

ILO predicts 25 million job losses due to COVID-19



Geneva, March 23 (RHC)-- The International Labor Organization (ILO) reports that the coronavirus pandemic could trigger a global economic crisis and destroy up to 25 million jobs around the world if governments do not act fast to shield workers from the impact.

The ILO laid out several scenarios on the impact of COVID-19 on the economy, estimating an increase in worldwide unemployment of between 5.3 million and 24.7 million people. That's on top of the estimated 188 million that the agency had predicted late last year in its annual forecast when it pointed out that the global financial crisis had increased global unemployment by 22 million people.

The ILO said that it cannot be denied that the workers will be the most harmed even in the most favorable scenario -- if the COVID-19 is contained -- since the rates of underemployment will increase with the crisis, resulting in lower wages and more working hours, while people working under the independent or self-employed regime will also suffer from the decline in consumption.

ILO noted that preliminary estimates indicate that until last March 10, workers infected with the virus had already lost 30,000 months of work, with the consequent reduction in income for those who are not protected by labor regulations or social security. Thus, the total loss of income generated by labor will range from 860,000 million to 3.4 trillion dollars.

Workers, by losing or reducing their income, will consume less, which in turn will have an impact on the manufacturing and services sector.

On the other hand, the organization's economists advanced that the reduction in income resulting from the decline in economic activity will be "devastating" to workers whose incomes were already scarce and who lived below the poverty line, approximately 8.8 million working poor.

The populations most affected by this crisis will be young people and women mainly. The former because they are already the category in which unemployment and underemployment are highest. At the same time, women are overrepresented in the service sector, which is one of those that suffer the most from the confinement measures issued in various countries and the uncertainty general created by the pandemic.

Women represent 58.6% of workers in service activities in the world, compared to 45.4% of men. Plus, in various countries that have decreed measures for the confinement and closure of schools, women are the ones who will lose the most income because they are the ones who tend to stay at home taking care of children or other dependents.

Faced with this scenario, the organization called for urgent, large-scale, and coordinated measures to protect workers in the workplace, stimulate the economy and support jobs and incomes.

ILO provided examples of measures that can be taken, including schemes that allow workers to be compensated for hours not worked (if their activities cannot be carried out by teleworking).

"However, if we see an internationally coordinated policy response, as happened in the global financial crisis of 2008/9, then the impact on global unemployment could be significantly lower," ILO said as it presented its preliminary assessment about the impact of the pandemic on the labor market.

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