

# ► Social Protection Spotlight

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## ► The role of social dialogue in formulating social protection responses to the COVID-19 crisis

### Key points

- The COVID-19 pandemic represents a major public health challenge with both immediate and long-lasting economic and social impacts. Social protection measures are an indispensable part of any coordinated policy response, ensuring that people can effectively access health care while supporting job and income security for those affected.
- Social dialogue as a mechanism for participation and consensus-building in the world of work is key for designing and implementing social protection policies, including in contexts of crisis.
- Countries that have well-established social dialogue structures are better equipped to integrate the voices of workers' and employers' organizations in their response efforts. It is important to ensure that the concerns of all types of enterprises and businesses and all categories of workers are represented, including those (economic units and workers) in the informal economy, in order to build more balanced responses, including better-adapted social protection measures.
- Social dialogue is not only key for building the preparedness of social protection systems for future crises and formulating immediate responses to shocks, but it should also be pursued continuously as countries address the various phases of the crisis and tackle the particular social and economic challenges arising in the medium and long terms. Where social dialogue structures are absent, governments should seize the opportunity to establish, strengthen or restore social dialogue channels by progressively providing the enabling conditions and environment. This includes reinforcing the capacities of workers' and employers' organizations and consulting other relevant and representative organizations of persons concerned.
- Governments, together with social partners and other stakeholders, where appropriate, should strive to strengthen social protection systems, including floors, as a cornerstone of national policy architecture that is essential during and outside moments of crises.
- A crisis response based on national dialogue and consensus-building is more human-centred because it takes into account the views of various stakeholders. This approach to crisis response will allow countries to develop more efficient, sustainable and prudent exits from the COVID-19 pandemic. The integration of social partners in the process of formulating policy responses will help to accelerate the recovery towards more socially just societies and to build shock-responsive social protection systems.

## Introduction

The COVID-19 pandemic represents a major public health challenge, with both immediate and long-lasting economic and social impacts. As the current crisis has shown, social protection measures are an indispensable part of any coordinated policy response, ensuring that people can effectively access health care while supporting job and income security for those affected. In addition, social protection supports enterprises in retaining workers, thereby preventing unemployment and supporting a quick recovery (ILO 2020f; 2020b; 2020h; 2020d; 2020g).

Between 1 February and 20 September 2020, 208 countries and territories have announced over 1,460 social protection measures to contain the immediate and continuous health impacts, while developing responses to the social and economic consequences of the crisis.<sup>1</sup> Most measures consist of the introduction of new programmes or benefits to assist those in need; adjustments in existing programmes and schemes and in social spending; improvements in administration to facilitate access to benefits; and temporary waivers of the payment of contributions. These announcements comprise measures across all branches of social protection. Most of the provisions relate to social assistance, unemployment protection, health care, sick leave and measures to provide income and job protection for those who have lost partially or totally their ability to earn an income (see box 1).

Social dialogue includes all types of negotiation, consultation and exchange of information among representatives of governments, workers and employers on issues of common interest relating to economic and social policy. Social dialogue can be a tripartite process, with the government as an official party to the dialogue, or it may consist of bipartite relations only between workers and employers or their representatives. The main goal of social dialogue is to promote consensus-building and democratic involvement among the main stakeholders in the world of work (ILO 2002).

Like social protection, social dialogue figures prominently in the ILO's four key pillars to address the COVID-19 crisis (see box 2). Social dialogue is essential for designing and implementing social protection policies, including in crisis contexts and covariate shocks that affect a large number of people at once. Social dialogue is a fundamental instrument for sound governance of complex situations for at least three reasons:

- It can enhance the quality of policy design and strategies through consultations and information-sharing between governments and social partners, thereby enabling the identification of gaps in, and barriers to, protection for workers and employers, as well as defining national priorities and developing the responses to close the gaps

identified, including with respect to financing and resource allocation (ILO 2015).

### Box 1: National social protection responses to the COVID-19 pandemic

The responses address several social protection policy areas, including:

- **health care:** enhancing access to affordable health care, closing gaps in social health protection and extending financial protection;
- **sickness benefits:** ensuring income security during sick leave, including for workers without paid sick leave, such as self-employed workers;
- **unemployment protection:** supporting enterprises to retain workers, thereby preventing unemployment and providing income security to unemployed workers or workers who have experienced partial or total wage cuts even if not formally unemployed;
- **old age, survivors and disability benefits:** ensuring income security for those affected by the crisis and facilitating access to social protection benefits;
- **social assistance:** providing income support to the population through cash transfers and other support;
- **family leave and care:** supporting those who cannot telework because they are required to care for family members;
- **temporarily waiving the payment of social security contributions and taxes** or other measures to allow greater flexibility to support enterprises facing liquidity constraints; and
- **adapting administrative procedures and delivery mechanisms:** ensuring rapid delivery of benefits, facilitating online or telephone services and adapting payment modalities, thereby avoiding transmission of the virus.

- It contributes to building ownership and commitment to the policies and strategies that are formulated and facilitates implementation of the decisions taken.
- It can help to create the trust that is needed to overcome differences, reduce conflict and strengthen social cohesion, stability and resilience. By doing so, it enables social partners to arrive at a compromise that is more balanced and informed by the concerns of both workers and employers (ILO 2020j).

In addition, the development and implementation of response measures should also benefit from consultation with other relevant and representative organizations of persons concerned.<sup>2</sup> These organizations may include civil society organizations, associations, cooperatives and organizations that

<sup>1</sup> See ILO, "Social Protection Responses to COVID-19 Crisis around the World".

<sup>2</sup> See ILO, Social Protection Floors Recommendation, 2012 (No. 202), paras 3(r) and 8(d).

represent persons outside formal employment, who are often the most in need and do not have a voice in formal institutional tripartite structures.

► **Box 2: Social protection and social dialogue: essential components of the ILO's four key pillars to address the COVID-19 crisis based on international labour standards**

The ILO has structured its key policy messages for response to the crisis around four pillars, with each pillar complementing the others. International labour standards provide a solid basis for policy responses designed to facilitate a recovery that is sustainable and equitable.

**Pillar 1 - stimulating the economy and employment**

**Pillar 2 - supporting enterprises, jobs and incomes**

**Pillar 3 - protecting workers in the workplace**

**Pillar 4 - relying on social dialogue for solutions**

Social protection responses cut across the four pillars. There are strong linkages between social protection and pillar 4 on social dialogue. Effective social dialogue ensures interaction – including negotiation and consultation – between representatives of governments, workers and employers. This provides a solid basis to design policies that are balanced and respond to the needs of society at large, while maintaining trust and safeguarding or even reinvigorating the social contract.

Source: (ILO 2020a).

In times of crisis with mounting social tensions, the need for social dialogue is more important than ever. Evidence from previous crises, such as the 2008–2009 financial and economic crisis, has highlighted the importance of developing social protection measures through effective social dialogue (see box 3). Although the unique circumstances of the COVID-19 crisis led many governments to formulate initial responses in haste, many other countries resorted to social dialogue as a vehicle for formulating policy measures to protect populations and support business continuity from the very beginning.<sup>3</sup> Likewise, social dialogue based on bilateral consultations between workers' and employers' organizations has also been utilized for

strengthening agreements in the area of social protection.

► **Box 3: Social protection responses to the global financial and economic crisis (2008–2009): some lessons learned**

Given the devastating financial and socio-economic effects of the crisis in 2008–2009, ILO constituents unanimously adopted in 2009 a "Global Jobs Pact" as policy guidance for a productive recovery centred on investments, employment and social protection. In the first phase of the 2008–2009 crisis, 145 countries in all continents bolstered their investments in social protection in order to stimulate growth and offset the negative impacts on households. The response measures implemented by countries included the extension of unemployment protection, scaling up cash transfers, supporting old-age pensions, increasing access to health services and introducing food subsidies. For example, among other measures, spending was increased on unemployment programmes in Germany and the United States; new family benefits were introduced in Argentina; cash transfers were extended in Brazil, Mexico and Turkey; and old-age protection was extended in China. However, from 2010 onwards an opposite trend took over, marked by fiscal consolidation measures linked to concerns over sovereign debt levels and fiscal deficits. Some of these short-term adjustment reforms that were introduced in several high-income and developing countries alike did not pay due regard to consultations with social partners and key stakeholders in civil society. This often resulted in reforms that favoured cost efficiency over social impact, overlooking social outcomes in terms of poverty and inequality. It thus highlights the ever pressing need to ensure that tripartite social dialogue is pursued when building, reforming and strengthening social protection systems to secure positive social outcomes.

Sources: (ILO 2014; 2010; 2009).

Social dialogue and concerted action by governments and workers' and employers' organizations play a fundamental role when designing and implementing the responses to address the immediate health crisis and the effects on employment and income. In addition, they will help to ensure a safe return to work and the recovery beyond the crisis to enable a better and more resilient future to be built (ILO 2020j; 2020l).

<sup>3</sup> These measures have typically included economic support packages for business and workers alike and health-related measures at the workplace; input to national or regional lockdowns; measures with a sector-specific approach; or more recently, measures to support the exit from lockdown and prepare for the return to work. See ILO, "COVID-19 and the World of Work: Country Policy Responses".

### Social dialogue in the context of national social protection responses to COVID-19: Immediate responses

As the COVID-19 outbreak has spread around the world, virtually all national governments have made social protection a central pillar of their policy response. Many countries have done so through existing participatory and consultative institutions and mechanisms, including Argentina, Azerbaijan, Belgium, Estonia, Germany, India, Ireland, Italy, the Philippines, the Republic of the Congo, the Republic of Korea, Rwanda, South Africa, Spain, Thailand, Tunisia, Sweden, Switzerland, Uruguay and Uzbekistan.

This crisis is complex and has had far-reaching consequences, including on the health, employment and income of populations and on various sectors and economic activities. To ensure that responses are as effective and all-encompassing as possible, as reflected in ILO standards, sustained social dialogue and the meaningful participation of social partners and other stakeholders is essential for tackling the consequences and challenges arising from the current as well as any future crises (see box 4).

It is estimated that global working hours have declined by 17.3 per cent (equivalent to 495 million full-time jobs) during the 2nd quarter of 2020 (with respect to the 4th quarter of 2019) and that they will decline by 8.6 per cent (equivalent to 245 million full-time jobs) in the 4th quarter of 2020 (ILO 2020c). To address the resulting significant losses of jobs and incomes, social protection measures need to ensure (ILO 2020f; 2020k; 2020e; 2020i; 2020h; 2020d; 2020b):

► **for workers:**

- that the needs of workers and their families, including those in the informal economy and migrant workers, are identified and addressed;
- that access to health care for workers and their families is provided, especially those in groups at risk;
- that the health and well-being of workers is assured, in particular those working in frontline sectors, such as the health, care economy and food retail sectors, while taking into account the needs of women who have been particularly affected by the crisis; and
- that job losses are prevented and the incomes of workers are protected;

► **for employers:**

- that business needs are identified and addressed to support enterprises in retaining workers, while preventing business closures and job losses;
- that support packages to ensure business continuity are provided; and
- that contribution compliance to enable workers' access to health care and other social protection benefits is warranted;

- **for governments:** that the immediate needs of the health crisis are met and the spread of the virus is curtailed, while the social and economic impacts on the population are simultaneously addressed.

#### Box 4: Social dialogue and social protection systems, including floors

Social dialogue is a fundamental element for the coordinated design, implementation and monitoring of sustainable social protection systems, including floors. Social protection policy measures that are developed through effective social dialogue provide more efficient, balanced and durable solutions, including in periods of crisis (ILO 2019c). Well-established social dialogue can be used as a valuable control mechanism to ensure that social security schemes are functioning properly. Social partners know the particular needs of the beneficiaries and the challenges encountered by businesses. In addition, the participation of social partners in the management of social security schemes ensures that the interests of the persons being protected are taken into account, which helps to activate civil society and enterprises and to promote social cohesion (ILO 2011). For example, in 2014–2017, social partners were involved in revising the retirement age in India, the United Kingdom and the United States; extending universal health coverage in Argentina; extending unemployment insurance and tax waivers to protect low-income workers in Kenya and South Africa; and amending legislation to protect workers over 60 in Singapore (ILO 2018).

Relevant international labour standards, such as the Social Security (Minimum Standards) Convention, 1952 (No. 102),<sup>1</sup> the Social Protection Floors Recommendation, 2012 (No. 202)<sup>2</sup> and the Employment and Decent Work for Peace and Resilience Recommendation, 2017 (No. 205),<sup>3</sup> highlight the importance of utilizing social dialogue processes and undertaking participatory consultations when formulating social protection policy responses including during crisis situations and recommend that the tripartite management of social security schemes should be strengthened.

<sup>1</sup> See Article 72.

<sup>2</sup> See paras 3(r) and 8(d).

<sup>3</sup> See paras 7(k) and 8(i) and section IX.

Sources: (ILO 2011; 2019c; 2018).

Governments need to raise awareness and provide information to the public on their social protection entitlements. At the same time, social partners need to raise awareness and ensure that guidance and information is provided to workers and employers on those measures, as well as on ensuring compliance with the relevant regulatory framework.



Although the urgent nature of the pandemic requires swift action from governments, it is essential to balance the imperative to deliver quickly with the need to make sure that social dialogue underpins the whole process of crisis response, so that workers and employers have a voice and are involved in the compromise that is reached. Therefore, the engagement of social partners in national consultations should be a key element of developing responses at macro and micro levels in all phases of the crisis, from immediate responses and emergency relief to medium- and long-term recovery.

At the macro level, tripartite bodies that deal with economic and social policies are the primary mechanisms for social dialogue on social protection issues, such as national councils for social dialogue and economic and social councils. These have been useful devices for the development of coordinated responses to the COVID-19 crisis. In many countries, social security institutions are governed by tripartite boards in order to guarantee that workers and employers are fully involved, alongside governments, in the design of all measures and policies.

Examples of countries that have adopted social protection measures during the crisis through their national dialogue bodies include:

- South Africa's National Economic Development and Labour Council (NEDLAC) has served as the forum for formulating tripartite responses to the crisis in the area of employment and labour. Among the social protection measures developed is a temporary employer-employee relief scheme; it was launched under the unemployment insurance fund to provide income protection for workers who have been laid off indefinitely, for a specified period at 60 per cent of their previous salary. A "coronavirus response task team" was established to address various issues, including to provide sick leave benefits, support struggling companies and assist school feeding schemes.<sup>4</sup>
- The Estonian unemployment insurance fund, which has tripartite governance, approved a temporary job and income-protection benefit to support workers and employers affected by lockdown measures, supporting job retention while also guaranteeing that workers receive a compensation (capped at 70 per cent of the previous wage).<sup>5</sup>
- In Argentina, representatives of workers' and employers' organizations signed an agreement recommending a regulatory framework for ensuring income and job protection for workers. This joint proposal aimed to ensure that workers who are unable to telework and not at risk receive a benefit equivalent to 75 per cent of their net income. This measure guaranteed continuity of the employment relationship during the lockdown period.<sup>6</sup>
- In Azerbaijan, the Government has created a special coordination council to bring together relevant stakeholders, including workers' and employers' representatives, to formulate proposals to step up the protection of workers' health and safety, take measures to remedy the loss of income and ensure employment security. Social partners have submitted a number of social protection proposals to the Government, including the provision of income protection to partially cover the salaries of employees prevented from working due to the lockdown; the expansion of unemployment insurance coverage; temporary waivers of social security contributions; and social assistance to low-income families, unemployed workers and workers in the informal economy.<sup>7</sup>
- In Cameroon, Gabon and the Republic of the Congo, with the support of the ILO, the Government, workers' and employers' organizations joined forces to assess the impact of the pandemic and proposed recommendations to address the social and economic consequences of the COVID-19 crisis. A number of measures were adopted. Cameroon adapted the payment of contributions and increased the level of family and pension benefits.<sup>8</sup> Congo introduced an income guarantee benefit for vulnerable people.<sup>9</sup> Gabon implemented an unemployment benefit for workers in the formal sector at 50 to 70 per cent of their net salary.<sup>10</sup>
- In Sweden, social dialogue has been an important instrument for the development of social protection responses, including the provision of partial unemployment benefits of workers at 90 per cent of their salary for those affected by reduced working hour arrangements. Adjustments were also made to the rules governing sickness benefits (such as extended duration and payment from the first day of sickness) and the possibility for

<sup>4</sup> See South Africa, Department of Health, "National Economic Development and Labour Council on Measures to Combat Covid-19 Coronavirus", press release, 17 March 2020.

<sup>5</sup> See Estonia, Ministry of Social Affairs, "The Government Approved the Measure for Supporting Employers and Workers in Difficulties because of the Corona Virus", press release, 20 March 2020.

<sup>6</sup> See Argentina, Ministry of Labour, Employment and Social Security, "Resolución 397/2020", *Boletín Oficial de la República Argentina*, RESOL-2020-397-APN-MT, 29 April 2020.

<sup>7</sup> See ILO, "COVID-19 and the World of Work: Country Policy Responses".

<sup>8</sup> See *Actu Cameroun*, "Covid-19: Le gouvernement prend 19 mesures importantes assouplissant les restrictions", 30 April 2020.

<sup>9</sup> See *Agence d'Information d'Afrique Centrale*, "Covid-19: le gouvernement annonce des mesures complémentaires", 11 April 2020.

<sup>10</sup> See *Gabonactu.com*, "Déclaration intégrale de Julien Nkoghe Bekalé sur le confinement total du Grand Libreville", 10 April 2020.

enterprises to defer payment of social security contributions.<sup>11</sup>

- Similarly, in Ireland workers' and employers' organizations advocated for a temporary wage subsidy scheme that was subsequently adopted by the Government.<sup>12</sup>
- In the framework of the Republic of Korea's economic, social and labour council, social partners reached an important agreement on the health sector and how it should counter the effects of the pandemic. Actions included better working conditions for health care workers; safeguarding the job protection of health care employees; building a more sustainable and better-equipped health care system; scaling up public health care capacities; and collaboration with the private health care sector.<sup>13</sup>
- The state of Kerala in India developed a number of responses while following a coordinated and effective "all-of-government, all-of-society" approach based on social dialogue, including dialogue with local governance bodies, workers' organizations and community networks. The measures implemented include precautionary state-wide public health responses, the distribution of in-kind assistance and other complementary income support measures.<sup>14</sup>
- In Tunisia, social partners and Government reached a tripartite agreement to guarantee job and income security for private sector employees working in agriculture and fisheries, transportation, the steel and garment industries and other sectors. This agreement ensured that workers receive full salaries, paid partly by employers and partly by the Government.<sup>15</sup>

The examples above and the case of Germany (see box 5) provide an illustration of the added value of concerted national social dialogue when developing appropriate social protection responses to address the various effects of the ongoing crisis. Although the imperative to respond quickly may have constrained many governments from devising responses based on social dialogue, evidence shows that countries with a relatively strong tradition of social dialogue and well-functioning participatory institutions are better equipped to formulate more durable policy responses that take into account the needs of the various sectors of society.

However, many countries are still struggling to build the conditions for effective and successful social dialogue, mainly due to a lack of capacity and/or political constraints. This poses a significant challenge to the ability of workers to exercise their fundamental rights at work, such as freedom of association and collective bargaining, and prevents them from participating in the process of crisis response. Countries where social dialogue has been experiencing difficulties may face challenges in devising responses that are consensual and agreed by all social partners, as has been observed in Brazil,<sup>16</sup> Chile,<sup>17</sup> Haiti,<sup>18</sup> Malaysia,<sup>19</sup> Mexico,<sup>20</sup> Morocco,<sup>21</sup> Nigeria,<sup>22</sup> Pakistan<sup>23</sup> and others. The absence of participatory mechanisms, which are essential for ensuring that the voices and concerns of workers, businesses and communities are heard and taken into account in policy, hinders the capacity of countries to formulate responses that are sufficiently comprehensive and balanced to address the complex challenges engendered by a global pandemic (ITUC 2020a). This in turn may make it harder for countries

<sup>11</sup> See TUAC, "Crisis del COVID-19: Respuestas de los sindicatos y los interlocutores sociales", 30 June 2020.

<sup>12</sup> See Ireland, Office of the Revenue Commissioners, "Temporary COVID-19 Wage Subsidy Scheme"; and "COVID-19 and the World of Work: Country Policy Responses".

<sup>13</sup> See Republic of Korea, Economic, Social and Labour Council, "Agreement to Overcome the Crisis caused by Coronavirus 19 Spread and Protect Healthcare Workers", 26 March 2020.

<sup>14</sup> See *Business Standard*, "Kerala's Approach to Containing Corona", 22 April 2020; and ILO, "Social Protection Responses to the COVID-19 Pandemic in Developing Countries: Strengthening Resilience by Building Universal Social Protection", Social Protection Spotlight, May 2020.

<sup>15</sup> See *Solidarity Center*, "Union Win: No Layoffs In Tunisia Private-Sector In COVID-19", 20 April 2020.

<sup>16</sup> See *DW.com*, "O que está em jogo na suspensão do aval de sindicatos a acordos trabalhistas", 18 April 2020.

<sup>17</sup> See CUT Chile, "CUT califica 'al filo de la ilegalidad' Proyecto de Ley del Gobierno que pretende suspender plazos de las negociaciones colectivas", 16 April 2020.

<sup>18</sup> See ITUC, CSI and IGB, "Social Protection with Health Care: Data from Selected Countries", May 2020.

<sup>19</sup> See *FMT News*, "MTUC Urges National Labour Advisory Council to Stop Retrenchments", 16 June 2020; and *Malaymail.com*, "MTUC tells employers group to back claim that RM2,700 'living wage' would kill businesses", 30 June 2020.

<sup>20</sup> See *El Universal*, "Sindicatos quedan al margen de las decisiones para enfrentar el coronavirus: FNSI", 7 May 2020.

<sup>21</sup> See "COVID-19 and the World of Work: Country Policy Responses".

<sup>22</sup> See ITUC, CSI and IGB, "Social Protection with Health Care: Data from Selected Countries", May 2020.

<sup>23</sup> See *The News International*, "Sindh Govt Bars Employers from Laying Off Workers during Lockdown Period"; and Employers Federation of Pakistan, "Notice Under Section 3 Of Sindh Epidemic Diseases Act 2014 & Sindh Payment Of Wages Act 2015", 8 April 2020.

to design efficient and comprehensive policies for recovering more rapidly from the crisis.

Despite the unprecedented challenges arising from the pandemic, this crisis presents new possibilities for overcoming past obstacles to social dialogue and reinvigorating the social contract between the state and society (ILO 2016; Razavi et al. forthcoming). There are many ways in which governments can achieve this, including by respecting workers' fundamental rights at work; supporting the establishment of free and independent organizations of workers and employers; putting in place appropriate mechanisms and institutional support for social dialogue; and strengthening the capacities of workers' and employers' organizations, including through technical training and adequate financing (ILO 2015). These actions are fundamental for building an enabling environment and culture of social dialogue in countries (TUDCN 2018). In addition, it is crucial to ensure consultation with other relevant and representative organizations of persons concerned<sup>24</sup> in broad national dialogue, including economic units and workers in the informal economy (see box 6).

### International social dialogue for social protection

International human rights instruments and international labour standards and principles provide the foundation for building universal social protection systems, as well as guidance for addressing world of work issues in response to crisis situations (ILO 2017a; 2017b; 2019b). These instruments, which are themselves a result of social dialogue at the global level, promote the establishment, strengthening and utilization of consultative and participatory mechanisms and institutions as an essential foundation for advancing social protection for all.

In the current crisis, at the national level, workers' and employers' organizations have played a key role in making sure that governments comply with international social security instruments by meaningfully informing national consultations and negotiations related to crisis response. Social partners have been instrumental in developing social protection responses, in line with national priorities and capacities. These actors can also follow up the application of decisions agreed and activate complaint mechanisms when governments fail to respect ratified international instruments.

#### ► Box 5: Increased short-time work allowance in Germany

In Germany, the Government, together with social partners, adopted various measures to adjust the rules governing its short-time work scheme, known as *Kurzarbeit*, to support workers and employers affected by the crisis through the provision of income and job protection. Simpler eligibility criteria were introduced, with companies being eligible for this support if at least 10 per cent of their workforce had their working time reduced, compared to one third as required in before the COVID-19 crisis. Benefit levels were initially set at 60 per cent of the difference in salary received prior to the crisis, or 67 per cent for employees with children. These benefits are paid by the relevant government fund, which is supervised by the social partners. As the pandemic persisted and the consequences were still being felt in the labour market, it was decided to increase the subsidy to 70 per cent (77 per cent for employees with children) from the fourth month onwards and to 80 per cent (87 per cent for employees with children) from the seventh month onwards, if employees are registered for *Kurzarbeit* and work less than 50 per cent of their usual working hours. This special arrangement will be extended until the end of 2021.<sup>1</sup> In addition, during this period employers are compensated by the fund for the social insurance contributions of workers affected by the short-time work measures. About 10.1 million workers have been affected by reduced working hours since the beginning of the pandemic.<sup>2</sup>

At the micro level, these measures were complemented by sectoral agreements aimed at increasing short-term work benefits so that workers could enjoy a higher replacement rate. This was done through collective bilateral agreements signed, for instance, between the mining/chemical/energy industrial union (IG BCE) and employers' organizations. This enabled workers to receive an additional supplement to the short-time work allowance paid by employers, bringing the level of compensation to 90 per cent of their net salaries. Some 75 per cent of all workers in the industries where IG BCE is active receive an increased short-time work benefit. In the case of the glass industry, IG BCE and the federal employers' association for glass and solar signed a federal collective agreement, increasing the benefit level to 80 per cent of the net salary of 50,000 employees. In addition, social partners agreed on a full package of measures, including a reduced notice period for short-time work, simplified rules for mobile work and flexible shift working hours. Similar arrangements were negotiated with other industrial sectors.<sup>3</sup>

<sup>1</sup> See Germany, Federal Ministry of Finance, "[Vereinfachtes Kurzarbeitergeld: Arbeitsplätze sichern](#)", 16 September 2020.

<sup>2</sup> See IG BCE, "[Kurzarbeit in der Krise: Das Haben Wir für euch Erreicht](#)".

<sup>3</sup> See IG BCE, "[IG BCE und Arbeitgeber Vereinbaren Aufstockung des Kurzarbeitergelds für Glas-Beschäftigte](#)", 3 April 2020.

<sup>24</sup> See ILO, Recommendation No. 202, paras 3(r) and 8(d).

► Box 6: Informal workers and social dialogue for social protection in Argentina and South Africa

In Argentina, informal workers were incorporated into a national dialogue forum through the Emergency Social Committee (ESC), which was set up in March 2020 in response to the pandemic. The goal of the ESC was to tackle the issues of food security, income security and job security. It included representation from different levels of the State, churches, and workers' and civil society organizations. Social movements and workers' organizations from the formal and informal economy were involved, including representatives of the Unión de Trabajadores y Trabajadoras de la Economía Popular and of Barrios de Pié – both of which are central unions with a broad membership of informal workers. An important feature of the ESC dialogue forum was its replication at local level, with the mayor of each participating municipality establishing an independent local dialogue committee, made up of a similar cross-sectoral representation from within their municipality. This helped to both ensure grass-roots representation and local level implementation of social protection and associated programmes.

Unlike Argentina, where a new dialogue space was established in response to the crisis, in South Africa informal workers' organizations drew on a pre-existing structure, the Recommendation 204 task team, to advocate for their right to work and secure their incomes during the country's strict lockdown. The Recommendation 204 task team is accountable to the national tripartite forum (NEDLAC) and was originally set up to guide and monitor the Government's implementation of the provisions of ILO Recommendation concerning the Transition from the Informal to the Formal Economy, 2015 (No. 204). The task team is made up of representatives of the Government, businesses, formal trade unions and a broad range of informal workers' organizations. The existing relationships with the Government, built over several years through this dialogue platform, were critical in allowing informal workers to amplify their voices during the crisis.

Establishing a new and inclusive dialogue forum was an innovative response to the crisis by the Government of Argentina. However, a lack of institutionalization or formalization at the federal level has meant that the ESC has stalled, although local level dialogues have continued throughout the crisis. In comparison, South Africa's space is more institutionalized – a reminder that the more established the structures in place before the crisis, the more likely they are to be sustained throughout the crisis. Such institutionalization, however, does not always translate into a conducive space for dialogue. Entrenched attitudes towards informal workers and a lack of commitment in terms of resources and time to the process of dialogue remain challenges in the South African context.

Source: (WIEGO 2020).

At the international level, workers' and employers' organizations have been engaged in global debates and joint actions for leveraging social protection to address the effects of the COVID-19 crisis (see box 7).

► Box 7: COVID-19 crisis: Action in the global garment industry<sup>1</sup>

The IOE, the ITUC and the IndustriAll Global Union have made a call to action to tackle the devastating economic disruption and threat to livelihoods caused by the COVID-19 pandemic. The call aims to mobilize sufficient funding to enable manufacturers to ensure business continuity and the payment of wages, as well as income-support and job retention schemes to protect garment workers' income, health and employment.

Workers, employers, retailers and major brands involved in the collaboration will form an international working group – convened by the ILO – to implement measures to limit the damage caused by the pandemic to enterprises and livelihoods. They have committed to supporting the development and expansion of social protection systems for workers and employers in the garment industry as part of the recovery.

"IOE joins this call for action with the aim of supporting business continuity as well as the livelihoods of workers in the garment industry during this disruptive period", noted Roberto Suárez Santos, Secretary-General of the IOE. "We cannot afford the human and economic devastation of the collapse of our global supply chains and millions more in developing economies thrown back into poverty. Jobs, incomes and social protection are the dividends of business continuity and this statement calls for emergency funds and social protection for workers to guarantee industry survival in the poorest of our countries. Leadership and cooperation from all stakeholders are vital to realize a future based on resilience and decent work", added Sharan Burrow, General Secretary of ITUC.

<sup>1</sup> See ILO, "ILO Welcomes Joint Action to Tackle COVID-19 Threats to Global Garment Industry", press release, 22 April 2020.

These joint efforts help identify the critical priorities that need to be addressed and the corresponding response measures that can provide guidance for national level dialogues:

- Workers, for instance, have been campaigning for a global social protection fund, calling on governments, international financial institutions (IFIs), development partners and international organizations to support the establishment of a fund dedicated to closing financing gaps and building social protection systems in low-income countries (ITUC 2020b).
- Led by the International Organization of Employers (IOE) and the International Trade Union Confederation (ITUC), workers' and employers' organizations have called on actors of the multilateral system to strive for business continuity, income security and solidarity to address the



various impacts of the crisis, while emphasising the importance of joint responsibility and the role of social dialogue (IOE and ITUC 2020). The ILO and other international bodies, such as the World Health Organization, have developed guidance to protect the public against the disastrous impacts of the virus; the implementation of this guidance will require the cooperation of governments and workers' and employers' organizations.<sup>25</sup>

As governments, IFIs and the donor community mobilize substantial fiscal and financial resources to address the immediate and long-lasting consequences of this extraordinary crisis,<sup>26</sup> social dialogue should be acknowledged and integrated as an essential part of the process. The inclusion of social partners in these fundamental debates and decisions on financing will contribute to ensuring that the needs of workers and employers are adequately addressed and that the financing gaps in social protection are progressively closed. In addition, workers' and employers' organizations, as well as other relevant and representative stakeholders, have an important role to play in monitoring the use of resources and ensuring transparency and accountability.

### Social dialogue for social protection beyond the COVID-19 crisis: medium-to-long-term perspective

As countries emerge from the crisis, it will be important that temporary social protection measures are extended with a medium-to-long-term perspective – or even on a permanent basis – with a view to closing coverage gaps. As evidence from previous crises and the mounting evidence from the current pandemic show, countries that have robust social protection systems are more resilient and better equipped to protect workers, employers, their populations and their economies from the devastating health and socio-economic impacts of such crises and should be able to recover faster.

The COVID-19 pandemic highlights more than ever the pressing need to pursue tripartite social dialogue when building and strengthening social security systems, including social protection floors, as outlined in Recommendation No. 202, Convention No. 102 and other up-to-date social security standards. For this purpose (ILO 2018):

- Social partners should be enabled and empowered to participate effectively in national social protection policymaking and implementation of social protection systems, including floors.
- Representatives of workers and employers should participate in the tripartite boards of social security schemes.

- Policy development and reforms should be based on a transparent, inclusive and open process.
- Broader social dialogue and partnerships with representatives of specific groups of the population and other relevant stakeholders should be promoted.
- In the interests of accountability and transparency, particular attention should be paid to monitoring the implementation and impact of social protection measures in order to ensure the effective delivery of benefits. This will contribute to the formulation of appropriate, adequate and relevant policies, and will enable potential shortcomings and gaps to be addressed.

Achieving the Sustainable Development Goals, in particular those related to social protection, will require concerted efforts by national stakeholders and social dialogue should play a key role in ensuring that viable and sustainable progress is made.

The COVID-19 pandemic has had a devastating impact on the world of work and led to one of the deepest global recessions in decades. It adds an additional layer of complexity to the challenging transformations that the world of work is undergoing – driven by technological innovations, demographic shifts, environmental and climate change and globalization – during a period of persistent inequalities. More than ever, in line with the ILO's Centenary Declaration for the Future of Work, a human-centred approach calls for universal access to comprehensive and sustainable social protection systems that provide adequate benefits for all and are adapted to developments in the world of work (ILO 2019a). Social dialogue is a fundamental foundation for ensuring that social protection systems are well-designed and capable of responding to this challenge.

### Preliminary policy considerations

- **The principles of tripartism and social dialogue are key for social protection development, reforms and governance. Social dialogue and consultations with social partners and other stakeholders are particularly important for devising coordinated policy responses, including to the COVID-19 pandemic.**

<sup>25</sup> See IOE and ITUC, "Joint Statement on COVID-19", 2020.

<sup>26</sup> As of 3 September 2020, 196 countries have introduced domestic fiscal measures, totalling approximately US\$10.6 trillion. International, regional and subregional development banks and international development cooperation agencies have also announced various financial packages to support countries in responding to the pandemic. These institutions have pledged about US\$1.3 trillion to help governments tackle the various effects of the COVID-19 crisis. As of 3 September 2020, up to US\$126.6 billion has been effectively approved and allocated to support countries in the area of social protection and health care (Durán Valverde et al. forthcoming).

- **Social dialogue is not only essential for informing social protection preparedness prior to shocks, but also for formulating immediate responses in crisis contexts when there is a high risk of social conflict. Social dialogue should be pursued on a continuous basis as countries address the various phases of crises and tackle the particular challenges arising in the medium and long terms.**
- **Likewise, creating an enabling environment for the development or strengthening of the capacity of workers' and employers' organizations, including those representing economic units and workers in the informal economy, is essential to ensure that social dialogue can take place and contribute to building coordinated policy responses to address the current crisis.**
- **Governments, together with social partners and other stakeholders, where appropriate, should take this opportunity to strengthen their social protection systems, including floors, as a cornerstone of the national social and economic policy architecture. The creation of fiscal space to finance social protection is a critical aspect of the recovery strategy. Social dialogue and consultations with social partners and other stakeholders are particularly important for such coordinated policy responses.**
- **As the prolonged COVID-19 crisis continues, as countries start to emerge from it and as pressures increase to reduce spending and put in place austerity measures, it will be crucial for social partners to be actively engaged and consulted to ensure that they can effectively shape any potential reform measures to safeguard social outcomes.**

#### How the ILO can assist

The ILO provides technical advice, expertise and capacity-building in the field of social protection, including services for:

- facilitating consultations with representative organizations of workers and employers, as well as consultations with relevant and representative organizations of persons concerned;
- ratification and application of ILO conventions and recommendations;
- formulation of national social protection policies and legal frameworks, in line with international standards and good practices and based on social dialogue;
- designing, implementing and monitoring rights-based social protection schemes and programmes in order to extend effective access to health care and income security to all based on national consultations and social dialogue;
- costing and financing social protection schemes and reforms based on national consultations and social dialogue, including analysis of options to expand fiscal space with a view to ensuring affordability and financial sustainability;
- financial governance of social protection schemes and programmes based on national consultations and social dialogue;
- raising awareness and building the capacities of workers and governments to participate in policymaking, implementation and monitoring of comprehensive, adequate and sustainable social protection systems, including floors.

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