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▶ 4th ILO Employment Research Symposium: Employment Policies for a Job Rich Recovery and a Better Future of Work

Meeting report

Organized as part of the joint EU-ILO Project
"Building Partnerships on the Future of Work"

► **4th ILO Employment Research
Symposium: Employment Policies
for a Job-rich Recovery and a Better
Future of Work**

Meeting report

15 and 16 November 2021

► Background and objectives

- The ILO Employment Policy Department organized the 4th EMPLOYMENT Policy Research Symposium: Employment policies for a job-rich recovery and a better Future of Work.
- This symposium was held using a hybrid format, both on Zoom as well as Room II, R3 South ILO HQ.
- This symposium took place over two days, on the 15th and 16th of November 2021.
- This conference has been organized as part of the project, “Building partnerships on the future of work” funded by the ILO and the Joint Research Centre (JRC) of the European commission.
- The broad objective of this symposium was to follow up on the *Global Call to Action*, which called for a human-centred recovery from the COVID-19 pandemic, and stressed the need for a recovery which is inclusive, sustainable as well as resilient.
- The main objectives of this symposium were as follows:
 - Examining the economic and employment policy responses to the COVID-19 pandemic.
 - Reviewing conceptual and analytical foundations of these responses, and how they can help shape recovery strategies.
 - Discussing main challenges to job-rich recovery in developed and developing economies and possible solutions
 - Sharing lessons from good practice and innovative approaches
 - Identifying key items for future policy research work; and,
 - Fostering a global knowledge network among policymakers, international experts, and academia the ILO can rely on in its follow-up to the *Global Call to Action*

▶ Day 1

Introductory remarks

Introduction by Sangheon Lee (Director, Employment Policy Department, ILO)

Mr. Lee opened the meeting by noting the constantly evolving world of work and the challenges it created in pursuing full, productive and decent employment, which had been the topic of the previous symposium held in 2019. COVID-19 has brought about new challenges and new implications for the future of work. ILO has kept a close eye on recent developments through the *ILO Monitor*. However, the constantly changing landscape meant that policies had to be adapted and fine-tuned based on the best evidence available. Mr. Lee highlighted the role of employment policies towards achieving an inclusive structural transformation and decent and productive work for all. The purpose of this symposium, stressed Mr. Lee, is to learn how to best achieve these goals. Mr. Lee thanked specifically the European Commission, as well as partner countries under the ILO/JCR project, namely Canada, the Republic of Korea, Mexico and South Africa. Mr. Lee expressed gratitude to all colleagues involved in organizing this symposium, with special thanks to Mr. Parisotto.

Opening remarks by Martha Newton (Deputy Director-General for Policy, ILO)

Ms. Newton stressed the importance and policy relevance of the topic of the research symposium. She noted that this symposium brought together experts from research institutions, international organizations, academia, policy makers from Ministries of Labour, trade unions and employer associations, as well as NGOs around the world. She expressed her hope that this conference would provide possible answers and solutions to the multitude of problems countries are facing. She listed a number of these problems, such as the inequalities exacerbated by the COVID-19 crisis, as well as the interruptions in supply chains and the imbalance between labour supply and demand to name a few. New employment policies must adapt to this ever-changing landscape, with the creation of decent jobs as a core objective. She noted that the process of structural transformation would invariably create winners and losers. Countries should pay heed to best available data and policy recommendations while designing, implementing, and monitoring their recovery programs. She thanked the European Commission as well as all ILO constituents for their participation in the conference.

Opening remarks by Aurelio Parisotto (Employment Policy Department, ILO)

Mr. Parisotto outlined the agenda for the day. He then opened the first session by noting how those countries which were able to put together large and coordinated monetary and fiscal packages to tackle the pandemic had been better able to deal with the human and financial costs entailed by it. One key question now was to what extent such policies should and could be used to support a sustained and inclusive recovery that was also environmentally sustainable. Another key question was what the optimal fiscal package would look like if the purpose was promoting both macroeconomic stabilization and productive transformation. The panel of upcoming speakers would discuss these issues from a variety of perspectives.

Session 1: Supportive Macroeconomic Frameworks

Panellist 1: Francesco Saraceno (Deputy Department Director, OFCE-Sciences Po)

Mr. Saraceno's presentation, entitled "From Crisis to Recovery: The EU Response to the Covid Crisis", began by noting that the Covid crisis was atypical, in that it represented a simultaneous demand and supply shock, the response to which in Europe was mostly fiscal, and at the level of national governments. This fiscal response entailed a scaling up of healthcare capacity, sustaining incomes and providing liquidity to firms. Interestingly, a major chunk of the fiscal effort was directed towards protecting the labour market, such as job retention schemes. Although there was a significant increase in public debt, these efforts have been successful, as drops in employment and wages in the Eurozone were significantly lower than the drops in real GDP. The challenges ahead include managing the increased debt, while ensuring that future growth is both environmentally and socially sustainable. These challenges need to be addressed multilaterally. He underlined the importance attached to public investments as a centrepiece in the plans for recovery and structural transformation in Europe. He further underlined the grim reality that fiscal space is an issue for many of the world's economies, although the current situation of low interest rates might keep debt servicing costs low over the medium-long run.

Panellist 2: Yan Islam (Adjunct Professor, Griffith Asian Institute)

Mr. Islam's presentation placed the emphasis on the macro responses of emerging economies. Mr. Islam noted that the average direct fiscal support across EMEs was about 5.6% of GDP, although there was considerable cross-country variation. He emphasized that recovery from the crisis was closely linked to such direct fiscal support. Mr. Islam also brought attention to a second component of the policy response, namely monetary policy rate cuts, as well unconventional monetary policy used in EMEs. More recently, however, there have been adjustments upwards in policy rates in Brazil, Russia and Peru for instance. Mr. Islam asked whether rising inflation and debts should be a cause of worry. Alluding to projections by the IMF, although there is a short-term spike in inflation in EMEs, rates up to 2026 are projected to rest within the inflation target range for such economies. Moreover, although debt to GDP ratios remain high, there is little evidence that borrowing costs are rising. The immediate challenges to EMEs include vaccine inequality and raising health care spending considerably to reach a 70% vaccination target by 2022. Mr. Islam closed by noting that to attain the previously set SDGs in light of the current crisis, there is a need of enhanced financial support and global cooperation.

Panellist 3: Gilad Isaacs (Institute for Economic Justice, University of the Witwatersrand)

Mr. Isaacs' presentation focused on Africa, and transformative macroeconomic policies therein to generate employment. Misconceptions about market liberalization and stable macroeconomic policy being the sole driver of employment growth have led to less-than-ideal impacts on employment and social outcomes in Africa. Mr. Isaacs stressed that the macroeconomic framework needs to do more than what it had traditionally done. Although Africa has witnessed economic growth since 2002, there has been modest growth in employment dynamics, due to a large increase in the labour force. The COVID-19 pandemic has exacerbated trends, with external positions of resource and tourism dependent countries becoming worse, along with large public deficits. Mr. Isaacs stressed that a 'pro-employment' transformative role of macroeconomic policies is required, targeting decent and productive employment in an inclusive and sustainable manner, beyond the traditional policies targeting solely price stability and debt/GDP ratios. Moreover, employment policy can play an important role in the structural transformation of the economy, contributing to higher value-added and productive activities. Mr. Isaacs noted that coordinated macroeconomic, sectoral and employment policies have a role in bolstering both aggregate demand and aggregate supply. He provided an example of an increase in fiscal stimulus, which would increase aggregate demand in the short term, while transforming supply capacity in the long term.

Panellist 4: Valeria Esquivel (Employment and Policy Department, ILO)

Ms. Esquivel began by noting that the COVID-19 pandemic has hit women harder than men, as estimated job losses for women are larger (4.2%) compared to that for men (3.0%). Moreover, the speed of recovery for female employment has lagged that of male employment. Consequently, employment-population ratios have declined more for women than in men, across all income groups, and particularly in lower-middle income countries. Ms. Esquivel then remarked that the fact that women are overrepresented in sectors severely impacted by the crisis explains the disproportionate labour market impacts on employment, such as manufacturing, accommodation and food services, and administrative and support services. Moreover, in the countries where net loss of employment has been greatest, the impact has been much larger for women than for men. Ms. Esquivel further noted that out of the 5,000 measures to tackle the pandemic taken by governments worldwide, only 1,600 were gender responsive. Borrowing from theories from feminist macroeconomics, Ms. Esquivel mentioned a double causality in growth, from gender equality to growth and vice versa, where proper macroeconomic policies could foster such synergies. Mainstream macroeconomic policies, however, suffer from gender biases. For instance, preferences for austerity policies are particularly harmful for women. Ms. Esquivel stressed the need for more gender-responsive policies, which support the creation of full and productive employment for women.

Q&A Session

Mr. Parisotto opened the floor up to questions raised during the question session. The first question asked if “austerity was dead”, a second question asked if there was a threat of an inflationary spiral, a third question was regarding a “new industrial policy”.

Mr. Saraceno responded that the notion of austerity as the soundest economic policy was certainly not in good shape. A new paradigm seems to have been adopted in the past two years, although the academic debate is lagging. Mr. Saraceno further noted that there is not a consensus regarding the inevitability of a wage-price spiral, as inflationary pressures seem to be temporary rather than structural.

Mr. Islam disagreed with the notion that austerity was dead. Coming out of the global financial crisis of 2008 involved austerity by design, whereas coming out of the present one might imply austerity by default, given the signs of a waning of fiscal support in developing countries by 2022. However, a secular decline in borrowing costs meant that pressure to resort to austerity could be lesser. Mr. Islam further discussed that he was not too worried about inflation, given current projections of 4-5% by the IMF, and that there were fundamental structural problems from the past (such as the informal economy and production bottlenecks) that should be dealt with before embarking on budgetary cuts and restrictive monetary policies.

Mr. Isaacs did not share Mr. Saracenos’ views regarding austerity, and felt that austerity was still very much alive. For instance, 85% of IMF agreements during the present pandemic have austerity conditionalities. Mr. Isaacs also felt that the global inflation debate was overblown, and that policies should distinguish between supply and demand driven inflation. Finally, for many developing countries with a lack of fiscal space, debt write-off might be necessary.

Ms. Esquivel expressed agreement with Mr. Isaacs views, given that many Latin American countries are indeed facing austerity by default. Moreover, given elevated levels of debt/GDP ratios, many governments might not embark upon necessary additional fiscal spending, to signal their commitment to bring these ratios down. Regarding a new industrial policy, Ms. Esquivel underlined the need for more gender-responsive policies.

Session 2: Structural Transformation, Sectoral Policies and Jobs

Ms. Dorothea Schmidt-Klau, the facilitator of Session 2 introduced the topics of interest for this session, including identifying those key sectors which can propel inclusive and sustainable structural transformation processes, while simultaneously creating decent jobs.

Panellist 1: Emanuela Pozzan (Conditions of Work and Equality Department, ILO)

Ms. Pozzan's presentation revolved around the role of the care economy towards decent job creation and structural transformation. Ms. Pozzan clarified that the care sector is a broad sector, including health, education and domestic care sectors. To qualify as part of the care sector, services need to be available, accessible, affordable and of quality. COVID-19 has exposed these sectors as being characterized by low pay, perpetuating discriminatory practices, and highly feminized. The care sector can be particularly transformative because it allows people with familial responsibilities to be part of the labour market. This sector is also less prone to robotization, given the human component. Prior to COVID-19, the role of the care sector to generate jobs and revenues had already been discussed. It was forecasted that this sector could create 475 million jobs by 2030, given a doubling of investments in this sector. Early childhood education/childcare and long-term care have been identified as the largest contributors to job creation, within the care sector. Care is generally performed by women (76% of unpaid care work is performed by women), and this sector has huge potential for expansion, and should thus be re-valued.

Panellist 2: Uma Rani Amara (Research Department, ILO)

Ms. Amara shared her views on the potential of the digital economy to create new jobs. She started by noting that digital platforms are here to stay, as they have been around for 2 decades. She classified digital platforms into three types of service providers: those that mediate work (including online web-based digital labour), those that facilitate or mediate exchange and others. These can be especially beneficial for rural areas which may not have access to many services, such as health care services. Businesses are using digital labour platforms, as they can outsource work such as financial, legal and logistics, and thus reduce costs and become more efficient. Moreover, unequal access to these platforms can generate polarization within and between SMEs and large enterprises. Digital platforms can help creating jobs in delivery services, microtask work, AI start-ups and call centres. Some challenges include increased competition, and possible IPR infringements. On the worker side, challenges such as working conditions, low pay, and poor social protection coverage as well as long working hours and restrictions on collective bargaining needed to be urgently addressed.

Panellist 3: Moustapha Kamal Gueye (Enterprises Department, ILO)

Mr. Gueye shared his views on decent work and social justice in the ecological transition. Mr. Gueye began his presentation by discussing the global environmental outlook. The year 2020 brings with it a new perception of global risks, such as extreme weather events, climate action failure, natural disasters, and other ecological issues. Mr. Gueye noted that heat stress has adverse effects on labour productivity, with an increase of 1.5 degrees Celsius resulting in an estimated loss of 80 million full time jobs. There is good news, however, as achieving the 2-degree target can result in the net creation of 18 million new jobs, through the energy sector. Moreover, investments in renewable energies, building efficiency and sustainable transportation can yield approximately 20 million jobs by 2030. These investments would also have the effect of reducing global emissions by 14% by 2030.

Panellist 4: Enrique Fernández-Macías (European Commission-Joint Research Centre)

Mr. Fernández-Macías shared his views, from a global perspective, on structural transformation through the lens of occupational shifts. Mr. Fernández-Macías began by noting that many feel a sense of pessimism regarding the role of the digital revolution and technological change on labour market structures, given their effects of polarization on the workforce. Consequently, jobs at the top and the bottom of the job distribution have been growing, while those in the middle are shrinking. This quasi-universal effect of technologies, therefore, might lead one to believe that policies do not matter, given their ubiquitous consequences. Mr. Fernández-Macías remarked that his research suggested otherwise- that policies do in fact matter, and these trends in labour markets are not inevitable. Specifically, there is considerable cross-country variation in the changes in occupational structure. In some European countries (and indeed around the world), high paying jobs have grown more than the middle and low paying jobs. Occupational upgrading, for instance, has resulted in an overall increase in jobs at the top of the distribution, with lower growth at the bottom. The reverse is also true- there are some countries where there has been occupational *downgrading*, wherein lower quality jobs have grown much more than those at the higher end of the job distribution. In Central and Eastern Europe, industrial jobs, typically situated in the middle of the job distribution, have grown despite de-industrialization. In Scandinavian countries for instance, unions have traditionally been strong, and have been able to successfully compress the wage distribution. Employment policies, such as governmental policies, employment regulation and labour market policies can have significant effects on the distribution of wages. Finally, worker friendly policies often entail increasing productivity, which help in the creation of better paying jobs.

Q&A Session

Ms. Schmidt-Klau then opened up the floor to questions. One question was directed to Ms. Amara regarding best practices for regulation of platform, while another question was for Mr. Gueye regarding how to intervene to stop an injustice from happening, where countries that are already left behind might get further left behind due to climate change. A third and fourth were directed towards Mr. Fernández-Macías regarding additional capacities required beyond digital skills and risks for institutions. Finally, a fifth was directed to Ms. Pozzan on the care economy.

Ms. Amara highlighted that these platforms rely on software and other intangibles. This means that platforms can move anywhere, resulting in difficulties in levying taxes on them. The EU has been working to close such loopholes. Moreover, workers and their clients are often in different locations. This makes it hard to pin down these businesses. This issue is however being dealt with at the global level.

Mr. Gueye reiterated that the challenge to tackle climate change is a global and cooperative one. The Paris agreement entails, for instance, \$100 billion which is to be contributed by industrialized countries by 2050. This framework makes it clear that responsibilities towards climate mitigation, although shared among countries, are still differentiated.

Mr. Fernández-Macías reiterated that he was speaking in general terms, and that policies should not focus on skills solely. Regarding risks to institutions, the debate is now changing as there are increasing labour supply shortages, and this may lead to growing wages as unemployment is lower in some sectors and occupations.

Ms. Pozzan specified how many developing countries are facing a shortage of care workers, due to them having to face very poor working conditions. The solution therefore must be found globally.

Keynote Address

Lone Christiansen (Deputy Division Chief, Research Department, IMF)

Ms. Christiansen began her presentation by noting that there is still pandemic uncertainty. In low-income countries, vaccination rates are much lower than those in advanced economies. Regarding the real economy, global growth has slowed down after an initial recovery from earlier in the first quarter of this year, due to the Delta variant. This slowdown has happened for both advanced and developing economies alike. This slowdown has taken place at the same time as an increase in inflation, however, with inflation highest in low-income countries. Furthermore, there seem to be supply chain disruptions, as demand has picked up quicker than supply. Although labour markets seem to be recovering, this recovery is uneven across both economies and workers. Specifically, emerging markets and developing economies have been hit harder than advanced economies, and within economies, youth and low-skilled workers have been more affected than high-skilled workers. Generally speaking, employment around the world is lower than pre-pandemic levels, owing in part to negative output gaps and constraints on childcare necessitating increased time at home.

Liquidity and monetary policy have remained accommodative across most economies to prevent a greater recession, but emerging markets are leading the exit from these accommodative policies by raising policy rates. Fiscal balances have been deteriorating across the board, pointing to increased constraints going ahead. This is in part due to the growing burden of interest payments on the external debt, as fiscal revenues have declined during this time in emerging and developing economies, which may lead to fiscal tightening.

Regarding growth projections, the global economy is expected to grow by 5.9% in 2021, but to slow to 4.9% in 2022. While advanced economies are projected to catch-up to the pre-pandemic trend, there is 'scarring' for emerging markets and developing countries, where output losses are quite large over the medium run relative to pre-pandemic trends. Employment prospects are expected to be much worse in emerging economies relative to advanced economies. Finally, baseline projections suggest that inflation is projected to return to pre-pandemic levels in 2022, given that supply and demand mismatches are expected to be resolved.

Worryingly, many low-income countries will not be able to meet a 40 percent vaccination target by the end of 2021, which can lead to reductions in projected GDP. Moreover, there has been a global loss in education and learning, which could have long lasting effects on productivity and lifetime earnings.

Ms. Christiansen stressed that more must be done on the environmental front, and greater investment is needed in climate actions. Although the share of GHG emissions subject to carbon pricing have been rising, revenues from environmental taxes as a fraction of GDP have been declining.

Ms. Christiansen ended the presentation by laying out some policy recommendations. First, there should be an increased multilateral effort to vaccinate at least 40 percent in every country by end of 2021. Second, concrete policy efforts need to be undertaken to tackle climate change. Third, financial constraints to vulnerable countries should be eased. From a domestic policy perspective, fiscal policies should keep prioritizing spending to end the pandemic swiftly. Monetary policies should prevent de-anchoring of inflation expectations, while remaining clear about future policy stances.

Q&A Session

Mr. Parisotto thanked Mr. Christiansen for her discussion and insights from a global perspective, as well as policy recommendations. A question raised by Mr. Lee asked for Ms. Christiansen's analysis regarding bottlenecks in global supply chains. A second question asked about debt sustainability across countries. A third question was about structural reforms in fiscally constrained countries. A fourth was about looming trade wars and their effect on global prospects, and a final one was about the allocation of SDRs to developing countries.

On the first question, Ms. Christiansen replied that she was not very optimistic, and did not expect supply chain issues to be quickly resolved, although demand did indeed pick up. Regarding “how far debt can go”, Ms. Christiansen said that it was country specific, depending on available fiscal space. On the third question regarding structural reforms, Ms. Christiansen reiterated that policies would need to address ‘scarring’ and hits to future generations. Furthermore, supporting female labour market participation, as well as having a set up for childcare are also some of the issues highlighted in an IMF report for the G20. On the fourth question, Ms. Christiansen did acknowledge trade tensions as a potential risk, but this was not considered in the baseline. Finally, Ms. Christiansen agreed that recent SDR augmentation has been helpful for all involved. There is also work being done at the Fund to support voluntary SDR distribution from the strongest to more vulnerable economies.

► Day 2

Introductory remarks

Mr. Parisotto recall briefly the key issues tackled on Day 1, reiterating the importance of strong policy efforts to address the many labour market gaps and deficits discussed. Fiscal policies and public investment were critical to this end. The capacity for fiscal spending, however, is very different across countries, where developing countries might have to face 'austerity by default'. Policies were also critical to address the challenges raised by climate change. Mr. Parisotto introduced the keynote speaker for Day 2, Mr. Brian O'Callaghan.

Keynote Address

Brian O'Callaghan (Lead Researcher and Project Manager, Oxford University Economic Recovery Project)

Mr. O'Callaghan began his presentation on "COVID-19 recover packages and progress on climate change" by stressing that \$17.2 trillion dollars have been announced worldwide towards fiscal support to tackle the COVID-19 pandemic. Governments had full or near-to-full discretion to spend those discretionary relief funds as they wanted. It is of utmost importance to identify and support those industries which will be drivers of *future* growth—not just those which have done so in the past. Many voices within the climate community have been speaking up to re-orient some of this fiscal support towards industries and sectors which are more sustainable.

The first topic in Mr. O'Callaghan's presentation revolved around the question "Is green stimulus stimulatory?". In other words, does green investment have similar or better economic impact compared to "dirty" investments? In answering this question, Mr. O'Callaghan referred to one of his publications, "How could COVID-19 fiscal recovery packages accelerate progress on climate change?" (with co-authors). One contribution of this paper was to link different policies to their effect both on the economy (in terms of a long-run multiplier), as well as their climate impact. This paper showed that there is a set of recovery policies that can pay a double dividend, i.e. stimulate both the economy through a high fiscal multiplier, as well as have a strong positive impact on the climate. Some of these policies include investments in clean energy infrastructure and R & D on clean spending. Mr. O'Callaghan alluded to other studies as well, which showed both that green fiscal multipliers can be high, especially during recessions, and that investments in green jobs could generate large spill overs. Mr. O'Callaghan then pointed to the various components of the \$ 17.2 trillion global relief and recovery package, of which green recovery spending made up only \$ 700 billion. Although this number may seem large, it pales in comparison to fossil fuel subsidies. Mr. O'Callaghan then identified "leaders" and "laggards" among nations, which pointed towards many nations missing opportunities in green recovery. Mr. O'Sullivan stressed the need to support vulnerable nations by providing affordable finance.

The second topic pertained to priorities for future employment policy research, in the context of green recovery work. Mr. O'Sullivan discussed opportunities open to researchers and policy advisors to influence both on-going (as a large fraction has not been disbursed yet) and future recovery spending, as well as to argue for reinforcement of the new economic trajectory. Mr. O'Sullivan further stressed that policies should go beyond simply addressing environmental concerns, as such policies might create differential impacts, which could affect vulnerable groups adversely. From that perspective, such groups must be properly cushioned through reskilling programs and social support programs among others.

The floor was then opened to questions. The first question was about the cut-off (30%) used to classify countries based on green recovery spending as a fraction of total recovery spending. A second question was about the empirical evidence regarding the job creation aspect of green investments, and if it was comparable to other types of investment. A third question was about alleviating the financial burden on third countries towards a green transition, through green aid. The final question, from South Africa, asked how governments could focus on effective distribution of employee benefits, especially in a developing country context. To the first question, Mr. O’Callaghan replied that *some* percentage figure would have to be used to account for different sizes of economies, and that other cut-offs could be used as well. In response to the second question, Mr. O’Callaghan mentioned that the evidence is quite clear regarding fiscal multipliers for green vs. ‘neutral’ or ‘dirty’ investments, and that this multiplier is larger. To the third question, Mr. O’Callaghan replied that green aid could achieve favourable environmental outcomes as well as developmental outcomes. To the final question, Mr. O’Callaghan reiterated the need for government support to help private companies and industries from going bankrupt, and helping displaced and negatively affected employees in the labour force.

Session 3: Transitions for workers

Session 3 was facilitated by Mr. Sher Verick (Employment Policy Department, ILO) who began the session by stressing the need to understand the nature of transitions of workers to and from the labour force, as well as the fact that transitions are at the heart of structural transformation. For instance, ‘classical’ structural transformation involves workers going from agriculture to manufacturing. With the digitalization of work, there is now a view that transitions have become more frequent. Despite the importance of transitions, there seems to be a lack of data, as well as a lack of considering available data in policy responses analysis.

Panellist 1: Guillaume Delautre (Employment Policy Department, ILO)

Mr. Guillaume Delautre’s presentation was on “Changing labour market transitions patterns”, and the necessity to examine changing labour market transitions. Mr. Delautre placed the talk within the context of various future of work drivers, such as technological changes, globalization, climate change among others. Mr. Delautre stated that the answer to the question whether or not individuals are experiencing more labour market transitions depends on which labour market indicator one examines. There is substantial heterogeneity across countries, for instance, in the level of transition from one labour market status to another. However, this level of transition has changed very little within countries in the last 10 years. Looking at another indicator, namely job-to-job transitions for the youth (15-24), the level of transition is much higher and these transitions are becoming more prevalent in the last 10 years for many countries. As a follow-up of the ILO Centenary Declaration, Mr. Delautre finally invited to consider labour market transitions in a life course analytical perspective. This would allow to acknowledge the growing complexity of lives in modern societies.

Panellist 2: Niall O’Higgins (Employment Policy Department, ILO)

Mr. O’Higgins’ presentation focused on youth transitions, especially in the light of the COVID-19 pandemic. Mr. O’Higgins first spoke on school-to-work transitions, where traditionally, the process is thought to be linear across different statuses. Individuals first acquire education, then pass through a period of unemployment and activity, until they finally gain employment. However, these days are characterized by more fluid transitions, with multiple transitions across these states over the course of the life cycle. Moreover, status boundaries are becoming blurred, with individuals in multiple statuses at the same time. Mr. O’Higgins then proceeded to speak about the effect of COVID-19 on employment outcomes. He showed that young people, especially young women, suffered larger reductions in employment than did adult men or women between 2019-2020. Moreover, most of these employment losses translated into the youth going into inactivity, and out of the labour force, rather than into unemployment. Consequently, COVID-19 has resulted into increased rates of inactivity across

most countries. This is concerning, especially since NEET is a highly persistent state over time, and short-term job losses can result in long term exclusion from the labour market. In terms of policy implications, governments need to extend social protection coverage for young people during transitions, as well as invest in job creation for young people.

Panellist 3: Vicky Leung (Employment Policy Department, ILO)

Ms. Leung's presentation focused on the transitions to formality for workers, and particularly if such transitions have become more difficult in the context of COVID-19 as well as the dynamics governing such transitions. She noted, that even prior to COVID, more than 60% of employed persons around the world are in informal employment (approximately 2 billion in number). Furthermore, of these 2 billion, more than 1.6 billion have been estimated to have faced a decline in their earnings of 60% or greater. She noted that COVID-19 has affected labour market dynamics in a non-standard way; generally, economic crises see a drop in jobs in the formal sector, with these displaced workers contributing to a rise in the informal sector. Over the course of the pandemic, across Latin America for instance, informal sector jobs have fallen by *more* than that in the formal sector. In terms of policy interventions, Ms. Leung noted there should be a push towards increasing formal employment of enterprises and workers, as well as preventing informalization of industries. Moreover, digital technologies can be used to facilitate transition towards formality through "e-formalization." For instance, e-government strategies can strengthen governance (by increasing transparency and reducing corruption) and enhance service delivery.

Panellist 4: Akiko Sakamoto (Regional Office for Asia and the Pacific, ILO)

Ms. Sakamoto's presentation revolved around the role of skill developments in supporting workers in transitions, as well as facilitating transitions that bring positive employment outcomes. Moreover, skill development is expected to play a part as a transformative force in driving inclusive growth. Skills requirements are changing continuously: for instance, there has been a shift towards higher and broader skills, digital skills, STEM skills among others. Ms. Sakamoto stressed that existing skill development systems are themselves in a period of transition. For instance, instead of focusing on pre-employment training for the youth, an increased emphasis is being placed on reskilling and upskilling. The landscape of the world of work for individuals is increasingly under constant change. Consequently, there is a higher likelihood of multiple careers. This has implications for skill development, and workers are expected to reskill appropriately. Support to workers should be at the centre of skills reform, and a system must be in place to support them in their adaptation. Ms. Sakamoto reiterated that the responsibility of skills development of the worker should not fall only on the shoulders of the individual alone. Skills development can support different transitions, and so specific skills need to be identified to support i) just transition to greener economies, ii) women's entry and career progression in STEM related jobs and iii) transition to formal employment.

Q&A Session

The floor was then opened up to questions. The first question asked whether poverty affects the mobility issue around gender and racial inequalities and the second question asked if economic cycles/seasonal adjustments were considered in Mr. Delautre's presentation. To the first, Mr. Delautre responded that although mobility between status was higher in developing economies, the level of poverty is a weak predictor of the level of mobility. Mr. Delautre asserted that gender and racial inequalities are important factors in explaining the precariousness of life course. To the second question, Mr. Delautre confirmed that seasonality was not taken into account, as the time period in the graphs was quite long, and only broad annual averages were considered. Questions asked to Ms. Leung included whether the digital economy is creating more informal employment, if the recovery is being characterized by return of informal employment, and if work is being done to estimate informal employment by making use of satellite data. To the first question, Ms. Leung agreed that current and existing regulatory frameworks are not able to keep up with the digital economy model, and they must be adapted. To the second, Ms. Leung replied that there is a group of workers and employers that are quite close to formality but need a nudge. Targeting this group would be a good starting point. To the third, Ms. Leung replied that work is currently *not* being done to compare estimates of informal employment gleaned from

Geographic Information Systems (GIS) and satellite data to those published by national bureaux of statistics. Questions asked to Ms. Sakamoto addressed the gender dimensions of skill development, how businesses could contribute to employee learning, and how students could be prepared for specific needs companies may have whilst in school. To the first, Ms. Sakamoto replied that developing career maps could aid in facilitating transitions of women into STEM fields, as well as having role models. To the second, Ms. Sakamoto stressed that industries and employers play a very important role in providing workplace learning and training such as internships. Finally, to the third, Ms. Sakamoto said that the training and education systems must work towards improving curricula, incorporating the needs of industries more within them. Questions asked to Mr. O'Higgins included transitions out of NEET and the need for policy response to support that, and how to reduce the policy lag and timeliness in order to respond effectively during the crisis. To the first, Mr. O'Higgins replied that the COVID-19 crisis has revealed the need to create more job opportunities and to support sectoral development as being more important than skills development, this latter playing mainly a complementary role to that of job creation. To the second, Mr. O'Higgins stressed that some policies have built in automatic stabilizers- such as those in youth guarantees- which can help faster policy responses by design.

Session 4: Labour Market Data Gaps

Session 4 was facilitated by Mr. Steven Kapsos (Department of Statistics, ILO). Mr. Kapsos stressed that his unit is responsible for collecting and processing labour market data and official national survey microdata sets from around the world, which are published on ILOSTAT. The aim is to have as few labour data gaps as possible and provide internationally comparable data which can be used to understand labour market developments in the entire world. The need for timely and reliable labour market data is crucial to design effective policies especially in the context of the current pandemic.

Panellist 1: Michael Weber (Senior Economist, World Bank)

Mr. Michael Weber's presentation revolved around supporting low- and middle-income countries to obtain timely and reliable labour market information and the World Bank's effort to help them during the pandemic. Mr. Weber recommended that countries should work towards an advanced labour market information system (LMIS), tailored to a broad audience, which would cover needs from diverse actors such as students, workers, firms, policymakers among others. This LMIS would perform 4 key functions: i) labour market intelligence (providing comprehensive information to actors on labour market dynamics), ii) job matching (identify job opportunities for unemployed and employed workers, and help firms to fill vacancies), iii) career and skill guidance (for current and future workers to identify in-demand skills as well as identify their own aptitudes) and iv) Government support (help individuals and practitioners to access information related to government programs). An issue plaguing low- and middle-income countries is that they tend to offer only 'basic' labour market information. This information is collected from labour force surveys and administrative data. Consequently, these countries face hurdles such as inefficient job matches and suboptimal education decisions. On the other hand, countries with advanced labour market information may draw information from big data, interoperable information systems and are able to serve a much broader set of stakeholders beyond just the government and researchers. One outcome of the COVID-19 pandemic has been to reduce traditional data collection efforts, involving face-to-face interviews. This, however, has opened up opportunities for alternatives, such as phone surveys and remote sensing. The World Bank's High Frequency Phone surveys (HFPS) have addressed such data gaps over the course of the pandemic, by measuring the COVID-19 labour market impact on respondent (typically household head), the effect on labour income among others. The HFPS covers more than 100 countries, with harmonized indicators being available for about 50 countries.

Panellist 2: Ms. Olga Strietska-Ilina (Employment Policy Department, ILO)

Ms. Strietska-Ilina's presentation focused on labour market data gaps specific to skills and skills anticipation. Skill needs anticipation and assessment can be useful for formulation of policy, informing education and training through design and updating of competency standards, and finally matching skills and jobs. Measuring skills presents its own difficulties, but some proxies include occupations, qualifications, education and vacancies. Ms. Strietska-Ilina stressed that to get information on skills mismatch, data on both the supply and demand of skills is needed to construct indicators related to such mismatch. Unfortunately, data gaps for measurement of skills exist in low- and middle-income countries. For instance, labour force surveys may either be missing, or irregular in collection, education administrative statistics could be of low quality and vacancies data can be poor or missing entirely. Alluding to an ILO report from 2018, entitled "Skills needs anticipation: systems and approaches", Ms. Strietska-Ilina referred to a survey which showed that for low/middle- and high-income countries alike, lack of capacities, lack of human resources with relevant knowledge and expertise, and difficulties of coordination with relevant agencies are among the most common obstacles in the further development of skill needs anticipation and assessment. Ms. Strietska-Ilina stressed that in order to have a comprehensive and effective skills needs anticipation system, the focus should be on developing institutional mechanisms within and across countries.

Panellist 3: Tony Bonen (Director of Research, Data and Analytics, Labour Market Information Council of Canada)

Mr. Bonen's presentation revolved around overcoming labour market data gaps during COVID-19 in Canada. Mr. Bonen started his presentation by mentioning that labour market policy in Canada is the shared domain of the federal, provincial and territorial jurisdiction. Each of these have a responsibility towards training, skills program, funding and support for workers. The Labour Market Information Council (LMIC) was created as an independent entity, to work closely with the government. In Canada, there are various sources of labour market information, such as the labour force survey (LFS), Census, Employment Insurance (EI) among others. These vary along various dimensions, such as localness, granularity, frequency and timeliness. The LFS is a monthly survey in Canada, and is a key piece of labour market information. Regarding timeliness, surveys such as the Census and the CERB present a large lag (between 1.5 and 2 years) between when data are collected, and when they become available. During COVID, however, many of these traditional sources faced data disruptions. Additional problems to labour data included research data centres (RDCs) shutting down, as well as collapsing response rates in surveys. For the past 18 months, LFS and Online Job Postings are the only sources that have been used to compute labour market statistics. Over the course of the pandemic, LMIC developed an essential occupations list, which consolidated otherwise disparate listings across provinces of jobs that could and should stay open during the pandemic. Some of the lingering effects of the pandemic have been that the LFS response rate has remained low, owing to a lack of door-to-door follow up interactions. Moreover, this response rate is even lower in more remote regions. In closing, Mr. Bonen mentioned that the LMIC is working on a harmonized Data Hub, which will consolidate a range of labour market information from various sources into a centralized data source.

Panellist 4: Juan Chacaltana (Employment Policy Department, ILO)

Mr. Chacaltana's presentation focused on the policy angles of data gaps and needs. Mr. Chacaltana began by highlighting one of the key responsibilities of the Employment Policy Department of the ILO, which includes monitoring the impact of policies, in order to share lessons and innovative practices from all over the world. Mr. Chacaltana specified key indicators which form the focus of analysis at the Employment Policy Department, including number of jobs, qualitative assessment, labour intensity, business performance and others. Many governments have increased spending on existing programs, added new policies and programs, and modified existing programs as a response to the pandemic. In many cases, multiple and overlapping interventions have taken place simultaneously, which underscores the need to go beyond the assessment of the employment impact of individual interventions. COVID-19 has resulted in massive recomposition by economic sector and size of firms. Moreover, there is considerable heterogeneity across economic structures and countries. For instance, productivity differentials between formal and informal sectors vary between developed economies, emerging

markets and developing economies greatly. This highlights the need to have country-based assessments. The challenges associated with this include the scarcity of data, as well as designing individual frameworks around country-based assessments instead of larger and more complex integrated policy frameworks.

Q&A Session

The first question was directed to Mr. Weber and Ms. Strietska-Ilina regarding the high cost of developing and maintaining LMIS, especially in the context of Africa, where countries might be resource-constrained. Mr. Weber replied that the World Bank works with countries to develop analytical projects and lending projects with respect to developing LMIS. Ms. Strietska-Ilina stressed that the most important and cost-efficient avenues for investment in data acquisition are labour force surveys, and even extended labour force surveys by the skills module. To this end, the ILO provides capacity building resources to countries. Mr. Bonen reiterated that a focus on data related to skills is of utmost importance, given that it represents the largest information gap. Mr. Chacaltana was asked if wage differentials between formal and informal sectors followed productivity differentials across country groupings. Mr. Chacaltana replied that it would be a good idea to verify this, and existing evidence for Latin American countries bear this out in the data.

Tripartite Concluding Session: Strengthening the ILO Commitment to the Global Call for Action

Mr. Lee started the closing session by noting that a rich set of issues had been discussed over the course of the research symposium, including macroeconomic policies, structural policies and sectoral policies in order to assist workers in transition. To conclude the research symposium, Mr. Lee invited tripartite partners and other partners to share takeaway messages. The four panellists for this session included, Mr. Jordi Curell Mr. Siyabonga Hadebe, Ms. Jungyeon Bae, Dr. Michael Akuupa.

Panellist 1: Jordi Curell (Directorate General for Employment, Social Affairs and Inclusion, European Commission)

Mr. Curell stressed that the European Union fully supports the commitments made by governments, employers and workers organizations alike to inclusive economic growth and employment, as well as the protection of the fundamental rights of workers, universal social protection and strengthening social dialogue. The ILO has a leadership role to play in this, and the EU broadly supports multilateral responses to global challenges. The EU will contribute to the Global Call for Action by adopting a new policy paper on decent work. Mr. Curell stressed that policies matter, and that the design of policies can have a meaningful impact on outcomes.

Panellist 2: Siyabonga Hadebe (South African Permanent Mission to the UN)

Mr. Hadebe, speaking on behalf of the Republic of South Africa, expressed gratitude to the ILO for organizing the symposium. Mr. Hadebe underlined that South Africa has been particularly affected by the pandemic, in terms of exceedingly high unemployment. Mr. Hadebe reiterated South Africa's alignment with the Global Call to Action, adopted by the ILO. He mentioned that South Africa is in the early stages of developing its Future of Work policy, within the context of climate change, demographic issues, environmental issues and COVID-19. Mr. Hadebe concluded by stressing the importance of supporting workers and individuals who face transitions on the labour market front by formulating targeted and specific policies, including skilling and reskilling, hiring policies and active labour market policies. The experience of the ILO will be crucial in this regard.

Panellist 3: Ms. Jungyeon Bae (Korea Enterprises Federation)

Ms. Bae began her presentation by thanking the ILO Employment Policy department on behalf of the employers' groups, as well as spokespersons of workers groups, governments, and panellists for their contribution to the symposium. According to Ms. Bae, the Global Call to Action represents an important milestone for building back

better. Ms. Bae mentioned that according to the employers' groups, the Global Call to Action should be enacted at the national level. Although economic indicators such as GDP growth and global trade volumes are on a path to recovery, such recovery is unevenly distributed, as highlighted in the latest edition of the ILO monitor. Social dialogue is very important. The ILO has a key role to provide technical guidance and effective advice in having the tripartite constituents reach consensus. A focus must be placed on reducing informality, which is the main barrier towards financing a sustainable social protection system in many countries around the world.

Panellist 4: Dr. Michael Akuupa (Labour Resource and Research Institute of Namibia)

Mr. Akuupa also expressed gratitude to the ILO, partners, and participants for organizing the symposium. The discussions that took place, as well as the Global Call to Action, were eye opening regarding what can be done, and how losses can be recovered going forward. Mr. Akuupa stressed that there is an urgent need for a human centred recovery from the COVID-19 pandemic, which is inclusive, resilient, and sustainable. COVID-19 has uncovered complex vulnerabilities in the World of Work, as women have suffered disproportionate losses to jobs and incomes, and informalities in work forces around the world remain pervasive.

Concluding remarks

Mr. Lee concluded the session, and all participants in the symposium. He gave a special thanks to workers and employers' groups for nominating participants, panellists, institutions, universities and partners, and moderators. Mr. Lee further thanked Mr. Parisotto, Mr. Delautre, Ms. Schmidt-Klau, the interpreters, and the entire technical and preparation teams for their contribution to the symposium.