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GLOBAL DEAL
CONFERENCE

A BETTER FUTURE FOR
ESSENTIAL WORKERS

| BACKGROUND NOTE |



ABOUT THE CONFERENCE

The COVID-19 pandemic has highlighted the critical role of both formal and informal essential workers in supporting economies, businesses and societies, but it has also raised the question of how well the vital role they play is reflected in terms of their pay and working conditions. This paper discusses how social dialogue can help promote fair pay and decent working conditions, grant access to social protection, improve health and safety at the workplace, and end work-related violence and harassment.

This paper will serve as a background note for the Global Deal conference “A Better Future for Essential Workers”. It begins with a description of the working lives and employment conditions of essential workers. The second section presents examples that emerged in response to, or even before, the pandemic that show how social dialogue can reshape economies and workplaces and improve the working conditions and social protection of essential workers. The third and final section highlights the key takeaways for making a better future for essential workers.



1. ESSENTIAL WORK, LOW PAY AND POOR WORKING CONDITIONS

Workers in sectors such as care, food retail, cleaning and transport, to name just a few, have kept our economies and societies running during the pandemic, despite the risk of exposing themselves and their families to COVID-19. At the same time, the pandemic has put the spotlight on the fact that while essential workers provide indispensable health, care and basic economic services, many are doing so for meagre pay and under poor working conditions.

In the [United States](#), 22 million people, or almost half of all frontline workers,¹ are in an occupation where the median wage is less than USD 15 an hour. Millions of people work as cashiers, in food preparation or as home care aides and earn USD 11-12 an hour. This is substantially below the average wage in the United States of around USD 25. [One in four](#) have difficulties paying their basic household expenses and half of them would not be able to pay an unexpected USD 500 medical bill.

The same trend can be observed in Europe. In [France](#), nearly a quarter of frontline workers are paid around the minimum wage. Care workers and cleaners in particular more often earn close to the minimum wage). In [Germany](#), 20% of all essential workers face poor working conditions, such as low pay, job insecurity, low work autonomy and low career prospects. This includes, among others, workers in cleaning, logistics/warehousing, social work and certain forms of personal care.

The pandemic has exacted a particularly adverse toll on frontline workers: essential workers in low-skilled occupations with poor working conditions had the [highest risk of contagion](#), and [many](#) faced increased workloads (on top of already longer and irregular hours); increased violence at work; and, especially for workers with precarious contracts, limited access to social protection, as the nature of such contracts means workers do not attain the eligibility thresholds to access social benefits. In addition, there is a clear gender dimension, as women are overrepresented in many essential occupations. [Women](#) constitute 76% of healthcare workers, 86% of personal care workers, 82% of supermarket cashiers, and 83% of care workers for older people and people with disabilities.

In the European Union, for example, essential workers also tend to work in sectors where undeclared work, particularly among low-skilled workers and third-country nationals, is significant (agriculture, domestic care, road freight transport), leaving them unprotected both in terms of fair wages and in access to social protection (EMPL Commission).

All over the world, informal workers are at the centre of this paradox, whereby indispensable work is poorly rewarded and valued. Many informal workers have continued to deliver essential

¹ Fifty million workers, or 34.5% of all workers in the United States, are classified as frontline workers; that is, workers who had to physically show up at work during the outbreak because of the essential nature of the industry in which they work.

services during the pandemic. Domestic workers have cared for families, street vendors have provided people with fresh food, waste pickers have allowed for cleaner and more sustainable public spaces. But at the same time, they were offered [little protection](#). For example, 90% of street vendors and home-based workers and 80% of waste pickers had to buy their own personal protective equipment. Many of them had no access to clean water, as these services were cut off in many municipal facilities.

In relation to income, [one survey](#) of informal workers in 12 world cities² signals that informal workers lost 67-90% of their pre-COVID-19 earnings at the first peak of the pandemic, with nearly one third of respondents saying that an adult and/or a child had gone hungry in the month prior to the survey. By mid-2021, earnings were still lagging substantially behind, with the typical worker only earning 64% of their pre-COVID-19 earnings.

In February 2021, one year after the initial outbreak of the pandemic, nearly 30% of all workers in the [United States](#) did not feel protected from contracting COVID-19 at work and one in five workers went to work sick mainly because of the lack of sick leave or out of fear of losing their job. There are similar figures in [Europe](#), where 22 million essential workers are in occupations with high social interaction, resulting in a high risk of contagion during the pandemic.

Social dialogue provides tools that can help to address the meagre working conditions faced by essential workers. Building on the enabling (or fundamental) rights of freedom of association and collective bargaining, social dialogue enables workers to organise so that they can promote their collective interest and improve their working conditions. The next section presents some examples of how it has done just that.



² The survey was based on interviews with 2 292 informal workers from 10 different sectors in 12 cities between June and July 2020. Respondents were asked about the pre-COVID period (February 2020), the period with the heaviest restrictions (April 2020) and the period when the survey was carried out (June/July 2020). The 12 cities included Ahmedabad, Delhi and Tiruppu in India; Accra, Ghana; Bangkok, Thailand; Dakar, Senegal; Dar Es Salaam, United Republic of Tanzania; Durban, South Africa; Lima, Peru; Mexico City, Mexico; New York, United States; and Pleven, Bulgaria.

2. BETTER WORK FOR ESSENTIAL WORKERS

Essential workers need effective rights at work so that their voices can be heard and they can advocate for and be involved in the practical changes and policies to improve their working conditions and their working lives.

This section presents examples that show how building collective representation and engaging in dialogue and negotiation with other stakeholders – in particular social dialogue between representatives of workers, business and governments – can transform economies and workplaces and provide better work for essential workers.

FAIR PAY AND DECENT WORKING CONDITIONS

Collective bargaining can result in higher wages and better working conditions for workers compared to individual bargaining. In the [United States](#), a worker covered by a collective agreement earns 11.2% more than a similar worker in a non-unionised workplace. Likewise, workers in [Europe](#) are paid 10% more if they are covered by a collective agreement.

In New York City, in reaction to the COVID-19 crisis, [informal worker organisations](#) made a series of demands to the local government to help street vendors recover from the pandemic. These demands included, among others, allowing public food vending places to operate and providing approved loans by the NYC Small Business Service to allow street vendors to reopen work. In February 2021, the mayor of New York formally agreed to one of their key demands: to stop the New York police from preventing street vendors from operating.

Informal worker organisations around the world advocate for workers' rights. The [Federation of Informal Workers of Thailand](#) is advocating for the right to work in public spaces. It is also calling on government to procure at least 30% of goods and services from informal workers and to reduce informal workers' contributions to the social security scheme. In Accra, a [collective of informal worker organisations](#)³ is demanding that all informal workers be covered by social protection (healthcare, childcare, income protection). They want a registry to be created for informal workers so that relief measures during and beyond crisis situations can reach those who need them.

One common and key demand from informal worker organisations is to become “partners in recovery” and have worker representatives serve on task forces and committees to shape recovery plans, discuss and plan investment in work-related place infrastructure, regulate vending places, and steer other policy dimensions that are important for informal workers. This is not a new demand and there are precedents to this. For example, in Nepal, a [new union of e-rickshaw drivers](#) was formed in 2016 with the support of trade unions affiliated with the International Transport Federation. Within a year, 8 000 workers had joined and the union had formed committees that negotiate directly with district-level government agencies over the issue of licences. And in Minas Gerais, Brazil, in 2011, an [organisation of waste pickers](#) succeeded

³ Kpone Landfill Waste Pickers Association, Greater Accra Markets Association (Gama), Informal Hawkers and Vendors Association of Ghana (Ithvag), and Kayayei Youth Association.

in getting a law passed to pay an additional bonus to solid waste pickers who are members of a workers' association. Waste picker representatives themselves are on a permanent coordinating committee to validate the registration of these waste picker co-operatives.

In addition to these general policy dialogue processes, social dialogue can be extremely effective when it is formalised, for example, when tripartite wage boards are created to set wage levels for a group or sector of workers. This has happened in a few countries for informal workers – including domestic workers, who are among the most vulnerable in the labour market. The majority are women, and often are migrant workers with tied visas and are on call 24/7. Because this work takes place behind closed doors in private homes, it is more difficult for domestic workers to meet and organise themselves. It is also unlikely for domestic workers to be registered in social security systems.

In Argentina, ratification of the International Labour Organization's Domestic Workers Convention No. 189 provided the impetus to improve the working conditions of domestic workers. In 2013, a new labour law stipulated the creation of a tripartite body, the National Commission for Work in the Private Homes, to be responsible for setting domestic workers' wages and working conditions. Furthermore a [tripartite wage board](#) was created in 2015 and is made up of representatives from three ministries, six domestic workers' trade unions and one housewives' association which represents the employers' interests.



Although negotiations were challenging, annual agreements have been signed since 2015 to bring domestic workers' wages up to the level of the general minimum wage. Moreover, this has led to a more mature industrial relations system which has enabled negotiations on other employment conditions, such as a bonus for attendance and additional compensation to recognise long-term service. In 2006, the government of Uruguay adopted a law extending labour law protections to domestic workers and defining basic conditions of employment (such as rest periods, a 44-hour week, unemployment insurance, the issuing of pay slips), and created a [framework for tripartite wage-related negotiations](#). In addition, to ensure compliance with the new law, an initiative to raise awareness among workers and employers about the required working conditions was set up, as was a specialised labour inspectorate to monitor compliance with domestic work legislation. This resulted in a 75% increase in social security registrations between 2006 and 2018 and in a [halving of poverty rates](#) among domestic workers, from 30% in 2006 to 14% in 2017. The experience of sectoral wage boards going hand in hand with progress in formalising informal work in Uruguay is not limited to domestic workers, but is broader, as described in Box 1.

Box 1. The transition from informal to formal work: Wage boards in Uruguay

Since 2006, wages in Uruguay are set under a mandatory framework of sectoral wage boards with trade unions, employer organisations and government representatives negotiating on the level of minimum wages to be paid in the different sectors. Since then, the incidence of informal work has more than halved, from 39% in 2005 to 18% in 2018.

Research suggests that reforms such as the reinstatement of collective bargaining and significant increases in minimum wages may have had an impact on formalisation by influencing the wage differential between formal and informal work and sectors, in particular by increasing formal wages at the bottom of the distribution. This implies that social dialogue, by increasing formal sector wages, may also result in drawing more workers into formal work arrangements.

ACCESS TO SOCIAL PROTECTION

The COVID-19 crisis hit a world where a majority – 55%, or about 4 billion people – were not covered by any form of social protection, with 40% of the world's population having no access to health insurance. Lack of access to healthcare and sickness benefits combined with the absence of sick leave are especially worrisome in times of a pandemic, pushing those who were already vulnerable into poverty and/or unsustainable debt burdens as people borrow money to cover their necessary expenses. One estimate is that poverty⁴ among informal workers globally jumped by 34 percentage points at the start of the pandemic, to reach 21% in upper middle-income countries and 56% in lower middle-income countries.

At the same time, there are several examples of policy changes in which governments, in close association with trade unions and informal workers' organisations, provided emergency relief or broadened social security coverage to protect workers and households who would have otherwise fallen between the cracks.

Agricultural workers feed the world, but many are not covered by labour laws. In Jordan, the COVID-19 pandemic brought to light the important contribution agricultural workers make. Until recently, agricultural workers in Jordan did not have any labour law protection and no access to social security. Until 2021, most of the 210 000 agricultural workers in Jordan were informal with no employment contract, health insurance or other social protection. Wages are low, paid overtime is not guaranteed and working hours are long. Most workers were not even entitled to one day off during the week. Migrants and refugees in this sector are subject to the sponsorship system (known as the Kafala system), in which the worker is not allowed to change employer and the employer often holds the worker's passport to prevent them from leaving. Moreover, agricultural workers, more than half of whom are women, face danger and health risks on the job and getting to work. Working in the burning sun or the harsh cold and with no access

⁴ The relative rate of poverty is defined as income that is below 50% of median earnings.



to toilets leaves many with kidney issues and other illnesses. [Transport](#) to and from the farms is dangerous: workers are often crowded into vehicles that use backroads to avoid the police because the vans are not licensed for transporting passengers. Accidents are common: 86% of workers have reported being involved in an accident during these journeys.

During the pandemic, and after intensive campaigns from trade unions and civil society organisations, the government issued a regulation in May 2021 applying the labour law and the protection it offers in terms of minimum wages, working time and occupational safety to agricultural workers. Importantly, the reform also improves agricultural workers' access to certain forms of social protection. Workers now receive 14 days' paid sick leave (or more in case of serious illness), 10 weeks' paid maternity leave, 14 days' paid annual leave and overtime pay. While these measures do not apply to workplaces with less than three workers and while trade unions remain restricted, these measures are significant.

Other countries have also taken measures to [expand health coverage](#). Ecuador, for example, created special "contingency benefits" for informal workers infected by COVID-19, as well as for those who were otherwise affected. Peru provided a "Stay Home" payment of about USD 110 to waste pickers during the lockdown.

The government of Argentina responded to the outbreak of the pandemic by putting in place the [Emergency Social Committee](#), which included representatives from different levels of the government, trade unions, informal worker organisations such as UTEP and Barrios de Pié, civil society organisations, and churches. The objective of the committee was to address food, income and job insecurity triggered by the COVID-19 crisis. The Emergency Social Committee identified food security as a top priority and made the Tarjeta Alimentar (food card) weekly instead of monthly. Moreover, a generalised, one-off payment was provided through existing family benefits, which was also extended to domestic workers and self-employed workers.

In Brazil, the government proposed a BRL 200 (USD 38.54) subsidy that was initially limited to those in the Cadastro Unico, the Single Registry for Social Programmes. However, the government changed the legislation as a result of pressure from social movements, including [Streetnet](#), and labour unions. The measure was expanded to include informal workers as long as they were a member of a household whose monthly income per person did not exceed half of the minimum wage (BRL 522 or USD 100). The amount of the benefit was also increased, to BRL 600 (USD 115). In the end, 107 million people applied for the benefit and 64 million were deemed eligible.

Another example comes from [Spain](#). In March 2020, the government adopted an emergency measure to assist domestic workers whose hours had been reduced or who had been fired as a result of the lockdowns. Domestic workers registered with the social security system were eligible for 70% of one month's base salary. This was the first time that domestic workers in Spain – the majority of whom are women – were granted unemployment benefits, even if it was a temporary measure.

IMPROVING OCCUPATIONAL HEALTH AND SAFETY

The COVID-19 pandemic has demonstrated the need for safe and healthy workplaces. This is especially the case for those essential workers who faced [higher risks of contracting](#) COVID-19 because they continued going to work, even if this involved a high degree of social interaction, such as workers in healthcare, personal care, transport, agriculture and security.

Workers who have the possibility of collectively raising their voice are more likely to speak up when there are problems and to enter into dialogue with management and governments to propose, discuss and shape change. This certainly helped shield some workers from the risk of contracting COVID-19 at work.

For example, in Ontario, Canada, a campaign by [five healthcare unions](#) advocating for workers in nursing homes improved access to personal protection equipment (PPE). The campaign resulted in a new provincial directive in October 2020 requiring employers to ensure there is sufficient provision of PPE and to train all healthcare workers on how to use it. The directive also allows workers to demand improved PPE in the case of riskier procedures and provides unregulated healthcare workers with access to PPE, such as N95 masks.

The pandemic has also highlighted the [importance of avoiding heavy workloads](#) and the widespread use of non standard forms of employment. Improving staffing ratios in particular was critical to prevent the virus from spreading faster by giving workers enough time to follow protocols and change PPE as needed. In Torun, Poland, a severe outbreak of COVID-19 in one nursing home intensified already low staffing levels as colleagues fell sick. The remaining workers had to rush from one patient to the other, thereby increasing the risk of transmission. After negotiations with the city's mayor and the director of the facility, additional staff were hired, infection disease protocols were put in place and better PPE were provided.

Minimising reliance on part-time and agency contracts also helped to curb the spread of COVID-19, since workers are not forced to combine different jobs and move between different workplaces. Social dialogue can be an important vehicle for this. In Sweden, the [Kommunal](#) trade union is calling for a 90% proportion of full-time jobs in long-term care. It argues that this will allow for a healthier workforce and a resident population, and used evidence from a survey on elder care to reveal the extent of [staffing](#) problems in the sector. One-third of elderly care workers reported that staffing is never or rarely sufficient. In Spain, nurses are hired on temporary contracts for [only a few hours](#) per day – this was particularly common during the pandemic. [Recent social dialogue](#) between the government and social partners resulted in an agreement to reform the labour law and limit the use of these short-term labour contracts.



ENDING VIOLENCE AND HARASSMENT IN THE WORLD OF WORK

The pandemic has exacerbated the incidence of violence and harassment against workers. Retail workers, agricultural and food sector workers, street vendors, waste pickers, workers delivering goods and services, as well as healthcare workers, all faced high levels of verbal and sometimes physical abuse. Some were even blamed for [spreading the virus](#).

There are several important examples of essential workers and their organisations that used their collective voice to engage in social dialogue to protect workers from such situations.

In Chile, where women comprise 70% of the workforce in the retail sector, the country's largest workforce. They perform very long hours, working 12-hour shifts from 10 am to 10 pm. Many of them live far from their workplace, leaving early and getting home very late at night. They

have almost no time with their children and families, and risk becoming the victim of a crime being out in the streets late at night. This has major impacts on their well-being. In unexpected ways, their situation actually improved at the beginning of the pandemic, as curfews forced large shops to close at 7 pm. Workers could get home while it was still light out and spend time with their children and family. At the same time, business productivity increased, as (food) retail sales boomed and customers adapted their behaviour by shopping earlier or on the weekend. However, as soon as curfews were lifted, shops and retail centres reverted back to pre pandemic schedules, pushing workers back into



long hours and late nights. CONATRACOPS, a union of retail workers in Chile, thus started a campaign to pass a law setting 7 pm as the maximum closing time for large corporations in this sector. A law to that effect has been introduced in the Senate and is currently awaiting approval.

Another example concerns a major garments supplier in Lesotho. In August 2019, a [landmark agreement](#) to address gender-based violence was negotiated between leading apparel brands, a major supplier operating several local factories, a coalition of labour unions and women's rights organisations. The agreement seeks to address cases of abuse and harassment in a number of factories in Lesotho. It arose from an investigation conducted by the Workers' Rights Consortium, which found that managers and supervisors were abusing the predominantly female workers by either threatening not to hire workers after their probationary period or not to renew their employment contract. Moreover, as top management did not take disciplinary action against the offenders, this created a culture of tolerance of abuse and fear of reporting violations.

After the Workers' Rights Consortium's report, extensive negotiations between the Independent Democratic Union of Lesotho and four other local trade unions and women's rights organisations, the Nien Hsing company, a supplier to a number of well-known brands (Levi Strauss, The Children's Place and Kontoor Brands), resulted in the signing of a set of agreements. One agreement established an independent complaint investigation body with the power to directly punish abusive supervisors, including dismissal. Also, there is a commitment for a comprehensive training programme for workers to be delivered by the trade unions and women's rights groups, with guaranteed access to the factories for this purpose. Another agreement stipulates that if Nien Hsing does not comply with these measures, each of the brands is contractually obligated to reduce its orders to a degree that incentivises the supplier to change course. The [social dialogue process](#) that resulted in enforceable commitments made by major brands and their suppliers to end work-related violence and harassment is significant, especially in the garments sector, which has a predominantly female workforce.



3. KEY TAKEAWAYS

01

Essential workers have provided a key contribution to the functioning of the economy during the pandemic. As countries are recovering, it is crucial that the importance of their work be recognised in terms of remuneration and working conditions. Essential workers are also demanding a seat at the table so that they can have a voice in policy measures and decisions that affect them.

02

Improving the working conditions of essential workers will contribute to making societies and economies more resilient. Even before the pandemic, essential occupations characterised by a deficit in job quality were showing important signs of strain, such as persistent understaffing, intense work stress, high staff turnover and persistent labour shortages resulting in lower quality services. The COVID-19 pandemic has come on top of this and has put the structural weaknesses of essential sectors and occupations even more in the spotlight. Investing in essential workers is investing in the capacity of our economies and societies to deal with future shocks and withstand adverse events.

03

As workers fell ill or lost substantial parts of their livelihoods due to the COVID-19 outbreak, paid sick-leave schemes, unemployment benefits and social assistance benefits started to operate. However, workers with short or unstable employment records, workers in non standard forms of employment, self-employed workers and informal workers who, by definition, tend to go unregistered, all too often do not have access to such benefits. Even when governments stepped up to the plate by providing emergency assistance, workers in these forms of employment had trouble accessing these support schemes. This underlines the importance of a broad social protection system that is ready and operational so that social benefits can quickly be disbursed to those who need them when the next crisis breaks out.

04

Finally, and importantly, social dialogue is an effective instrument to achieve better wages, working conditions and access to social security by developing balanced, shared and broadly accepted approaches. Building on the rights of freedom of association and collective bargaining, social dialogue enables workers to organise and promote their collective interest. Such collective representation also provides policy makers – both governments and businesses – with a counterpart they can engage with through a structural process of dialogue and negotiation to develop a broad and strong consensus around the policies and measures that need to be taken. The multiple examples in this note have illustrated the various ways in which social dialogue, together with collective representation of both formal and informal workers, has triggered agreements and policy changes that improve the key working conditions for essential workers, such as fairer pay and better working conditions, increased access to social protection, improved health and safety at work, and addressing work-related violence and harassment.

THE GLOBAL DEAL FOR DECENT WORK AND INCLUSIVE GROWTH

The Global Deal is a multi-stakeholder partnership that aims to address the challenges in the global labour market to enable all people to benefit from globalisation. It highlights the potential of sound industrial relations and enhanced social dialogue to foster decent work and quality jobs, to increase productivity, and to promote equality and inclusive growth. The Global Deal welcomes governments, businesses, employers' organisations, trade unions, as well as civil society and other organisations to join the partnership.

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