. All these tools are already being used in the response to the economic and social impact of the pandemic. Advanced economies can draw on a wide range of instruments on the spending, tax and liquidity front to support people and businesses. For example, several European countries have introduced liquidity lifelines, such as affordable loans or guarantees, to ensure business continuity for small enterprises and self-employed entrepreneurs.

Emerging market and developing economies typically have less leeway in their budget to respond to crises. Debt relief and temporary suspension of debt service payments are necessary to help such countries channel more of their scarce financial resources into emergency medical efforts and other forms of assistance for their citizens. The poorest countries should not have to choose between honouring their debt obligations and protecting their populations, which altogether comprise two-thirds of those living in extreme poverty worldwide.<sup>16</sup>

Investing in public employment programmes can be an effective part of the crisis response in developing countries, especially if such programmes are adapted to mitigate the health risks associated with COVID-19 and deployed only when the public health situation allows. In the absence of a strong social protection system, these interventions can provide work and income for large numbers of unemployed and informal workers affected by the crisis, enabling them to remain economically active. Moreover, public

employment programmes can address various multi-sectoral needs, such as care work, environmental restoration and community infrastructure.<sup>17</sup>

The ongoing first wave of stimulus packages is not enough. Countries will need macroeconomic policies geared towards a medium-term recovery. Direct government intervention will be necessary after the most acute health emergency and containment phases are over. The effect of the crisis on commodity prices, capital flows and trade and supply chains will make it harder for many countries to recover better. Therefore, international financial support and coordinated fiscal and monetary policies will be absolutely essential to drive a global recovery that benefits the weakest as well as the strongest economies. Even after the immediate health crisis has subsided, it is imperative that countries continue their support for enterprises (especially micro-, small and medium-sized enterprises),<sup>18</sup> expand their labour market interventions to get people back into work, and sustain social protection measures and social spending. Social expenditure has a larger positive multiplier effect on the economy than other measures (e.g. tax reductions for higher-income earners, extension of tax credit for first-time homebuyers and some corporate tax provisions), and can help to promote social and political stability.

## Sectoral policies<sup>19</sup>

Short-term sectoral policies include immediate financial support for investments in sectors that have been hit particularly hard by the crisis. Such targeted support may take the form of financial relief, bailouts, bridging loans or grants. To save lives, governments should finance additional health and emergency services regardless of expenses. Investments in the health and social care sectors are essential in order not only to expand treatment and limit the number of deaths but also to improve the employment conditions and earnings of health and social care workers.<sup>20</sup> Additional fiscal resources are required to strengthen health systems, as are improved coordination, service distribution and delivery, with a central role being accorded to public provision. To maximize their effect, such investments need to be sustained, expanded and anchored in legal and financial frameworks. Global coordination can help to channel support to countries with health systems of limited capacity, including humanitarian aid, medical

<sup>16</sup> ILO: *Financing social protection in developing countries*, ILO policy brief, forthcoming.

<sup>17</sup> ILO: *The role of public employment programmes in the early recovery*, ILO policy brief, forthcoming.

<sup>18</sup> M. Berríos: *Which policies can help small businesses withstand COVID-19?*, ILO blog post, 16 Apr. 2020.

<sup>19</sup> Detailed policy recommendations for both essential sectors and some of the most hard-hit sectors are provided in: *COVID-19 and the world of work: Sectoral impact, responses and recommendations*, ILO web page [accessed 10 May 2020].

<sup>20</sup> ILO: *COVID-19 and the health sector*, ILO sectoral brief, 11 Apr. 2020.

resources and concessional emergency financing. Moreover, public emergency services, essential infrastructure, utilities, education and many social services must be maintained or scaled up. Lastly, support must be provided to selected sectors so that they can secure primary and intermediary inputs for production through global supply chains.

The lack of fiscal space, along with borrowing constraints, in many emerging market and developing economies means that a careful balancing act is required to shift expenditure towards the health sector while safeguarding social protection expenditure and vital public services (transport, energy, communications, water, sanitation and security).

Funding should also be made available for strong active labour market policies to accompany the above-mentioned sectoral interventions. Such policies can ensure that the necessary investments in workers' skills are made to facilitate relocation or re-employment. They can also be used to provide job-search assistance and intermediation support to workers and employers, ensuring that workers can be recruited rapidly in the sectors that are expanding as a result of the pandemic (e.g. health, food and beverages), and also that workers are able to relocate to expanding production units in companies.

## ► Pillar 2: Supporting enterprises, jobs and incomes

Efforts to contain the spread of the virus have disrupted production flows, caused demand for non-essential goods and services to plummet, and forced enterprises around the world to suspend or scale down operations. Small and medium-sized enterprises (SMEs) and own-account workers have been those hit hardest.<sup>21</sup> The jobs and incomes of millions of workers are at risk. Moreover, the pandemic is bringing to light existing high levels of inequality<sup>22</sup> and working poverty and the absence of labour and social protection for many workers, especially those engaged in the informal economy.<sup>23</sup>

Rapid and well-designed policy measures to support enterprises, jobs and incomes are essential to contain the economic and social fallout of the pandemic. SMEs play a vital role both in the immediate response to the crisis and in the medium term by propelling a sustainable and resilient recovery. The measures adopted by governments should therefore include immediate support for enterprises in the sectors most affected and for workers and households facing job and income losses. The exact combination of measures will vary depending on national circumstances, including the structure of the economy, existing trends in inequality, and the economic and social policies that are already in place.<sup>24</sup>

Governments, together with employers' and workers' organizations, must act swiftly to support enterprises, jobs and incomes. Most advanced economies, along with many developing economies, have adopted extraordinary measures aimed at helping enterprises to maintain jobs, cushioning households against temporary drops in income, ensuring adequate levels of social protection and stabilizing credit and financial markets.<sup>25</sup> Further large-scale measures are still necessary, though.

### Provide various types of relief, including financial and tax relief, for enterprises

The response to the crisis calls for a strong focus on supporting business continuity<sup>26</sup> to save as many jobs as possible and to pave the way towards a smoother and quicker recovery by preventing permanent business closures. In developing countries, mitigating the contraction of the formal private sector is essential to prevent a rise in poverty. Implementing public works policies across labour-intensive sectors to avoid such a scenario should be a priority. Measures in support of formal enterprises must be executed alongside measures to help micro- and small enterprises in the informal sector, as in many countries these employ the majority of

21 The briefing notes in the series *ILO Monitor: COVID-19 and the world of work* provide regularly updated estimates of the impact of the crisis on workers and enterprises.

22 P. Belsler: "COVID-19 cruelly highlights inequalities and threatens to deepen them", ILO news story, 30 Mar. 2020.

23 ILO: *COVID-19 crisis and the informal economy: Immediate responses and policy challenges*, ILO policy brief, 5 May 2020.

24 ILO: *Interventions to support enterprises during the COVID-19 pandemic and recovery*, ILO brief, 16 Apr. 2020.

25 ILO: *COVID-19 and the world of work: Country policy responses*, web page [accessed 10 May 2020].

26 ILO: *Interventions to support enterprises during the COVID-19 pandemic and recovery*, ILO brief, 16 Apr. 2020.

the population. Enterprises operating in the informal economy have limited capacities. Because of their poor chances of survival otherwise, they need to receive tailored support.<sup>27</sup>

Measures to help enterprises cover their fixed costs during the crisis need to be introduced swiftly. Getting cash to firms promptly so that they can pay their bills and their workers' wages and repay their loans is vital. Possible measures include the waiver of payments due, grants, tax incentives, making credit available, employment-intensive investment and government procurement with preference given to SMEs, including women-owned enterprises.<sup>28</sup>

Governments need to coordinate the restrictions they introduce so that enterprises continue to have access to essential business inputs and other goods and services. The quickest payment channels, including "mobile money" and other digital payment services, must be operationalized and the payment of outstanding balances to the private sector must be expedited.

Governments can support enterprises in the reconversion of their facilities to produce specific goods and provide specific services that are required to protect the public and essential workers. Some multinationals and large national enterprises have already embarked on such reconversion.

Suitable mechanisms are required to channel financial and other support to enterprises – for example, by setting up rapid and effective digital market platforms for investment, inputs, final products and technologies; providing special emergency funds; and promoting the transfer of technology and expertise. Governments need to make it easier for new enterprises to be set up and for existing enterprises to alter their business model in response to the pandemic.<sup>29</sup>

## Implement employment retention measures

Employment retention measures provide incentives to employers to hold on to workers even if a firm has to close or decrease its activity. The main objective is to keep workers on the payroll so that enterprises are ready to resume activity as soon as the restrictions have been eased or lifted. Such measures may include work sharing and shorter working weeks, wage subsidies, temporary suspensions of tax payments and social security contributions, and making access

to various forms of business support conditional on the retention of workers. In some cases, employers may receive subsidies for guaranteeing that laid-off employees can return to work for them again once the situation improves. Enterprises with a number of different production lines or subsidiaries may relocate workers to higher-demand lines – for example, as part of the repurposing of production to manufacture medical and other products needed for the response to the pandemic. Such measures are suitable for enterprises of all sizes, and they have already been widely implemented in European countries, helping to preserve employment relationships and facilitating the recovery phase.

Work sharing is a reduction of working time that involves spreading a reduced volume of work over the same number of workers to avoid layoffs. In the context of the COVID-19 pandemic, a number of key issues need to be addressed in order to ensure inclusiveness and equity when introducing work-sharing arrangements (e.g. Which specific workers should be covered? To what extent should working hours be reduced and the corresponding wages be decreased? How should the reduced hours of work be distributed over time? How long will the arrangements be in place? What levels of employment will be maintained?) Where "time-saving accounts" exist, some of the hours accumulated can be struck off as a way of retaining workers. All of these measures should be guided by dynamic social dialogue between employers' organizations and trade unions to ensure that their design and implementation are based on consensus and tailored to the workplaces involved. The social partners have been negotiating and implementing short-hour work schemes in various European countries. Through collective bargaining such schemes have been introduced at industry level and in specific companies. The measures for reduced working hours recently adopted in the European Union in response to the pandemic were all negotiated between trade unions, employers' organizations and governments.

It is important that decreased earnings be compensated for through wage supplements. Substantial reductions in both hours of work and wages can cause serious hardship, particularly among low-wage workers. In Austria, a recently adopted measure provides for the lowest-paid workers receiving 90 per cent of their normal wages, middle earners receiving 85 per cent and higher earners receiving 80 per cent.<sup>30</sup>

27 For more information, see ILO: [COVID-19 enterprises resources](#), web page [accessed 10 May 2020].

28 See the e-learning course [Supporting SMEs during COVID-19](#), which was developed by the ILO International Training Centre.

29 ILO: [Restructuring for recovery and resilience in response to the COVID-19 crisis](#) (Geneva, 2020).

30 ILO: [COVID-19 and the world of work: Country policy responses – Austria](#), web page [accessed 10 May 2020].

Employment retention measures can be linked effectively to the provision of new training opportunities for workers. For example, online courses can be offered to help develop workers' skills so that they are more adaptable and can transition quickly to different jobs once normal activity resumes. During the recovery, reduced working hours can be combined with periods of training leave and the use of tailored work-based learning and online courses to maximize the return on training investments. The provision of such training can be delivered in many different ways, including online learning platforms, work-based learning, multi-channelled career guidance and digitally supported recognition of prior learning, especially in developing countries.<sup>31</sup>

Measures to retain workers depend on the country's social protection system, notably on the availability and scope of unemployment insurance.<sup>32</sup> Most countries operating work-sharing schemes rely on short-time work benefits administered and financed through the national unemployment insurance programme, often supplemented by resources from the general government budget. Other countries use direct tax financing of wage subsidies (provided as either a lump sum or as a percentage of a worker's pay up to a particular ceiling) to preserve existing jobs. In Denmark, the Government will fund 75 per cent of wages up to 23,000 Danish kroner (around €3,000) if a company refrains from making workers redundant.<sup>33</sup>

Given the funding implications and the exclusion of the vast number of informal enterprises from the ambit of employment retention measures, the implementation of such measures may be challenging in many developing countries, particularly in those already affected by fragility. An alternative to employment retention measures for these countries is the provision of temporary job opportunities, notably through public employment programmes. For example, employment-intensive investment programmes can be leveraged to provide temporary work for women and men facing job losses or reduced incomes while promoting social cohesion in communities.<sup>34</sup>

Employment retention measures should also cover migrants and refugees.<sup>35</sup> Providing equal opportunities can increase productivity and reduce societal tensions.

## Extend social protection to everyone

The crisis has drawn attention once again to the importance of ensuring universal access to social protection systems, including social protection floors, that provide comprehensive and adequate benefits meeting people's needs.<sup>36</sup> Countries that in the past decades have invested sufficient resources in building universal social protection systems have been able to quickly scale up existing mechanisms, including registry and delivery mechanisms, and to extend protection to population groups that were previously not covered. Countries that do not yet have robust social protection systems in place are in a more difficult situation, but many have started to extend health protection and income support to those affected by the crisis. Some of these countries will need international support to complement their own efforts and help sustain them.<sup>37</sup> In both advanced and developing economies, those who lack social protection – including part-time and temporary workers, micro-entrepreneurs and the self-employed, many of whom are operating in the informal economy and/or may be migrant workers – have been hit particularly hard by job and income losses.

As of 17 April 2020, 108 countries and territories had implemented social protection measures as part of their response to the COVID-19 crisis, especially in the areas of health protection, unemployment protection, sickness benefits and social assistance.<sup>38</sup> This has helped to ensure inclusive and effective access to health care and income security, thereby supporting jobs, livelihoods and incomes, notably among those in a vulnerable situation.<sup>39</sup>

In responding to the crisis, some countries have introduced ad hoc sickness benefits financed by general taxation to cover workers who are not entitled to sickness benefits otherwise, while others

31 ILO: *Distance and online learning during the time of COVID-19*, ILO policy brief, April 2020.

32 See ILO: *World Social Protection Report 2017–19: Universal social protection to achieve the Sustainable Development Goals* (Geneva, 2017), section 3.3.

33 ILO: *COVID-19 and the world of work: Country policy responses – Denmark*, web page [accessed 10 May 2020].

34 ILO: *Coping with double casualties: How to support the working poor in low-income countries in response to COVID-19*, ILO policy brief, 16 Apr. 2020.

35 ILO: *Protecting migrant workers during the COVID-19 pandemic*, ILO policy brief, 30 Apr. 2020.

36 ILO: *Universal social protection for human dignity, social justice and sustainable development*, General Survey concerning the Social Protection Floors Recommendation, 2012 (No. 202), International Labour Conference, 108th Session, Geneva, 2019; ILO: *Universal social protection: Key concepts and international framework*, Social Protection for All Issue Brief (Geneva, 2019).

37 The section entitled “Social protection response to the COVID-19 crisis” on the ILO online platform Social Protection Monitor provides tools and resources to support countries in this endeavour.

38 For an overview of social protection policy responses to the COVID-19 crisis, see the ILO's *Social Protection Monitor*.

39 ILO: *Social protection responses to the COVID-19 crisis: Country responses and policy considerations*, ILO brief, 23 Apr. 2020; ILO: *Social protection responses to the COVID-19 crisis: Country responses in Asia and the Pacific*, ILO brief, 25 Mar. 2020.

are rolling out cash transfers that reach some groups of informal workers. As part of a recovery strategy, countries can draw on the ILO's experience and body of standards or guidance on how to turn these stop-gap measures into more permanent components of a rights-based social protection system.<sup>40</sup> Anchoring social protection schemes/programmes in national legislation will promote transparency and accountability, and ensure sustainable and equitable financing mechanisms.

While the crisis has expedited much-needed reform by compelling numerous governments to temporarily extend social protection to previously uncovered groups, these temporary measures will need to be transformed into sustainable social protection mechanisms in line with international social security standards once the recovery is under way. This will help to promote social justice and build more resilient economies and societies.

## ► Pillar 3: Protecting workers in the workplace

While many people have lost their jobs and income, many others continue to work. Making sure that work can be performed safely is a shared priority.

Health and social care workers, cleaners, agricultural workers, and many others on the front line of the response to the crisis provide essential services.<sup>41</sup> Implementing adequate health and safety measures in these sectors, as well as promoting supportive working environments, is key to helping workers cope in these challenging times.

Others are teleworking from home, sometimes for the first time. Dealing with isolation, participating in and/or managing online teams, maintaining productivity while working remotely, and balancing paid work and unpaid domestic care work (especially with many childcare facilities and schools being closed) can all become very challenging.

The rise in domestic violence that has been observed since the start of the pandemic is also a source of public concern.<sup>42</sup>

In the absence of social safety nets and adequate income support, many workers in the informal sector, especially in developing countries, have hardly any choice but to continue to work despite restrictions on movement and social interaction.

Protecting workers is more challenging than usual, particularly with regard to workers in nonstandard forms of employment and in the informal economy. Many such workers, a large majority of whom are women, lack adequate labour and social protection.<sup>43</sup> Moreover, many of these workers are young or come from particular groups that face multiple layers of

discrimination and stigma at work and in society, such as people with disabilities, indigenous peoples, people living with HIV and migrants.<sup>44</sup>

Strengthening occupational safety and health, adjusting work arrangements, preventing discrimination and exclusion, and providing access to health care and paid leave (and also to food and social services for the most vulnerable) are all indispensable strands of a coordinated health and social policy response to the crisis.

### Strengthen occupational safety and health measures and promote the implementation of public health measures in workplaces

Controlling COVID-19 outbreaks in workplaces plays a crucial role in containing the spread of the virus, thereby protecting all workers and communities, and also having a positive impact on business continuity and employment.<sup>45</sup>

National workplace policies should strive for fast detection and containment at early stages of transmission, and for mitigation and elimination of the risk of outbreak through coordinated action between the health and labour sectors, with the involvement of the social partners.

Measures should be oriented towards minimizing the spread of the virus in the workplace. They can include adjusting work arrangements (e.g. promoting

40 ILO: [“Why international labour standards matter in a public health crisis”](#), video, 27 Mar. 2020.

41 ILO: [COVID-19 and the world of work: Sectoral impact, responses and recommendations](#), web page [accessed 10 May 2020].

42 A. Taub: [“A new COVID-19 crisis: Domestic abuse rises worldwide”](#), in *The New York Times*, 6 Apr. 2020.

43 ILO: [The COVID-19 response: Getting gender equality right for a better future for women at work](#), ILO policy brief, 11 May 2020.

44 ILO: [Protecting migrant workers during the COVID-19 pandemic](#), ILO policy brief, 30 Apr. 2020.

45 ILO: [In the face of a pandemic: Ensuring safety and health at work](#) (Geneva, 2020). This report was issued on 28 April 2020, World Day for Safety and Health at Work.

telework, staggered working hours and breaks) and work environments (e.g. to implement physical distancing), promoting workplace hygiene, providing workers with reliable and accessible information on healthy behaviours, and identifying and managing suspected COVID-19 cases.

Enterprises should be given tailored practical guidance on and assistance with risk management and the introduction of appropriate control and emergency preparedness measures, including measures to prevent new outbreaks.<sup>46</sup> The specificities of particular sectors and groups of workers need to be taken into consideration. Particular attention should be paid to workers in front-line emergency services or in direct contact with the public, who are often exposed to a higher risk of contagion, heavy workloads, increased stress and even violence. Special protection measures may include adapted facilities, the free provision of adequate personal protective equipment, and psychological support. The safety and health of those working from home should also be addressed, with especial attention being paid to the effects of isolation and anxiety, ergonomics, the balancing of work and family, and the promotion of a healthy lifestyle.

Lastly, governments, in collaboration with employers' and workers' organizations, must look into the critical needs of vulnerable workers, such as those in the informal economy, migrant workers and refugees, for whom it may be difficult to comply with public health guidelines related to physical distancing and hygiene. Measures to protect these workers can include awareness-raising on safe work practices, the free provision of personal protective equipment (including soap for handwashing) as needed, access to public health services, and alternative livelihoods.

Workplace emergency preparedness plans designed in response to the present health crisis need to be integrated into occupational safety and health (OSH) management systems. The continuous monitoring of OSH conditions and appropriate risk assessments can ensure that control measures are adapted to the evolving processes, conditions of work and characteristics of the workforce during the contagion period and afterwards. Decisions on control measures should be specific to each workplace and in accordance with the guidelines issued by national

and local authorities.<sup>47</sup> Employers should also assess violence, harassment and psychosocial risks. Effective preventive action in workplaces requires consultation with workers and workers' representatives.

## Adapt work arrangements

Adjusting work processes and work arrangements through measures such as teleworking reduces the risk of workers contracting and spreading the virus, while enabling them to maintain their jobs and allowing enterprises to remain operational. To be effective, teleworking needs to be grounded in dialogue and cooperation between management and workers.<sup>48</sup> This is even more important when teleworking occurs on a full-time basis.

All those who perform work that is compatible with teleworking arrangements – including temporary workers and interns – should be eligible to telework during this crisis. The effective management of teleworkers requires a results-based approach: identifying objectives, tasks and milestones, and monitoring and discussing progress without overly burdensome reporting.

It is essential to provide teleworkers and managers with access to appropriate hardware and software (including dedicated teleworking apps), technical support and training. No less important is the need to ensure a safe work environment, which includes providing accommodation measures for people with disabilities and tackling cyber-bullying and domestic violence.

All parties need to be clear about the results that are expected to be achieved, the conditions of employment, the hours when they are expected to be contactable, and how they should monitor progress and report results. Expectations should be realistic throughout.

Telework is meant to offer workers the flexibility to carry out their work at the times and in the places most convenient for them, while remaining contactable during the normal business hours of the organization. Teleworkers need strategies for effectively managing the boundary between paid work and personal life (e.g. a dedicated workspace, disconnecting from work at specified times).<sup>49</sup>

46 ILO: *Interventions to support enterprises during the COVID-19 pandemic and recovery*, ILO brief, 16 Apr. 2020.

47 ILO: *In the face of a pandemic: Ensuring safety and health at work* (Geneva, 2020).

48 ILO: *Keys for effective teleworking during the COVID-19 pandemic*, news story, 26 Mar. 2020.

49 ILO: *Practical guide on teleworking during the COVID-19 pandemic for policy-makers and enterprises*, forthcoming.

## Prevent discrimination and exclusion

Discrimination has manifested itself in unique ways during the crisis and exposed the existing cracks in the social fabric. Women, people with disabilities, people living with HIV, indigenous peoples, migrant workers, and those in the informal economy risk being further disadvantaged as a result of the pandemic and its aftermath. Furthermore, the crisis has the potential to exacerbate unacceptable forms of work, such as child labour and forced labour.

To mitigate such risks, it is essential to enhance and enforce laws and policies on equality and non-discrimination in employment,<sup>50</sup> supported on the one hand by a strong, multi-faceted advocacy campaign that makes it clear that violence and harassment will not be tolerated, and, on the other, by creating safe ways for victims to seek support without alerting their abusers.

A twin-track approach is required both for the immediate response and for the medium-term recovery. Such an approach involves targeted measures for groups in situations of vulnerability to ensure that these groups are covered by mainstream responses to the crisis, including access to care, benefits and services.

The pandemic has revealed the vital role that care work (both paid and unpaid) and a robust care economy play in maintaining the health and well-being of societies and ensuring resilience in the face of future crises.<sup>51</sup> Women are at the epicentre of the response to the crisis, and with the closure of schools and of childcare and other care facilities, many of them have experienced a sharp increase in the amount of time they spend daily on unpaid care work.<sup>52</sup> Some countries have put in place innovative care services to allow women who perform essential work to keep working. In the long run, it is necessary to prioritize higher levels of investment in stronger, sustainable and quality care infrastructure and services (also in the health sector) and to enhance working conditions, as care workers are often on temporary or zero-hour contracts.

Indeed, the crisis has laid bare the inequalities in labour and social protection that result from workers' contractual status. Some workers with temporary or part-time contracts, along with the self-employed and gig workers, do not have the same rights to paid

sick leave or unemployment insurance as those with permanent and full-time contracts; nor do they enjoy the same level of protection against occupational hazards. As countries emerge from the crisis, it will be necessary to revisit the existing regulatory frameworks to ensure equal treatment of workers regardless of their contractual status.<sup>53</sup>

It is equally essential to provide protection during the pandemic to informal economy workers, who typically fall outside the scope of labour law and social protection, while facilitating their transition to formality in the long run. These workers are twice as likely as formal workers to be poor and excluded from income replacement and social protection schemes. Street and market vendors, food preparers, domestic workers and taxi drivers are particularly vulnerable in that respect.<sup>54</sup> Gender-sensitive approaches, tailored to these workers' diverse characteristics and circumstances, are necessary when devising ways of enhancing their access to preventive health measures and health services and securing their livelihoods (e.g. through food delivery and income support). In addition, vulnerable families affected by school closures should be provided with access to low-tech or "no-tech" educational solutions to mitigate the risk of increased child labour.

Preparedness, prevention and control strategies should take into account the situation of migrants and refugees and offer free, anonymous medical testing and referrals. Migrants and refugees should be integrated into risk-pooling mechanisms together with nationals to ensure solidarity in social insurance coverage and in the provision of socio-economic support. Cooperation between countries of origin and destination can also help to extend protection to migrant workers across borders – for example, by exchanging information to ensure the smooth repatriation and reintegration of migrant workers or by providing medicines and other types of support to both nationals and migrant workers. Moreover, trade unions in some countries have started to cooperate across borders in order to facilitate the distribution of food to migrant workers.<sup>55</sup>

## Provide access to health for all

An effective health response to the COVID-19 pandemic should prioritize the closing of gaps in social health protection. Nearly 40 per cent of the

50 ILO: [COVID-19 crisis and the informal economy: Immediate responses and policy challenges](#), ILO policy brief, 5 May 2020.

51 E. Pozzan and U. Cattaneo: [Women health workers: Working relentlessly in hospitals and at home](#), ILO news story, 7 Apr. 2020.

52 ILO: [ILO: The COVID-19 response: Getting gender equality right for a better future for women at work](#), ILO policy brief, 11 May 2020.

53 J. Berg: [Precarious workers pushed to the edge by COVID-19](#), ILO blog post, 20 Mar. 2020.

54 ILO: [Contagion or starvation, the dilemma facing informal workers during the COVID-19 pandemic](#), ILO news story, 7 May 2020.

55 ILO: [Protecting migrant workers during the COVID-19 pandemic](#), ILO policy brief, 30 Apr. 2020.

world's population lack effective health coverage: they have to resort to regressive out-of-pocket payments in order to access health services or even forgo health care altogether. Leaving the sick without access to quality health care is not only damaging for them and their families, but will also contribute to spreading the virus even more widely. The lack of efficient and effective health protection is compounded by shortages of health personnel: particularly in rural areas and among marginalized groups this means greater dependence on unpaid family care.

In the short term, health coverage needs to be extended to all workers and their families, irrespective of their employment status. Many countries have already adopted measures to close gaps in social health protection by, for example, channelling additional fiscal resources into the health system or improving coordination of the system, with a central role being accorded to public provision.<sup>56</sup>

However, these efforts need to be sustained, expanded and anchored in a legal and financial framework. To that end, an enabling environment for the enshrinement of health coverage in national law is essential. Equally important is the allocation of sufficient public funding to relevant infrastructures, including staffing.<sup>57</sup> Improving working conditions for health workers is another prerequisite for the provision of quality health services, which are essential to reduce the spread of the virus and facilitate a swift recovery.

## Expand access to paid sick leave and family leave

Almost 50 per cent of the global labour force have no legal entitlement to sickness benefits. These workers must choose between staying at home when they are sick to protect their own health (and public health) and continuing to work to maintain their jobs and income, thereby placing their own and others' health at risk.<sup>58</sup>

Immediate measures to expand access to sickness benefits are therefore urgently needed. In response to the pandemic, some countries have extended the coverage and adequacy of such benefits or adjusted their scope, for example by ensuring coverage in cases of quarantine and selfisolation, reducing waiting periods for payments and developing faster delivery mechanisms.<sup>59</sup>

For sickness benefits to play their part in the prevention of pandemics, collectively financed mechanisms are essential. A solid, equitable and sustainably financed scheme (or set of schemes) needs to be put in place to ensure that hitherto excluded groups that received coverage during the crisis remain covered afterwards. Experience shows that relying exclusively on employer liability is not a viable solution and leads to exclusion, especially of the self-employed.

Paid family leave should also be made widely available to all workers. This is particularly important in the case of those who cannot telework, given that many support structures are closed and that the provision of unpaid care for children and frail elderly persons by family members who may be living apart is hampered by physical distancing measures.

The emergency measures taken during the crisis will need to be transformed in the medium-to-long term to establish a solid, equitable and sustainably financed scheme. Excluded groups that have been included during the crisis should not subsequently lose their coverage.

56 ILO: *Social protection responses to the COVID-19 crisis: Country responses and policy considerations*, ILO brief, 23 Apr. 2020.

57 ILO: *Financing social protection in developing countries*, ILO brief, forthcoming.

58 ILO: *Sickness benefits during sick leave and quarantine: Country responses and policy considerations in the context of COVID-19*, ILO policy brief, 14 May 2020.

59 ILO: *COVID-19 and the world of work: Country policy responses*, web page [accessed 10 May 2020].

## ► Pillar 4: Relying on social dialogue for solutions

Previous global crises have shown that governments cannot on their own overcome the challenges stemming from strong shocks. Given the unprecedented nature of the crisis caused by the COVID-19 pandemic, social dialogue involving governments and employers' and workers' representative organizations is more important than ever.

Social dialogue includes all types of negotiation, consultation and exchange of information between or among representatives of governments, workers and employers on issues of common interest in the areas of economic, labour and social policy. It can take place at the national, sectoral and enterprise levels. Free, independent, strong and representative employers' and workers' organizations are prerequisites for effective social dialogue, as are trust among the various actors and respect on the part of governments for the autonomy of the social partners.<sup>60</sup>

Through dialogue and concerted action by governments and employers' and workers' organizations, policies and programmes can be designed and implemented to deal with the immediate health crisis and to mitigate the effects of some of these measures on employment and incomes. These actions can ensure safety and health at work, extend social protection coverage, help enterprises (including SMEs) to adapt and avoid bankruptcy, keep workers in their jobs and secure people's incomes. This will in turn foster demand and economic recovery. Consultation with the most representative employers' and workers' organizations can help to strengthen the commitment of employers and workers to joint action with governments, leading to a more sustainable and effective response to the crisis.<sup>61</sup>

Social dialogue will play an important role as countries move from efforts to suppress transmission of the virus to the next stages of response to the crisis: planning the resumption of economic activities, extending support measures and promoting a sustained and robust economic recovery. Social dialogue can help reach collective solutions that take

into account the needs of enterprises and workers; it also promotes stability and public confidence.

In many countries, social dialogue institutions already exist at the national, sectoral and enterprise levels and, in line with international labour standards, they can facilitate social dialogue on the COVID-19 crisis and its impact. Employers' and workers' organizations will require support so that they can be resilient, continue to play an effective role in shaping solutions through social dialogue and provide assistance to their own members. Governments will need to ensure an enabling environment and promote effective and inclusive social dialogue. This is all the more important in fragile and conflict-affected countries, where employers' and workers' organizations are often weak and social dialogue may be very limited or even non-existent.

### Strengthen the capacity and resilience of employers' and workers' organizations

#### Employer and business membership organizations<sup>62</sup>

Employer and business membership organizations (EBMOs) across the world are actively responding to the COVID-19 crisis. In particular, they are supporting government action to protect public health and formulating business needs in respect of government measures aimed at mitigating the economic and social impact of the crisis. They are drawing up evidence-based policy recommendations to enable economic and social recovery, and are supporting "building back better" approaches to the recovery process. Additionally, EBMOs are engaging in tripartite and bipartite dialogue on policy issues linked to the crisis mitigation and promoting recovery. They are deepening collaboration with workers' organizations and demonstrating in practice the value of social partnership by collectively providing quick and innovative solutions. It is therefore important to ensure that EBMOs have the necessary skills and tools to reach out to members quickly, assess members'

<sup>60</sup> ILO: *Resolution concerning the second recurrent discussion on social dialogue and tripartism*, International Labour Conference, 107th Session, Geneva, 2018.

<sup>61</sup> See ILO: *Employment and Decent Work for Peace and Resilience Recommendation*, 2017 (No. 205), International Labour Conference, 106th Session, Geneva, 2017; ILO: *Workers' Guide to Employment and Decent Work for Peace and Resilience Recommendation (No. 205)* (Geneva, 2019).

<sup>62</sup> See the [web page](#) of the ILO Bureau for Employers' Activities.

needs and the challenges they face, analyse the business environment, and propose policy solutions.

Employer and business membership organizations are mobilizing the private sector to support national efforts by, for example, establishing funds to strengthen national health capacities, providing financial support for groups in vulnerable situations, and requesting their members to establish new production lines for masks and ventilators.

Furthermore, EBMOs are providing direct services to member enterprises to help them cope with the crisis. For example, they are disseminating information and guidance (e.g. on how companies will be affected by new laws or restrictions) and providing support on issues such as OSH at work, workplace hygiene, teleworking, workers' compensation, redundancies, access to government support measures, employment relations and business continuity plans. Such activities by EBMOs help to limit the spread of the virus, promote good communication in the workplace and help to ensure that businesses can continue operating as effectively as possible.

At the same time, EBMOs are having to adjust their own mode of operation as a result of the crisis. Demand for services has changed, as members are not spending as much as before on generic training while advisory services are increasingly sought after. Moreover, EBMOs are transforming the delivery of services, moving away from face-to-face interactions to digital and online support. Given that a sizeable proportion of their members may become insolvent, EBMOs are likely to face a decrease in revenue and subscriptions, and will thus need to devise strategies proactively to retain existing members and reach out to new ones. As economies gradually reopen, EBMOs will have to prepare their members to operate in a recession economy in the short and medium term.

## Workers' organizations<sup>63</sup>

In many countries, workers' organizations have been at the forefront of the response to some of the challenges brought about by the crisis. For example, they have been proactively developing policy proposals for government action on social protection and employment retention schemes to be discussed in the framework of social dialogue institutions. They have successfully influenced and/or supported national policies to protect lives, jobs and incomes, particularly in relation to wage and income support for freelancers, the self-employed and gig workers; loan relief for rent or mortgage payments; and the provision of free health care.

Workers' organizations have also been negotiating measures to mitigate the immediate negative socio-economic impact of the crisis on workers – for example, OSH measures and measures related to working time (including teleworking arrangements) and paid leave. Such negotiations have been carried out, inter alia, through collective bargaining agreement and bilateral agreements at various levels.

Workers' organizations have been very active in providing information and developing guidance for their members covering such matters as hygiene measures and physical distancing, workers' rights and obligations at the workplace and beyond (OSH, working time, retrenchment, etc.) and access to social benefits and government support schemes during the pandemic.

Moreover, workers' organizations have been adapting existing services and developing new ones (e.g. counselling services on OSH, psychosocial risks, violence, harassment and stress, social protection). They are seeking to extend those services to workers who are traditionally under-represented in the trade union movement and to those not in formal employment.

The ongoing crisis provides workers' organizations with even more reason to engage further with the United Nations development system (UNDS), which is responsible for supporting the implementation of the 2030 Agenda for Sustainable Development at the national level. Now more than ever, trade unions should play an important role in helping to identify their countries' needs and in tailoring the UNDS response to meet workers' needs and expectations. The same, indeed, is true of employers' organizations with respect to their members.

## Strengthen the capacity of governments

### Creating an enabling environment for sound labour relations

The State plays a critical role in providing the necessary environment for social dialogue by establishing legal and institutional frameworks based on international labour standards; providing services that enable all parties to engage in effective social dialogue; and promoting and realizing the "enabling rights" of freedom of association and the effective recognition of the right to collective bargaining.<sup>64</sup>

<sup>63</sup> See the [web page](#) of the ILO Bureau for Workers' Activities.

<sup>64</sup> See ILO: [ILO standards and COVID-19 \(coronavirus\): Frequently asked questions](#) (Geneva, 2020); ILO: [Collective bargaining: A policy guide](#) (Geneva, 2015).

Addressing the social and economic impact of the pandemic in an effective way requires strong labour administration. It is therefore important that governments equip the institutions responsible for labour administration and other relevant state agencies with the necessary institutional and knowledge capacity so that they can fulfil their policy functions. Given the downward pressure on wages and the increase in terminations of employment as a result of the crisis, the number of individual and collective disputes is expected to increase. Governments should ensure that institutions dealing with the prevention and resolution of labour disputes have adequate resources so that, despite a burgeoning caseload, they can resolve disputes promptly and provide all workers with access to justice.

## Strengthen social dialogue, collective bargaining and labour relations institutions and processes

### Strengthen social dialogue on socio-economic policies

Bipartite and tripartite social dialogue can help to devise robust and tailored policy solutions to the immediate challenges brought about by the crisis. Such policies may include promoting economic resilience and the sustainability of enterprises, limiting redundancies and providing income support to workers and their families.<sup>65</sup> Social dialogue must be inclusive so as to ensure that the socio-economic policies adopted address the needs of the most vulnerable workers and enterprises as a matter of priority, in line with Sustainable Development Goal 8 (“Promote inclusive and sustainable economic growth, employment and decent work for all”) and with the pledge by States Members of the United Nations to “leave no one behind”. As already mentioned, the interests of workers in the informal economy and of micro-, small and medium-sized enterprises need to be adequately represented and taken into account.

In a number of countries, governments have consulted with, or even engaged, representatives of employers’ and workers’ organizations when designing policies and programmes pursuing such objectives as: strengthening of the health system; definition of “essential sectors” of the economy; the

extension of social protection coverage; the provision of support to enterprises, including SMEs, to help them maintain jobs and meet various financial obligations; ensuring OSH at work; and income support for those no longer able to work.

Employers’ and workers’ organizations have a key part to play in the design and implementation of public support measures for the sectors most directly affected by the pandemic, such as civil aviation, shipping, hotels, catering and tourism, retail and trade, manufacturing and culture. They can ensure that measures to protect the livelihoods of workers and enterprises are implemented effectively and are targeted at those most in need.

While governments have the ultimate responsibility for the design and implementation of public policies, the social partners can make a decisive contribution to shaping these policies, complementing and supporting tripartite and direct government action. Moreover, bipartite and tripartite social dialogue can help to devise longer-term policies and strategies for the post-crisis period with a view to boosting productivity and economic growth, promoting transitions to formality, and ensuring social cohesion, resilience and stability.

### Strengthen social dialogue on conditions of work and employment

Social dialogue on working conditions and employment retention measures – notably through collective bargaining – should be promoted and strengthened to ensure the protection of workers and support business continuity. More specifically, employers’ and workers’ organizations have a key role to play in designing solutions tailored to the specific needs of an industry, sector or enterprise. Negotiated agreements can help to balance competing interests in times of crisis. The joint solutions reached by employers and/or their organizations and workers’ organizations at all levels reinforce and supplement the policies adopted by the public authorities.

The promotion of social dialogue in sectors providing critical services during the pandemic – such as health, food retail and public emergency and security services – can ensure that protection measures are tailored to the specific needs of these sectors.<sup>66</sup> Appropriate workplace measures should be introduced to keep workers informed of OSH policies and procedures (including access to personal protective equipment), and to ensure that workers have a voice in their design and implementation.

<sup>65</sup> See ILO: *The need for social dialogue in addressing the COVID-19 crisis*, ILO policy brief, 5 May 2020.

<sup>66</sup> ILO: *COVID-19 and the world of work: Sectoral impact, responses and recommendations*, web page [accessed 10 May 2020].

Social dialogue is also important for policies aimed at supporting business continuity and productivity while ensuring OSH in workplaces.

The social partners in many countries have developed joint guidelines and codes of good practice with a view to facilitating people's return to work and reactivation of the economy. Collective agreements have been concluded covering such areas as

health and safety, teleworking arrangements, short-time work, pay freezes or adjustments, leave arrangements, employment retention and the promotion of business performance. Collective bargaining will play a crucial role during the economic downturn when it comes to designing employment retention measures and maintaining business performance.

## ► Conclusion

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The coronavirus disease continues to spread across the world following a trajectory that is difficult to predict. The health, humanitarian and socio-economic policies adopted by countries will determine the speed and strength of the recovery. The ILO's four-pillar policy framework presented in this brief provides guidance not only for countries as they progress through the various phases of the crisis, but also for the international community as a whole. There must be a global human-centred response which is grounded in solidarity.

International labour standards contain guidance for ensuring decent work that is applicable even in the unparalleled context of the COVID-19 crisis. In particular, the Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205), emphasizes that crisis responses need to "ensure respect for all human rights and the rule of law, including respect for fundamental principles and rights at work and for international labour standards".

The standards dealing with safety and health at work, social security, employment, non-discrimination, working arrangements and the protection of specific categories of workers provide guidance on the design of rapid responses that can facilitate a stronger recovery from the crisis.

A coordinated global effort is required to support countries that currently do not have sufficient fiscal space to finance social policy, in particular universal social protection systems. Debt sustainability should be prioritized in this endeavour.

Without long-term structural changes, the deep-rooted inequalities exposed by the crisis will merely intensify. As well as tackling the immediate effects of the crisis, the international community now has a unique opportunity to adopt policies aimed at achieving social justice and a human-centred future of work.

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