

Coronavirus pandemic has wiped out \$3.5tn in work income, says ILO

UN body figures show people in Americas and lower to middle income nations hardest hit

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The economic fallout from the coronavirus pandemic has wiped out \$3.5tn (£2.75tn) of earnings for millions of people around the world, according to the UN's labour body. The International Labour Organization (ILO) said income from work declined by an estimated 10.7% in the first three-quarters of 2020 compared with the same period in 2019.

Underscoring the "massive" impact on workers from growing numbers of job cuts, reductions in working hours and lack of opportunities, the Geneva-based UN body said the biggest drop was in lower-income countries and the Americas.

Income from work fell 15.1% in lower to middle-income countries, such as Bangladesh, Cambodia, Nigeria and Ukraine. In regional terms, the Americas had the biggest decline, down 12.1%. Although the assessment excludes income support provided by governments – more common in wealthy nations – the figures expose the dramatic effect on workers from widespread shut downs in activity during the pandemic.

Publishing its latest estimates on the impact of the coronavirus crisis, the ILO said the outlook for workers in the final three months of 2020 had deteriorated significantly, amid rising infection rates in several countries and weaker levels of global economic activity.

Under its baseline scenario, the ILO said working hours in the fourth quarter were projected to be 8.6% below 2019 levels – the equivalent of 245m full-time jobs being lost. This is an increase on the 4.9% decline, or 140m jobs, predicted earlier this year.

The ILO said one reason for the increases in lost working-hours was that workers in developing and emerging economies, especially those in informal employment, have been much more affected by the pandemic than in past economic crises.

Government support packages have been launched in wealthier countries to cushion the economic fallout from the pandemic including the UK, where more than 9.6m jobs have been furloughed through the coronavirus job retention scheme at a cost of almost £40bn so far to the exchequer.

However, emerging and developing countries have had less capacity to finance such measures, workers in low-income economies from a loss of income, it said in order for developing countries to reach the same ratio of support as in high-income ones, a further \$982bn around the world would need to be spent protecting workers.

Guy Ryder, the director general of the ILO, said: "Just as we need to redouble our efforts to beat the virus, so we need to act urgently and at scale to overcome its economic, social and employment impacts. That includes sustaining support for jobs, businesses and incomes."

"As the United Nations general assembly gathers in New York, there is pressing need for the international community to set out a global strategy for recovery through dialogue, cooperation and solidarity. No group, country or region can beat this crisis alone."

Richard Partington, "Coronavirus pandemic has wiped out \$3.5tn in work income, says ILO," The Guardian, 23 September 2020,

<https://www.theguardian.com/business/2020/sep/23/coronavirus-pandemic-has-wiped-out-dollars-3tn-in-wages-says-ilo>