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Building the future of work together

Covid-19 underlines need for better access to social protection for all workers

By Denis Pennel

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The Covid-19 crisis has wrought disruption on economies and labour markets around the world and left millions of people out of work or with their livelihoods severely threatened. It has also laid bare the inadequacies of social protection systems in many countries and exposed gaping differences between the protections afforded to workers with an employment contract and those who are self-employed.

While the current crisis has served to increase the urgency of providing support to vulnerable workers, the underlying situation is not new. Governments have been slow to adapt their social protection systems and safety nets to meet emerging labour market trends.

Today's labour markets offer a larger range of working arrangements than ever before - providing choice and flexibility to both employers and workers. While flexibility is key for well-functioning labour markets, this also needs to be balanced with sufficient levels of security and protection. To realise inclusive labour markets around the world, we must ensure that all workers have access to basic and adequate levels of social protection – regardless of their employment status.

The World Employment Confederation's latest Social Impact Report, 'Protecting people through times of crisis' launched in July 2020, comes at a highly opportune moment. It explores levels of social protection coverage across diverse forms of work in some 42 countries around the world and identifies both where the shortcomings lie and the challenges to providing effective access to social protection for all.

Social protection systems ill-prepared to serve diverse forms of work

A key finding is that current social protection systems are ill-prepared to serve labour markets characterised by diverse forms of work. There are significant gaps in access to social protection between different employment statuses. This enhances the risks for some groups of

workers and the unprecedented circumstances created by the Covid-19 crisis have left many workers exposed and in need of social support.

In most countries, workers with an employment contract receive largely similar access to statutory social protection branches. Workers with open-ended, temporary or agency contracts are entitled to benefits including unemployment benefits, paid sick leave, health insurance, labour accident/disability insurance, parental and childcare benefits and pensions.

The self-employed by contrast have access to statutory safety nets much less frequently. Just 20% of countries surveyed offer the self-employed full statutory access to unemployment benefits. Often access to different social protection schemes is only partial or on a voluntary basis. Many self-employed people decide not to insure themselves in order to cut costs and be able to offer their services at more competitive prices. This ‘moral hazard’ as it is known, results in underinsurance among the self-employed, thereby increasingly their vulnerability.

The World Employment Confederation’s [Social Impact Report 2020](#) further establishes that one particularly challenging feature of current social protection systems is the discrepancy between statutory or formal and effective access to social protection benefits for employed workers. In the case of unemployment and sickness, eligibility criteria, such as thresholds in terms of working days to be reached, can prevent some groups from accessing benefits.


Learning the lessons of Covid-19 and taking action for the future

Governments need to take action now and make basic, minimum levels of social protection available and accessible to all workers, irrespective of their work arrangements. The Covid-19 crisis provides an opportunity to speed-up the innovation of safety nets to accommodate all and share costs, benefits and risks proportionately.

Protecting people also goes beyond the provision of basic safety nets. With the majority of the global workforce operating in the informal economy – over 80% - and hence the majority of the world’s population lacking any kind of social protection, efficient labour markets can play a crucial role in reducing risk and vulnerability. It requires the raising of employment levels, the facilitation of swift transitions between jobs and sectors and the implementation of life-long learning.

Throughout the Covid-19 crisis the private employment services industry has taken a host of initiatives at both national and global level to support workers - ensuring access to support measures and relocating laid-off workers into new jobs in essential sectors. The sector’s role in facilitating labour market transitions and lifting people out of unemployment or inactivity plays an important role in driving labour market inefficiency and thereby reducing risk and vulnerability. On average, 12 months after having started in the sector, 73% of agency workers are either employed on an open-ended, fixed-term or agency work contract.

Through social dialogue the private employment services industry has developed initiatives to provide protections for a dynamic workforce, offering inspiration on how safety nets can be reformed to cover workers moving between jobs and sectors. We are ready and able to play an even greater role in working to deliver security to all workers and ensure higher levels of protection for people everywhere.

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