



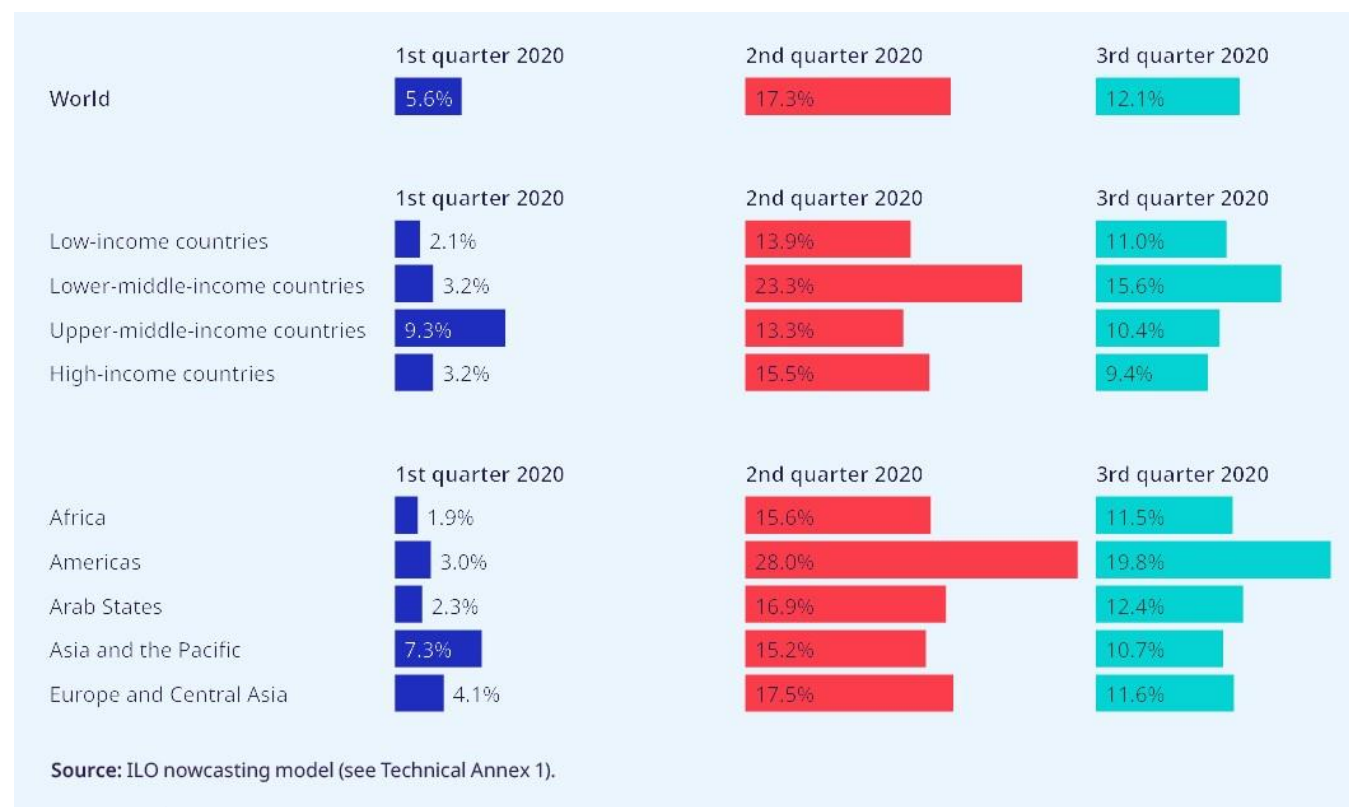
Impact of the COVID-19 Crisis on Employment Around the World

Sher Verick

Head, Employment Strategies for Inclusive Transformation Unit, ILO

IIRRA-ILO-EBERT conference, 22 October 2020

COVID-19 crisis has damaged economies and labour markets around the world

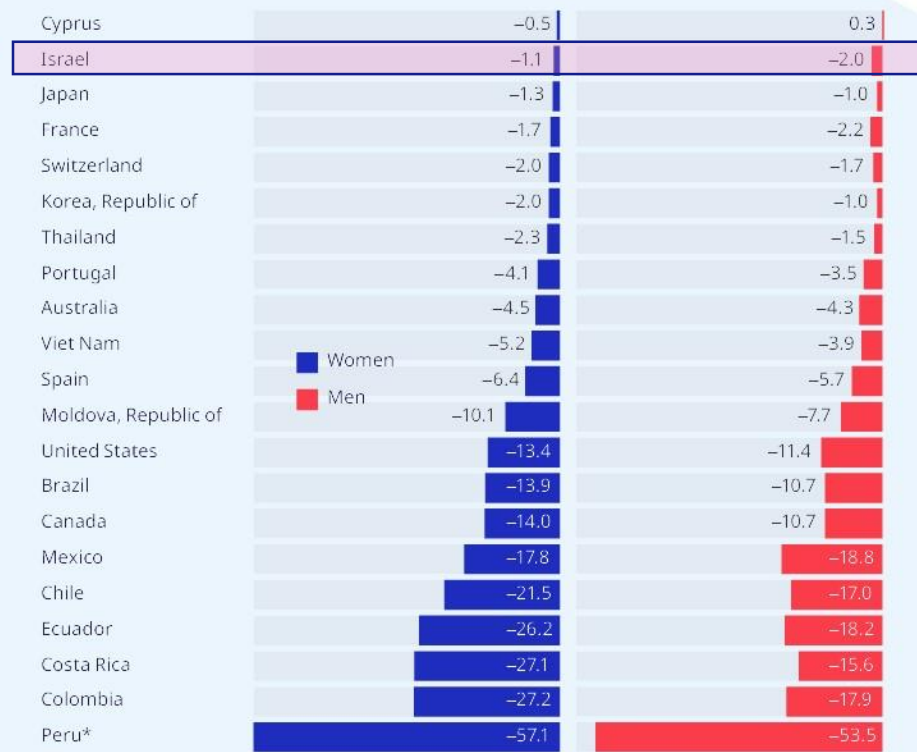


Source: 6th ILO Monitor.

- Working-hour losses in 2020Q2 (relative to 2019Q4) estimated at 17.3%, or 495 million full-time equivalent (FTE) jobs
- Global labour income is estimated to have declined by 10.7%, or US\$ 3.5 trillion, in the first three quarters of 2020
- Lower-middle-income countries and some regions (esp. Americas) have been hard hit
- Certain sectors (accommodation & food service, retail) and groups (women, youth) are badly affected

► Employment losses in 2020Q2 have been substantial in a number of countries, particularly for women

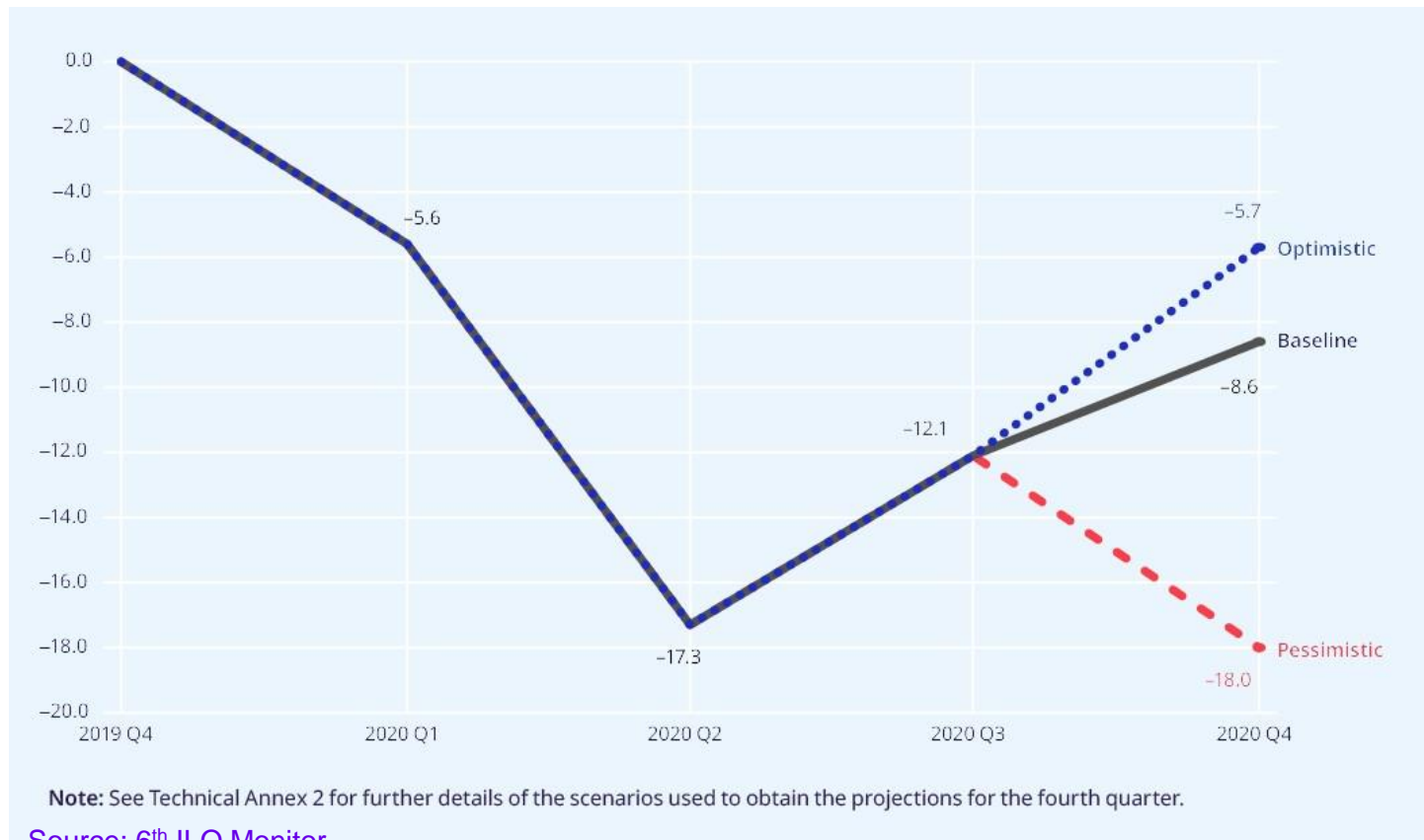
► Figure 5a. Decline in employment between Q2/2019 and Q2/2020, by sex, selected countries (percentage)



Source: 6th ILO Monitor. Peru is for only Lima and its metropolitan area.

- Working-hour losses are reflected in a fall in employment – catastrophic declines in the Americas
- Decline in employment numbers has generally been greater for women than for men
- In response, inactivity increased to a greater extent than unemployment – 95% of decline in employment in Israel is reflected in an increase in inactivity
- Rising inactivity is a notable feature of the current job crisis calling for careful monitoring and strong policy attention

Recovery will be slow, painful and uncertain



- Global working-hour losses are expected to amount to 8.6 per cent in the fourth quarter of 2020, equivalent to 245 million full-time jobs
- Or worse, especially since we now see a resurgence in the virus and new lockdown measures

Ongoing or new lockdown measures impacting economies, labour markets and workplaces

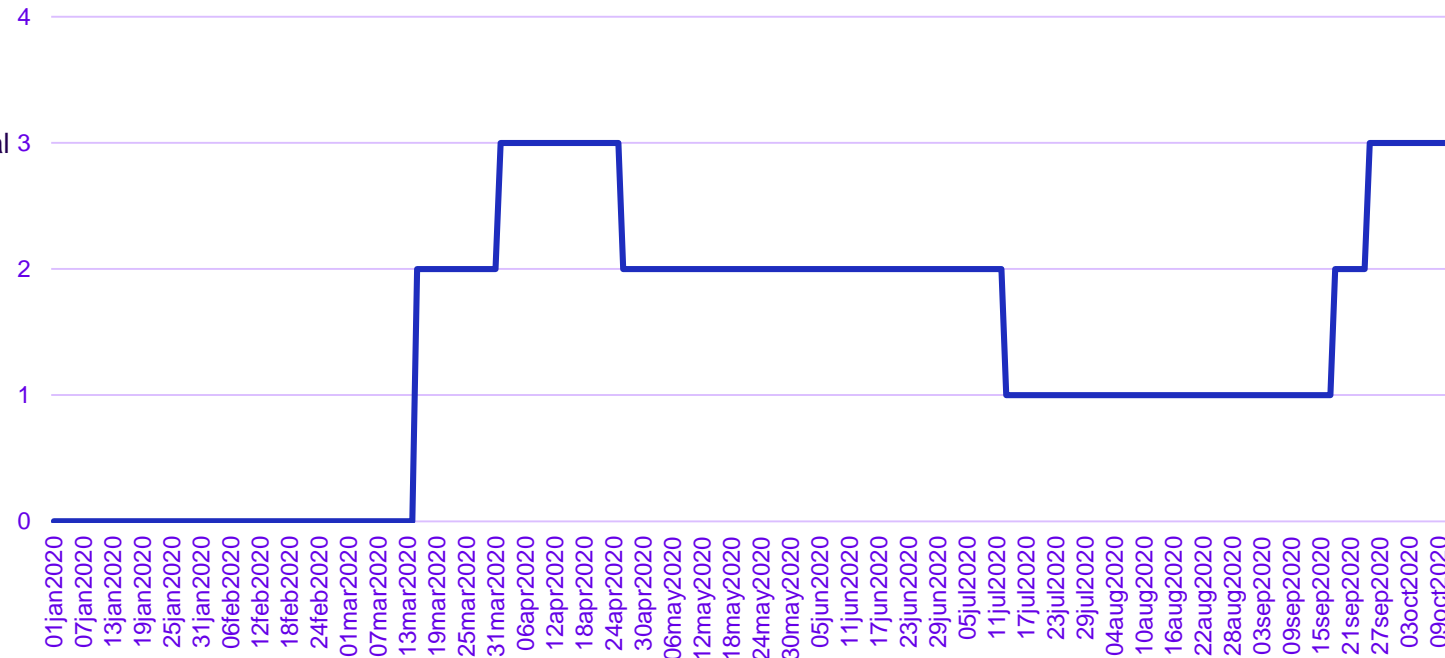
Workplace closures in Israel, 1 Jan - 9 Oct 2020

3 - require closing (or work from home) for all-but-essential workplaces (e.g. grocery stores, doctors)

2 - require closing (or work from home) for some sectors or categories of workers

1 - recommend closing (or recommend work from home)

0 - no measures



Source: Oxford Covid-19 Government Response Tracker

▶ Lockdowns mean less consumption (though online sales have increased)

Israel

Retail & recreation

-53%

compared to baseline



Mobility trends for places like restaurants, cafes, shopping centers, theme parks, museums, libraries, and movie theaters.

Source: Google Mobility Trends

► **Policy responses have been decisive in many cases, but significant gaps remain... the key task is to maintain and adapt measures**

- Overall stimulus is still playing a crucial (unprecedented) role – as at 11 September, fiscal measures are estimated at \$11.7 trillion globally, or close to 12 percent of global GDP (IMF)
- Balance and sequence of health, economic, employment and social policy interventions continues to be crucial. Premature loosening of health measures risks prolonging the pandemic, which would worsen its overall labour market impact.
- Support for jobs and labour income will need to continue well into 2021 – to keep employment, businesses and incomes afloat, along with adapting support for growing /target sectors (e.g. care, green, digital economy) – as we move to recovery, more focus on how to increase public investment over the longer term is needed
- Income support measures for vulnerable and hard-hit groups, including women, young people and informal workers, should remain a priority, while strengthening social protection system for greater resilience.
- Given the complexity of these challenges, social dialogue has a key role to play. ILO brings these issues together through employment policy approaches at the country level (including assessments and policy advisory services).

Thank you!

Useful resources

COVID-19 crisis response:

- ▶ [ILO portal on COVID-19 and the world of work](#)
- ▶ [ILO's response to the impact of COVID-19 on employment, including](#)
 - ▶ [Rapid assessments and country-level guidelines](#)
 - ▶ [Briefs: National employment policies for an inclusive, job-rich recovery from the COVID-19 crisis](#)

