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The World of Work in the Context of the COVID-19 Pandemic: Analysis, Assessments and ILO Recommendations

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ABSTRACT

The crisis caused by the COVID-19 pandemic, unprecedented in scale, speed, and depth, has imbalanced and destabilised national labour markets. This article highlights the work of the International Labour Organization (ILO), which since the start of the pandemic has made a significant contribution to analysing the situation in the crisis and developing practical recommendations for the restoration of labour markets. The author of the article examines the key challenges facing national governments in this challenging and responsible period, including those identified by ILO Director-General Guy Ryder. Particular attention is paid to the analysis of the consequences of introducing strict restrictive measures, primarily the closure of jobs. Data on lost working time in various regions and subregions of the world are provided. Based on international labour standards, ILO experts have formulated the main directions for combating the crisis caused by COVID-19, the implementation of which will contribute to faster recovery and stabilisation in national labour markets.
Keywords: crisis; pandemic COVID-19; destabilisation of labour markets; the closure of jobs; loss of working time; forecasting the situation; the policy of overcoming the crisis

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INTRODUCTION

In early 2020, the world faced a crisis of sui generis. At first, it was global in scope. At second, it was unprecedented in both scale and scope. At third, it evolved at a very high rate. That is why researchers and experts have noted that, by overlapping all three characteristics of the crisis, it is very, very hard to make any predictions for the future[1].

The crisis has hit the workforce hard. By mid-2020, due to the coronavirus, the world's labor force had lost 400 million jobs [1], which is ten times more than what happened during the 2008 crisis[2].

That is why, from the very beginning of the COVID-19 crisis, the ILO has intensified its activities as much as possible to inform national Governments about the labour situation. This work was carried out in three main areas [2].

First pillar. Regular publication of ILO analyses of the impact of the pandemic on labour in different countries. These were the result of analytical monitoring based on

[1] It is not the purpose of this article to study all aspects of the socio–economic crisis in the world of work. However, the author of the article agrees with the opinion of the majority of authoritative experts that the effects of the current labour crisis will be felt for a long time.

[2] According to ILO, 23 million jobs were lost worldwide during the 2008–2010 crisis.

Organization for Economic Co–operation and Development (OECD) data, published in the review "OECD Economic Outlook", and research center Economist Intelligence Unit, and national statistical offices also. ILO also made its own projections using economic and mathematical tools.

Second pillar. Regular online seminars of various levels and formats to exchange information and evaluation of the measures, that taken by national Governments, to minimize the crisis for both workers and employers [3].

The seminars laid the groundwork for a global discussion on the impact of the pandemic on the world of work. Such a global debate was held in July 2020 with the participation of national government leaders.

The first part of the discussion was held on 1 and 2 July in the format of regional events on Africa, the Americas, Arab States, Asia and the Pacific, Europe and Central Asia. Representatives of Governments, employer's and worker's associations and regional organizations discussed the impact of the pandemic on the economy, society and national labour markets, as well as responses from different countries

Discussions at regional events fed into the global summit held from 7 to 9 July 2020. It was attended by Heads of State and Government and prominent global leaders. The Summit was the largest–ever online gathering of workers, employers and government representatives with the participation of heads of international organizations such as UN, WHO, ILO, IMF, WTO и OECD.

The Director–General of ILO Guy Ryder, speaking at the summit, stressed that: "We all want to bring the world of work back to normal, and to that end we have several very important tools at our disposal. Some — such as social dialogue and international labour standards — are well known to us. Others have emerged relatively recently, I refer to the "ILO Centenary Declaration on the Future of Work". We see now how important it is as a plan of action through which we can understand how to move forward" [1].

The summit discussed strategies to address the challenges identified by the pandemic. These included how to meet the needs of those working without social protection and under informal conditions, how to promote full and productive employment and the development of viable enterprises, how to ensure that poverty reduction a fundamental element of economic recovery.

On the last day of the Global Summit, named "ILO Tripartite Participants Day", the Ministers and Heads of Worker's and Employer's Organizations from the 187 Member States of this organization shared their vision of how the "ILO Centenary Declaration on the Future of Work" can provide guidance for recovery from the pandemic and for building a more supportive work environment

Third pillar. Development of policies and practical tools to enable national Governments to respond rapidly to the challenges of the labour crisis and to promote the recovery and stabilization of national labour markets.

KEY CHALLENGES IN SITUATIONS OF PANDEMIC

The Director–General of ILO Guy Ryder outlined the key challenges facing national Governments, employer's associations and worker's associations to address the (COVID-19) labour crisis:

Task No. 1.

"...globally, and the expected loss of the equivalent of 305 million jobs worldwide by mid–year, the stakes have never been higher. Governments continue to "follow the science" in the search for the best solutions while foregoing the obvious benefits of much greater international cooperation in building the needed global response to the global challenge".

Task No. 2.

"But with the war against COVID-19 still to be won, it has become commonplace that what awaits us after victory is a "new normal" in the way society is organized and the way we will work.

Because nobody seems to know what the new normal will be. Because the message is that, it will be dictated by the constraints imposed by the pandemic rather than our choices and preferences. During the crisis of 2008–2009 we were constantly told… that once the vaccine to the virus of financial excess had been developed and applied, the global economy would be safer, fairer, more sustainable. But that didn't happen. Not only has the world recovered, but the old reality, not the new reality, has taken root".

Task No. 3.

"The pandemic has brought to the fore all the precariousness and injustice of our world of work. In the informal economy, where 6 out of every 10 workers are employed, livelihoods are disappearing massively.

It is the gaping holes in the social protection systems of even the richest countries, which have left millions in situations of deprivation. It is the failure to guarantee workplace safety that condemns nearly 3 million to die each year because of the work they do. And it is the unchecked dynamic of growing inequality which means that if, in medical terms, the virus does not discriminate between its victims in its social and economic impact, it discriminates brutally against the poorest and the powerless".

Task No. 4.

"Decent work was in short supply before the pandemic. It has taken the calamity of COVID-19 to aggregate them into the collective social cataclysm the world faces today. But we always knew: we simply chose not to care. By and large, policy choices by commission or omission accentuated rather than alleviated the problem".

Task No. 5.

"The safety and health of our entire workforce is paramount today. In the face of an infectious disease outbreak, how we protect our workers now clearly dictates how safe our communities are, and how resilient our businesses will be, as this pandemic evolves. It is only by implementing occupational safety and health measures that we can protect the lives of workers, their families and the larger communities, ensure work continuity and economic survival".

Task No. 6.

"As the pandemic and the jobs crisis evolve, the need to protect the most vulnerable becomes even more urgent,— for millions of workers, no income means no food, no security and no future. Millions of businesses around the world are barely breathing. They have no savings or access to credit. These are the real faces of the world of work. If we don't help them now, these enterprises will simply perish".

Task No. 7.

"The virus has highlighted today the crucial, and sometimes heroic, role of those who work in a pandemic. The role of people we usually overlook, people we ignore, people we underestimate and even ignore,— medical, nursing, cleaning, supermarket cashiers, transport workers. Among them are many "working poor" and people without adequate protection".

Task No. 8.

"We will continue to face the challenge of building a future of work free from the injustices of the pandemic. But we will have before us the task of building a future of work which tackles the injustices that the pandemic has highlighted, together with the permanent and no longer postponable challenges of climate, digital and demographic transition".

Task No. 9.

"Measures for economic reactivation should follow a job–rich approach, backed by stronger employment policies and institutions, better–resourced and comprehensive social protection systems. International co–ordination on stimulus packages and debt relief measures — will also be critical to making recovery effective and sustainable. International labour standards can provide a framework".

Task No. 10.

"The decisions we adopt now will echo in the years to come and beyond 2030. Although countries are at different stages of the pandemic and a lot has been done, we need to redouble our efforts if we want to come out of this crisis in a better shape than when it started" [2].

DESTABILIZATION OF THE LABOUR MARKET

Job place closure

The imposition of severe restrictive measures by national Governments has dealt a serious blow to the world of work. According to ILO data, as of 15 June 2020, almost a third of the world's workers (32 per cent) lived in countries where job closures were mandatory for all but workers in vital industries. 42% lived in countries where job closures were mandatory for a number of sectors or categories of workers, and another 19% — in countries with recommended closure[3]. ILO monitoring indicates that the vast majority of workers in the world (93%) live in countries where some form of workplace closure is still in place. For example, the proportion of workers living in countries with the most severe closures peaked (around 70%) at the end of March and subsequently fell to 32% in mid–June 2020[4] (https://www.ilo.org/moscow/information–resources/ publications/WCMS_749644/lang––ru/index.htm).

The pattern of job closures varies considerably from region to region. The North and South America were the most affected by restrictions on workers and jobs in mid–June. At the same time, no Arab States or States in Europe and Central Asia continued to impose closures in all but vital sectors. In Africa, only 2% of workers lived in countries with severe restrictions.

ILO monitoring data indicate that even in those countries and regions where compulsory job closures are not currently widespread, many enterprises are still unable to fully return to work. According to ILO, as at 15 June 2020, all Arab States had some form of closure of jobs for certain sectors or categories of workers. Overall, 81% of workers in Europe and Central Asia, 69% — in Africa and 51% — in the North and South America live in countries with closure requirements for certain sectors and categories of workers[5].

The introduction of new restrictive measures or the continuation of existing stringent measures in the coming months, according to ILO experts, will lead to a further decline in economic activity and destabilization of labour markets, which could jeopardize the recovery of employment.

Losses of working time

In Q1 of 2020, according to ILO, global working time declined by about 5.4% compared to the Q4 of 2019 (which exceeds initial estimates of 4.8%), and equivalent of 155 million full–time workers (*see table. 1*). As the virus started earlier in China (where severe restrictive measures were already in

[3] ILO Newsletter: Covid-19 and the World of Work. Vol. 4. URL: http://www.ilo.int/wcmsp5 /groups/public/–––europe/–––ro–geneva/–––sro–moscow/documents/briefingnote/wcms_746704.pdf.

[4] ILO Newsletter: Covid-19 and the World of Work. Vol. 5. URL: https://www.ilo.org/moscow/ information–resources/publications/WCMS_749644/lang––ru/index.htm.

[5] See ibid.

place at the end of January 2020) and other Asia–Pacific countries, the region accounted for about 80% of the reduction in global working time in Q1 of 2020. The decline in working hours in the East Asian subregion in Q1 was 11.6%, equivalent to 95 million full–time workers.

Other regions also experienced significant working–time losses due to the spread of the pandemic. For example, in Q1 of 2020, the reduction in working time in Europe and Central Asia was 3.4% (11 million jobs), in doing so Southern Europe (5.3%) and Western Europe (4%) had the highest losses. Some 11 million jobs were lost in the Americas in Q1 of the year. In South America, the reduction in working hours was 4.8% compared to the Q4 quarter of 2019. In Africa, the loss of working time in Q1 2020 is estimated at 2.4%, equivalent to 9 million jobs[6].

In Q2 of 2020, the regional situation is as follows. In the North and South America, working time fell by 18.3% (70 million jobs in FTE). This is the largest loss of working time among the major geographical regions. South America has the highest estimated loss of working time in the Q2–20.6% — both within its region and among all regions and subregions of the world. Central and North American losses are estimated at 19.2 and 15.3%, respectively.

In Europe and Central Asia, the number of hours worked is estimated to have declined by 13.9%, equivalent to 45 million jobs in the Q2 and above the estimate (12.9%) previously given. Southern Europe (18%), Northern Europe (15.3%), Western Europe (14.3%), Central and Western Asia (13.6%) and Eastern Europe (11.6%) suffered the most.

In the Asia–Pacific region, total losses in the Q2 of 2020 are estimated at 13.5%, or 235 million jobs in FTE, compared to an earlier estimate of 10%. Among the subregions, has the largest loss of working time — South Asia (17.9%), followed by South–East Asia and the Pacific (12.6%) and East Asia (10.4%).

In the Arab States, working time in the Q2 of 2020 is estimated to have declined by 13.2%, or 8 million jobs in the FTE, which is 2.9% higher than the previous estimate.

In Africa, the cumulative loss of working time in the second quarter of this year is estimated at 12.1%, or 45 million jobs in FTE, and is higher than the previous estimate (9.5%). For the subregions, estimates of time lost in the Q2 of 2020 indicate the sharpest decline in North Africa (15.5%), followed by South Africa (12.2%), Central Africa (11.9%), West Africa (11.6%) and East Africa (10.9%)[7].

In the first half of 2020, job closures and other restrictive measures, combined with a rapid deterioration of the economic situation, resulted in a significant loss of work time. So, according to ILO estimates, global working time has declined significantly more than previously estimated. This reflects the deterioration of the situation in many countries of the world in the last weeks of the first half of the year. In particular, workers in developing countries, especially informal workers, have suffered more severely than in previous crises. Distance work is more limited in these countries. Increased vulnerability of informal workers to restrictive measures exacerbates the effects of the current recession and creates new labour market problems.

It should be noted that recent ILO estimates of global working time losses have been substantially revised upwards from previous estimates. For example, the latest estimates of the "ILO Newsletter" indicate a 14% reduction in global working time in the second quarter of 2020 compared to the previous estimate

[6] ILO Global Summit on COVID-19 and the World of Work — Building a better future of work.URL: https://www.ilo.org/global/topics/coronavirus/WCMS_748151/lang––ru/index.htm.

[7] As jobs crisis deepens, ILO warns of uncertain and incomplete labour market recovery. URL: https://www.ilo.org/moscow/news/WCMS_749584/lang––ru/index.htm.

Table 1

Lost working time (worldwide, regions, and sub-regions)

Redion	Q1 2020			Q2 2020		
	Full-time equivalent (FTE) (40 hours per week) million	Full-time equivalent (48 hours per week) million	Losses of working time	Full-time equivalent (FTE) (40 hours per week) million	Full-time equivalent (48 hours per week) million	Losses of working time
All world	185	155	5.4%	480	400	14.0%
Africa	11	9	2.4%	55	45	12.1%
North Africa	2	2	2.5%	11	9	15.5%
Sub-Saharan Africa	9	7	2.4%	43	35	11.4%
Central Africa	1	1	2.3%	7	6	11.9%
East Africa	4	3	2.4%	18	15	10.9%
South Africa	0	0	1.6%	3	4	12.2%
West Africa	3	3	2.5%	15	13	11.6%
North and South America	13	11	3.0%	80	70	18.3%
Latin America and Caribbean	10	9	3.6%	55	47	20.0%
Central America	1	1	1.1%	16	13	19.2%
South America	9	7	4.8%	38	32	20.6%
North America	3	2	1.8%	25	21	15.3%
Arab State	2	2	3.1%	10	8	13.2%
Asia-Pacific region	150	125	7.1%	280	235	13.5%
East Asia	115	95	11.6%	100	85	10.4%
South-East Asia and the Pacific	7	6	2.1%	44	37	12.6%
South-East Asia	7	6	2.1%	42	35	12.7%
Europe and Central Asia	13	11	3.4%	55	45	13.9%
Northern, Southern and Western Europe	8	6	4.2%	29	24	15.7%
Northern Europe	1	1	3.1%	7	6	15.3%
Southern Europe	3	3	5.3%	10	9	18.0%
Western Europe	3	3	4.0%	12	10	14.3%
Eastern Europe	3	3	2.6%	15	12	11.6%
Central and West Asia	2	2	2.7%	10	8	13.6%

Source: ILO Newsletter: Covid-19 and the World of Work. 5th issue. 30 June 2020, pp. 7–8.

of 10.7%, equivalent to 400 million full–time workers[8].

IMPACT ASSESSMENT OF THE PANDEMIC ON THE LABOUR MARKET

Working hours are an important indicator for assessing the impact of the pandemic on the labour market. An analysis of the determinants of labour market performance in specific countries during the pandemic leads to practical conclusions relevant to the recovery process.

ILO considers that, in order to identify the main mechanisms for the impact of the crisis on the labour market, the loss of working time can be divided into four components:

1. Reduced working hours: lower average number of hours worked per week compared to the pre–crisis situation.
2. Employment without work: workers retain existing jobs but do not do any work. They are employed but not at work or temporarily absent (for example, employees on unpaid leave or sick leave).
3. Unemployment: readiness for work and job search.
4. Unemployment: withdrawal from the labour force[9].

The ILO monitoring shows that there are significant differences in the composition of time lost in the COVID-19 crisis worldwide due to labour market institutions and policy decisions. For example, in the Republic of Korea and the United Kingdom, the main reason for the loss of working time is a reduction in working hours and a lack of work. These two forms of work organization maintain the worker's link to the current workplace, thereby reducing the risk of destabilization of further working life in the medium term. In these two countries, the contribution of unemployment to reduced working hours was very small, although the level of inactivity in the Republic of Korea increased significantly.

In the case of Peru and Mexico, where strict restrictive measures have been introduced, changes in unemployment rates have also been modest. In Mexico, reduced working hours and employment without work resulted in approximately half of the time lost, while the remaining losses were due to inaction; the contribution of unemployment was low. In Peru, about 90% of the reductions in working time were due to job losses leading to inaction, with unemployment not playing a role.

In Canada, there has been a significant loss of jobs, which has increased both unemployment and inaction. Finally, in the United States, job losses caused about 2/3 reductions in working hours, with unemployment accounting for almost half of the decline.

ILO experts conclude as follows: analysis of working time losses across countries has shown that focusing only on unemployment does not fully capture the actual impact of COVID-19 on the labour market. Moreover, the line between inaction and unemployment has become blurred by the crisis, because the criteria for finding a job and being ready for a new job, which are necessary for obtaining the status of an unemployed person, are often impossible due to restrictive measures, so that many "unemployed" are considered as "inactive".

FORECASTS FOR 2020

The pandemic led to job instability and large–scale job and income losses in the first half of 2020. It is difficult to predict labour market outcomes in the second half of the

[8] Building back better: Equality at the centre. URL: https://www.ilo.org/moscow/ news/WCMS _751923/lang––ru/index.htm.

[9] The difference between unemployment and inactivity as defined in this analysis is based on individual responses to a labour force survey or similar household survey (based on the criteria of readiness for work and job search necessary for the granting of the status of unemployed person). It is important to note that this status does not reflect eligibility for unemployment insurance, COVID-19 support or other social protection schemes.

Table 2

Forecasts of loss of working time in the second half of the year (IV quarter) of 2020, by region (% and full-time equivalent)

	Q2 2020		Base scenario		Pessimistic scenario		Optimistic scenario	
Region	Losses of working time, %	FTE (48 hours per week) million	Losses of working time, %	FTE (48 hours per week) million	Losses of working time, %	FTE (48 hours per week) million	Losses of working time, %	FTE (48 hours per week) million
All world	14.0	400	4.9	140	11.9	340	1.2	34
Africa	12.1	45	3.5	13	10.8	40	–0.1	0
The North and South America	18.3	70	7.8	29	15.6	60	2.5	9
Arab States	13.2	8	3.9	2	11.9	7	–0.1	0
Asia–Pacific region	13.5	235	4.5	80	11.5	200	1.2	21
Europe and Central Asia	13.9	45	5.4	18	10.6	35	1.2	4

Source: ILO Newsletter: Covid-19 and the World of Work. 5th issue. 30 June 2020, pp. 15–16.

year because of the lack of data on the pace of labour market recovery from a similar crisis in the past. Nevertheless, it is important to consider different options for recovery. ILO has therefore developed a model for calculating hours worked in the second half of 2020, based on a short–term forecast of hours worked in the first half of the year.

ILO has traditionally considered three scenarios: base; optimistic; pessimistic.

The base scenario is based on the latest GDP growth projections in the OECD June collection "OECD Economic Outlook", and a research centre Economist Intelligence Unit. They predict a certain recovery in economic activity in the second half of the year, which, however, will not prevent a significant decline in productivity in 2020 compared to the pre–crisis period. The OECD forecast is that workplace restrictions will be lifted and consumption and investment largely restored.

Pessimistic scenario: the pandemic will continue or lead to a second wave of large–scale job places closures. The increase in GDP is in line with the second wave scenario set out in the OECD June economic forecast (2020), which assumes a lower GDP growth rate in the last quarter of the year.

Optimistic scenario: indicator of hours worked are more responsive to the output gap than to the long–term trend (i.e. the upper 5% of the estimated distribution is used instead of the average distribution used in the base scenario).

According to the baseline scenario, global working time (compared to the last pre–crisis quarter, i.e. Q4 of 2019) would be reduced by 4.9% in the Q4, equivalent to 140 million full–time workers, once it peaked in the Q2 (48 hours a week to work). This means that by the end of 2020, labour markets are likely to be far from fully recovered.

In a pessimistic scenario, the situation in the second half of 2020 will remain almost as complex as in Q2. Even if more targeted policies are adopted, based on the experience of the first half of the year, global working time will decline by 11.9% by the end of 2020, equivalent to 340 million jobs in FTE, compared to Q4 of 2019.

In an optimistic scenario, the level of time lost in Q4 of 2020 will be reduced to 34 million jobs, and the gap from Q4 of 2019 will be only 1.2%.

ILO projections for the second half of 2020 show wide regional disparities (*see table 2*). Recovery in working hours will be most rapid in Africa, a region with historically high employment rates due to high participation in the informal economy.

The slowest relative recovery is expected in the Americas, where expected working time losses range from 3 to 16% by the end of Q4 2020.

PRACTICAL ACTIONS TO EMERGE FROM CRISIS

An unprecedented labour market crisis requires timely and large–scale support for enterprises and workers worldwide. ILO policy to address the COVID-19 crisis has four main lines of action.

It is particularly important, according to ILO experts, that, in the current situation, resources be mobilized and effectively allocated to address the far–reaching economic and social consequences of the pandemic and to promote job recovery while protecting workers in the workplace.

Many countries have implemented a wide range of policy measures relatively quickly, focusing on measures to stimulate the economy and employment, support enterprises, jobs and incomes.

ILO experts note that most countries have made significant efforts through fiscal and monetary policy instruments to allocate resources as quickly as possible, to prevent economic collapse and to support incomes and jobs. This required innovation and some flexibility.

In many countries, due to the COVID-19 crisis, fiscal regulations and legal restrictions on policies to increase fiscal space were lifted, and central banks around the world have gone beyond their usual roles, using their funds to intervene directly in the economy and buy large amounts of government and corporate bonds.

ILO estimates that by the end of May 2020, more than 90 countries had introduced or prepared fiscal measures totaling more than 10 trillion dollars. Interest rates have also been reduced in a comparable number of countries since the onset of the crisis.

Fiscal measures adopted in developed countries (an average of about 5% of a country’s GDP in each case) account for 88% of the world stimulus programme. The range of measures adopted varied from country to country, but typically included the deferral and elimination of taxes, social security contributions and other payments, as well as providing grants, credit guarantees and wage subsidies to enterprises, including small and medium–sized enterprises (SME), in some cases only on condition of job retention.

Most of the discretionary spending in the most developed countries went to expand existing social protection schemes for workers and vulnerable households (including unemployment benefits, sickness benefits and social assistance). Significant conventional and unconventional monetary policy measures were also quickly adopted to avert a liquidity crisis.

Developing countries and economies in transition responded equally quickly, but their fiscal measures were more modest. In developing and emerging economies, financial assistance averaged 2.3% of GDP, reflecting their less favourable position. Overall, the measures taken represent only 2.5% of global fiscal measures. Their rather limited resources were used mainly to support vulnerable enterprises, defer payments and provide emergency assistance to the most vulnerable through direct cash transfer (mainly special allowances and grants).

Despite these efforts, the limited coverage of unemployment benefits and other social protection schemes has created many difficulties in preventing harm in developing and transition economies, especially for workers and households employed in the informal economy.

In many low–income countries, the situation is even more difficult, as the fiscal space is extremely limited. This limited fiscal space has been further eroded by a sharp decline in commodity prices, as well as a decline in export earnings, remittances and foreign investment. Without large–scale international support, stimulating the economy and employment through fiscal measures will not be affordable for many of these countries.

With reference to monetary policy, many developing and transition economies have the potential to further reduce interest rates. Further efforts are therefore needed to find sustainable and effective ways to mobilize resources, given the limitations of the transmission mechanism of monetary policy in these countries.

In addition, the broad character and urgency of interventions has created many policy implementation problems in countries in all regions and income groups.

In general, the application of the measures proceeded smoothly where strong institutional structures already existed: developed and resourced social protection systems, an efficient tax system, a well–capitalized banking sector and strong public investment banks. Some countries have adapted these already existing institutions to introduce innovations such as new work–sharing schemes, increased support for the self–employed, criteria for payment and guarantees.

Many countries were able to respond quickly by mobilizing, expanding and adapting existing social protection mechanisms. As at 16 June 2020, 1 166 social protection measures had been announced in 200 countries and territories in various areas, including health and income protection, unemployment protection and job protection.

Innovative approaches have also made the response timely and effective in both developed and developing countries. For example, digital technologies and mobile phones were widely used in many countries, including for registration and payment of benefits in social protection programmes. Some developing countries (e.g., Ghana and Nigeria) have established special mechanisms to channel international humanitarian funds and remittances to the most vulnerable. Delaying and exempting tax payments helped to quickly provide resources for households and businesses.

In addition, some countries and cities sent remittances to households in the form of digital certificates of consumption to prevent the use of these funds for savings or debt repayment, and also offered tourist vouchers for use in local restaurants (for example, in Japan and the Republic of Korea).

FUTURE TASKS

ILO experts note that, despite the extraordinary and unprecedented measures taken worldwide, the damage caused by the COVID-19 pandemic in the labour markets is enormous and poses the greatest challenges to labour policy makers. The real outcome of the labour market in the second half of 2020 and beyond will depend on the choices they make and the future scenario of the pandemic. Moreover, decisions taken in the short term could have long–term effects on the world of work.

All countries will face different challenges. The seriousness of the challenges, the instruments and the resources, which they can use, will differ significantly. But most countries will have to address a number of key challenges.

First, finding the right balance and sequencing of health, economic and social policies to achieve optimal and sustainable outcomes in the labour market. From the outset of the pandemic, priority had to be given to containing the virus and halting its spread, although the result was not always successful.

This has entailed significant economic and social costs, but otherwise sustainable recovery is not possible. Today, national governments are increasingly called upon to make complex decisions to open jobs, implement health–care measures and continue or withdraw support for those enterprises and workers that cannot resume normal activities.

Such decisions are increasingly difficult to make because of public and private sector spending on prolonging restrictions and fears that premature action may trigger a new wave of the pandemic.

Second, implementing and sustaining policy measures on the scale required, while resources are becoming increasingly limited. The realization of the need to do "whatever it takes" to sustain economic activity, jobs, enterprises and revenues during the course of the pandemic led governments to cancel previously set fiscal and monetary targets. Even if the pandemic recedes in the coming months, many countries will confront with high debt levels and very limited monetary policy space.

The long–term damage to labour markets and the prevailing difficult global economic environment in the near future indicate that even in these unprecedented circumstances, support measures will have to be maintained for a sustained recovery. Premature fiscal consolidation, such as that which followed the 2008–2009 financial crisis, could destabilize already weak labour markets.

Third, support for vulnerable and severely affected populations and more equitable outcomes in the labour market. The pandemic has brought inequality and other labour problems to the fore. Even before the advent of COVID-19, women, youth and informal workers were in a very difficult situation, and now they are among those who have experienced the full impact of the crisis.

The society has also changed its attitude towards the hard and undervalued work of health care workers, welfare workers, cleaners, domestic workers, whose work is very important in overcoming the pandemic. If the most vulnerable and vulnerable are not given due attention, recovery processes may run the risk of exacerbating existing inequalities.

Fourthly, international solidarity and support, especially for countries with developing and transition economies. Whatever the achievements of individual countries, the overall response to the global COVID-19 crisis has been characterized by a notable lack of international cooperation.

The analysis shows that the enormous amount of resources allocated by high–income countries to fight the pandemic is simply unavailable to other countries. This has a significant impact on the ability of developing countries and countries with economies in transition to protect their citizens and contain the pandemic, which in turn worsens the prospects of all other countries.

The need for a global response to the global crisis caused by the COVID-19 pandemic must be translated into concrete measures to assist countries with limited financial capacity, in particular through multilateral action on concessional financing and debt relief.

Fifth, strengthening social dialogue and respect for labour rights. In many cases, social dialogue, bringing together governments, employers and workers, has proved valuable in shaping effective, balanced and acceptable policy responses to COVID-19 at the sectoral and national levels. Social dialogue can also contribute to shaping sustainable paths of recovery in the period ahead. During the pandemic, people in most countries were subjected to severe restrictions on personal freedoms, which were generally considered necessary and justified. However, the permissibility of such measures depends on their proportionality, appropriateness and time constraints.

The COVID-19 pandemic does not give rise to any restrictions on the basic labour rights enshrined in international labour standards and their unconditional observance is a prerequisite for effective social dialogue.

CONCLUSION

Prior to the pandemic, the international community committed itself to realizing far–reaching transformative changes in global development and the world of work, adopted the "Sustainable Development Agenda 2030" and the "ILO Centenary Declaration on the Future of Work".

The world will emerge from a pandemic with higher levels of unemployment, inequality, poverty, debt and political disillusionment. It is therefore very important that national governments make recovery plans central not just to a return to pre–crisis situations, but to recovery on the principle of "better than it was".

The "ILO Centenary Declaration on the Future of Work" sets out a people–centred agenda for the future of the world of work, including investment in human capabilities, labour market institutions and sustainable jobs in the future, which provides important benchmarks for addressing the key challenges we face.

The pandemic has shown that decent jobs, a sound health system, universal social protection — are the infrastructure of human life that must be the focus of attention.

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