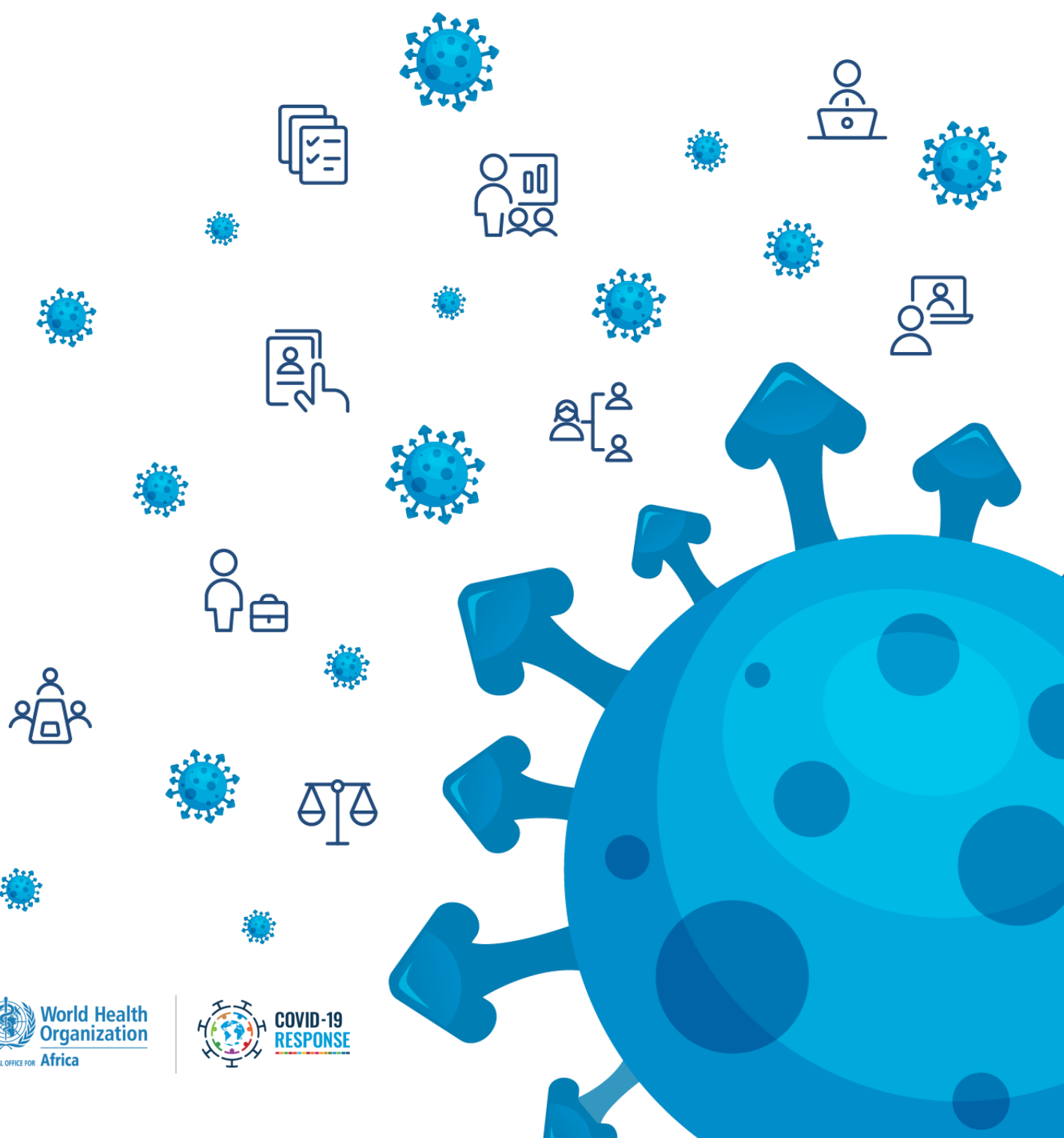


# Employment





The COVID-19 pandemic led to one of the worst jobs crises since the Great Depression. There is a real danger that the crisis will increase poverty and widen inequalities, with the impact felt for years to come<sup>1</sup>. According to ILO, in 2020, an estimated 8.8% of total working hours were lost due to COVID-19 and associated mitigation measures put in place. This is so significant that it amounts to the equivalent of the hours worked in one year by 255 million full-time workers. Around half of the working-hour losses were due to the reduced hours of those who remained employed - which can be attributed to either shorter working hours or no working at all under furlough arrangements. The remaining half were due to total employment losses<sup>2</sup>.

Lockdown measures led to the loss of 7.7% of working hours in Africa in 2020 and a loss of 9.4 % of labor income. The impact was most severe in Southern Africa (loss of 12.6% of working hours) and Northern Africa (10.4%), where the strictest lockdown measures were taken. In the rest of the continent, working hours losses ranged between 6 and 7%. Youth suffered the brunt of the crisis. The number of people in employment fell by 4 million in 2020 compared with 2019, out of which 3.6 million were young people. Consequently, the ratio of youth labor force participation fell by 2.4 percentage points within a year (ILO, 2021)<sup>3</sup>.

A rapid survey conducted by the World Bank in Sub Saharan Africa (Ethiopia, Malawi, Nigeria and Uganda) confirm the devastating labor market impacts of the pandemic. But they also show that the jobs impacts are heterogeneous, with particularly severe impacts on the urban informal economy. About 80% of workers in the region are informal, with little or no protection against the effects of COVID-19. In all four countries, urban jobs were lost in higher proportion than in rural areas. Nigeria reported that 56% of people with urban jobs had stopped working compared to 40% for rural jobs, Uganda follows the same pattern of job loss (29% urban vs 11% rural) as well as Ethiopia (12% urban vs 6% of rural), and Malawi (8% urban vs 6% of rural).

Following the outbreak, the share of working women shrank in all four countries. In Uganda and Ethiopia, more women lost their job due to Covid-19 than men. This deepens the already wide gender gap in employment. At the household level, labor income losses are near universal, affecting 82% of households in Malawi, 80% in Nigeria; 76% in Uganda and 46% in Ethiopia<sup>4</sup>.

The total working-hour losses have translated into a sharp drop in labor income and an increase in poverty. Global labor income, which does not include government transfers and benefits, was US\$3.7 trillion (8.3 per cent) lower in 2020 than it would have been in the

<sup>1</sup> <https://www.oecd.org/employment/covid-19.htm>

<sup>2</sup> [https://www.ilo.org/emppolicy/pubs/WCMS\\_795479/lang--en/index.htm](https://www.ilo.org/emppolicy/pubs/WCMS_795479/lang--en/index.htm)

<sup>3</sup> [https://fr.unesco.org/sites/default/files/20210527a\\_snapshot.pdf](https://fr.unesco.org/sites/default/files/20210527a_snapshot.pdf)

<sup>4</sup> <https://blogs.worldbank.org/opendata/labor-market-impacts-covid-19-four-african-countries>



absence of the pandemic. Looking ahead, the projected employment growth will be insufficient to close the gaps opened by the crisis.

A process of globally uneven economic recovery can be expected to begin from the second half of 2021 on-wards – driven by progress in vaccination and large-scale fiscal spending. These positive effects will mostly remain limited in their geographical scope without concerted international policy action on both vaccine distribution and fiscal support, including debt relief<sup>5</sup>.

Informal workers have also been affected disproportionately by the crisis. Roughly 2 billion workers – or 60.1 per cent of the globally employed – were working informally in 2019. Informal employees were three times more likely than their formal counterparts, and 1.6 times more likely than the self-employed, to lose their jobs as a result of the crisis, thereby contributing to the observed shift towards self-employment<sup>6</sup>.

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<sup>5</sup> ILO. 2021. **World Employment and Social Outlook: Trends 2021**. Available at: [https://www.ilo.org/global/research/global-reports/weso/trends2021/WCMS\\_794452/lang-en/index.htm](https://www.ilo.org/global/research/global-reports/weso/trends2021/WCMS_794452/lang-en/index.htm))

<sup>6</sup> ILO. 2021. **World Employment and Social Outlook: Trends 2021** Available at: [https://www.ilo.org/global/research/global-reports/weso/trends2021/WCMS\\_794452/lang-en/index.htm](https://www.ilo.org/global/research/global-reports/weso/trends2021/WCMS_794452/lang-en/index.htm))