



International  
Labour  
Organization



# **The role of social dialogue and its institutions in combating inequalities in the world of work**

Background report for the ILO-AICESIS Joint  
International Conference

23–24 November 2023  
Athens, Greece

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## Acronyms

AICESIS	International Association of Economic and Social Councils and Similar Institutions
CES	Conseil Economique et Social (Benin)
CES	Consiliul Economic și Social (Romania)
CESE	Conseil Economique, Social et Environnemental (in Dem. Rep. of the Congo, Mauritania and Morocco)
CNDS	Comité National du Dialogue Social (in Burundi and Chad)
CNDS	Conseil National du Dialogue Social (in Togo and Tunisia)
CNEL	Consiglio Nazionale dell’Economia e del Lavoro
CNT	Conseil National du Travail (Niger)
CNTPE	Consejo Nacional de Trabajo y Promoción del Empleo (Peru)
ESC	Economic and Social Council (in North Macedonia and in Republika Srpska/Bosnia and Herzegovina)
ESC-SIs	Economic and Social Councils and Similar Institutions
EU	European Union
GDP	Gross domestic product
ILO	International Labour Organization
IMF	International Monetary Fund
NACOLA	National Advisory Committee on Labour (Lesotho)
NEET	Not in education, employment or training
NESC	National Economic and Social Council (Ireland)
OECD	Organisation for Economic Co-operation and Development
OKE	Economic and Social Council (Greece)
PND	Plan national de développement 2018–2025 (Benin)
SDGs	Sustainable Development Goals
SER	Sociaal-Economische Raad (Curaçao)
SMEs	Small and medium-sized enterprises
SWIID	Standardized World Income Inequality Database
UN	United Nations
UNECE	United Nations Economic Commission for Europe

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## Executive summary

This report is a background document for the conference on the Role of Social Dialogue and its Institutions in Combating Inequalities in the World of Work, to be held in Athens, Greece, on 23–24 November 2023 and organized jointly by the International Labour Organization (ILO), the International Association of Economic and Social Councils and Similar Institutions (AICESIS) and the Economic and Social Council (OKE) of Greece. The report draws largely on the results of a survey of Economic and Social Councils and Similar Institutions (ESC-SIs)—AICESIS members and non-members—to which 31 such institutions responded. It presents a snapshot of the current perceptions, priorities and capacity of ESC-SIs with respect to the issue of inequalities in the world of work, and the role played by social dialogue institutions in combating them.

The ILO-AICESIS conference takes place in the context of the aftermath of the COVID-19 pandemic with its marked impact on global inequalities, and a corresponding increase in international attention to the need for action to reduce inequalities. The conference is preceded by the adoption by the International Labour Conference of a resolution and conclusions concerning inequalities and the world of work in 2021 (ILO 2021a), and by the comprehensive and integrated ILO strategy to reduce and prevent inequalities in the world of work subsequently approved by the ILO Governing Body at its 346th Session in November 2022.

As the concern about the impact of high inequalities and the need for decisive action to reduce them have grown in the past two decades, substantial research has appeared on different types of inequality, especially income inequality. Within-country inequality has grown in the majority of the world's nations in the last 30 years, while global—that is, between-country inequality—has declined. Yet there is still great variation in income inequality between nations, as well as in its distribution within nations and in its growth in different parts of the globe. The main implication of such heterogeneity is that there is no one-size-fits-all approach to tackling inequality, as the nature of appropriate policies depends on the underlying drivers and country-specific policy and institutional settings.

Within such a larger framework, this background report is concerned with the key issues and challenges related to inequalities in the world of work, including the six main drivers shaping the inequalities as identified in several ILO reports—that is, (i) distribution of work income; (ii) productivity differentials between enterprises; (iii) gender discrimination; (iv) extent of informality; (v) gaps in social protection coverage; and (vi) contractual arrangements. The examination of the drivers is followed by an assessment of the impact of the recent pandemic as well as the cost-of-living crisis on the severity of existing inequalities.

The survey provides insights into how ESC-SIs around the world perceive and are responding to the challenges presented by the spread of inequalities in the world of work. The variety of perceptions, priorities and activities of ESC-SIs across different regions and countries is substantial, yet the survey findings show that the vast majority of ESC-SIs are aware of most of the challenges that their countries face related to inequalities in the world of work, at the same time displaying varying degrees of readiness and capacity to tackle them.

Most ESC-SIs perceive that inequalities are very or moderately challenging and that COVID-19 has had a negative impact, especially on those workers and societal groups that were already in a vulnerable position before the pandemic started. Among these groups, women and girls face the worst situation, followed by people employed via non-standard contracts, persons with disabilities and people employed in the informal economy. Other vulnerable categories facing major difficulties are non-nationals and migrant workers, plus young and old persons. On the lower rungs of the ladder sit workers in rural areas. Rather surprisingly, the lowest impact of inequalities was accorded to members of particular ethnic, racial and belief groups as well as indigenous and tribal peoples.

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On the factors exacerbating—or lessening—inequalities in the world of work, the ESC-SIs pointed out that digital divides are key. They regard as fundamental the ability to carry out remote working/telework, access to digital hardware, affordable and reliable access to the internet, and access to digital technologies for day-to-day work at the workplace and to pursue training and lifelong learning.

The report breaks down the ESC-SIs' involvement in fighting inequalities in the world of work into its input, throughput and output legitimacy. With regard to policy inputs, that is the democratic representativeness of ESC-SIs, they include several vulnerable groups, albeit with great variability among them. The most represented are women and girls, followed closely by workers in rural areas, young persons, people working in the informal economy, workers in insecure jobs and persons with disabilities. Lower levels of representation are awarded to older persons and, surprisingly, to some particularly vulnerable persons, such as members of particular ethnic, racial or belief groups and indigenous and tribal people.

Roughly three out of four ESC-SIs have discussed inequalities in the world of work during the past five years. A similar share confirmed that a national strategy had been put in place, consisting of non-discriminatory and enabling labour-market, educational and social-policy measures. The remaining quarter displayed weaknesses related mainly to gaps in their problem-solving capacity, a lack of effective mandate and waning political support that prevented them from operating effectively.

Even though the ESC-SIs were frequently involved in consultations and their opinions were often translated into policy, the involvement was not fully satisfactory, implying that the throughput legitimacy of social dialogue in this area could see some improvements. As for the social partners, workers' and, to a slightly lesser extent, employers' organizations were routinely engaged in the activities of most ESC-SIs related to combating inequalities in the world of work.

On concrete policies devised, that is, the ESC-SIs' output, experiences were heterogeneous. On the positive side, plenty of success stories were recorded, especially regarding protection against job losses during the pandemic and major actions combating gender discrimination. On the negative side, the scarcity of resources (human, financial and institutional) shown by several ESC-SIs was exacerbated by various global crises (the pandemic, war in Ukraine and cost-of-living emergency) increasing the difficulties to efficiently devise national strategies to combat inequalities in the world of work.

Several policy conclusions can be drawn. As inequalities in the world of work are a complex and multifaceted phenomenon, effective action requires identifying the context-specific drivers of such inequalities. From this it follows that a one-size-fits-all approach to tackling inequalities in the world of work does not exist.

Even more, the interconnectedness of nations and peoples affected by inequalities in the world of work requires combined, coordinated and coherent interventions at various levels. ESC-SIs can therefore bring together governments and social partners to discuss and develop adequate national strategies to combat inequalities and promote an inclusive world of work, thereby benefiting from the views and contributions of the many stakeholders. Most important, the ESC-SIs' role should not be limited to the design of national strategies addressing inequalities, but should extend to the implementation, monitoring and evaluation of the effectiveness of the solutions crafted.

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## I. Introduction

The 2023 ILO-AICESIS conference is to be held in Athens, Greece, on 23–24 November, through collaboration between the International Labour Organization (ILO), the International Association of Economic and Social Councils and Similar Institutions (AICESIS) and the Economic and Social Council (OKE) of Greece (the last acting as host institution). The conference theme, decided on jointly, is the role of social dialogue and its institutions in combating inequalities in the world of work.

The ILO-AICESIS conference is informed by the outcome of the 109th Session of the International Labour Conference general discussion on inequalities and the world of work held in November–December 2021, including the background report. The conclusions adopted by the International Labour Conference called for combined, coordinated and coherent interventions at various levels, and identified the need for the ILO to develop a strategy in consultation with ILO constituents. This resulted in a plan of action adopted during the 344th Session of the Governing Body held in March 2022 (ILO 2022a) as well as in the comprehensive and integrated ILO strategy to reduce and prevent inequalities in the world of work (ILO 2022b). The ILO-AICESIS conference will consider different forms of inequality in the world of work, the interactions and intersections between them and the manner in which these inequalities can be most effectively addressed through social dialogue at national level. In particular, the conference will examine how ESC-SIs, which bring together governments and representatives of employers and workers, understand, manage and respond to the inequality trends affecting the world of work worldwide. Among other issues that will be addressed are the challenges brought about by digital divides and other drivers of inequalities, and those engendered by the COVID-19 pandemic and the cost-of-living crisis, which have exposed or deepened inequalities both within and between countries.

The overall objective of the ILO-AICESIS conference is to promote greater awareness, knowledge sharing and mutual learning regarding the challenges posed by, and measures taken to combat, inequalities in the world of work at national level, and to stimulate action to tackle these inequalities through inclusive and effective social dialogue.

This background report aims to provide participants with information and analysis to stimulate discussion and debate on the theme—and role—of social dialogue and its institutions in combating inequalities in the world of work. It is structured as follows. Section II examines the key trends in inequalities at global and national levels based on a review of secondary literature and data. Section III starts with a description of the survey conducted jointly by the ILO and AICESIS, targeting both AICESIS member and non-member institutions. Drawing on the survey results regarding the perceptions of ESC-SIs and on national statistical data, it then analyses the forms and manifestations of inequality at national level before turning to the most affected groups in society and the importance of digital divides. Section IV provides an overview of the actions taken to combat inequalities at national level based on a combination of survey and secondary data. Section V details the role of social dialogue and its institutions, and of the social partners, in addressing inequalities in the world of work, as inferred from the survey responses. Section VI rounds off by looking at the way forward, offering some conclusions and tentative recommendations on how to strengthen the role of social dialogue and ESC-SIs in combating inequalities in the world of work.

## II. Key trends in inequality at global and national levels

The tackling of all types of inequality—mainly income inequality, but also inequalities in the world of work—has not always been as prominent on politicians’ agendas globally as



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the 30-year pursuit of global poverty reduction (World Bank 2022a). Yet in the past two decades there has been growing concern about the impact of high inequalities and the need for decisive action to reduce them, concerns that have further deepened in the aftermath of the COVID-19 pandemic. A vast number of studies have been conducted that link higher levels of inequality in society with widespread poverty, lower educational attainment, higher crime rates, lower life expectancy and poorer health status, among other adverse effects (Wilkinson and Pickett 2010). Several scholars, such as Milanović (2020), have pioneered the study of inequality at global level.

The growing awareness that inequalities—in the broadest sense of unequal access to basic needs and rights—are a multidimensional problem that requires concerted action has slowly percolated into international organizations’ approaches. Growing inequality in many countries is now acknowledged as a global challenge requiring urgent action by organizations as diverse as the International Monetary Fund (IMF) (Ostry et al. 2014), the Organisation for Economic Co-operation and Development (OECD 2015) and the body of United Nations (UN) institutions, among which the ILO has a key role in labour and social issues.

The UN 2030 Agenda for Sustainable Development features the reduction of inequalities as a central element, reflected in the targets of most Sustainable Development Goals (SDGs). SDG 10 focuses on reducing inequality within and among countries, including through fiscal, wage and social protection policies; SDG 4 calls for inclusive and equitable quality education; SDG 5 focuses on gender equality; and SDG 8 promotes sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.<sup>1</sup> SDG 16 promotes just, peaceful and inclusive participatory and representative decision-making at all levels, which can be achieved through social dialogue. The UN (2021) report *Our Common Agenda—Report of the Secretary-General*, which sets an agenda of action designed to accelerate the implementation of the SDGs, also warns against a scenario of destabilizing inequalities.

The ILO Centenary Declaration for the Future of Work is strongly aligned with the agenda of reducing inequalities (ILO 2019a). The declaration calls for the development of ILO’s “human-centred approach to the future of work, which puts workers’ rights and the needs, aspirations and rights of all people at the heart of economic, social and environmental policies”. The declaration includes several references to inequality. It notes particularly that “persistent poverty, inequalities, and injustices [...] in many parts of the world constitute a threat to those advances [in economic and social progress] and to securing shared prosperity and decent work for all”. The declaration also highlights the importance of “harnessing the fullest potential of technological progress and productivity growth, including through social dialogue, to achieve decent work and sustainable development, which ensure dignity, self-fulfilment and a just sharing of the benefits for all”.

## 2.1 Inequality matters

The discussion that follows focuses, first, on different aspects of income inequality (sections 2.1–2.3) and then zooms in on six drivers of inequalities in the world of work (section 2.4)

<sup>1</sup> Other SDG targets that entail a reduction in inequality include ensuring equal access to economic resources, basic services, property and social protection (SDG 1); ensuring healthy lives and promoting well-being for all at all ages (SDG 3); building resilient infrastructure in developing countries (SDG 11); and providing access to justice for all and legal identity for all, including birth registration (SDG 16).

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before discussing the impact of the COVID-19 pandemic (section 2.5).<sup>2</sup> Income inequality can be seen as a prism that captures many other correlated or underlying forms of inequality.

In fact, income inequality can reveal many other forms of inequalities, including those generated in the world of work. Income inequality is measured through household income, among whose components income earned on the labour market is key. Household income is used interchangeably by the ILO with primary income, defined as “Income received from participation in the production process, representing: [i] income from employment (wages, and income from self-employment); [ii] property income, from non-financial and financial assets (interest, dividends and so on); and [iii] income from the production of household services for own consumption (value of owner-occupied housing services, unpaid domestic services and so on)” (ILO 2021b: 21). As the literature makes clear, rising inequalities matter as they generate a host of negative effects.

First, high levels of income inequality tend to harm the pace and sustainability of economic growth. Both the IMF (Ostry et al. 2014) and the OECD (2015) have associated greater equality with stronger and more sustainable growth. Reasons for such outcomes refer to the levels of trust in society, access to healthcare and education of disadvantaged groups, the distribution of money’s utility (and usage) in society as poorer people consume a greater share of their income and so prop up aggregate demand. Barr (2020) frames the discourse in terms of risk: as inequality diminishes, risk is shared more equally, thereby promoting entrepreneurial activities. Additionally, high levels of income inequality may also reduce growth through diminished productivity, as those with low levels of income and wealth have insufficient opportunities to invest in skills.

Second, by slowing economic growth, high inequality levels reduce the capacity to lift people out of poverty, especially in developing countries, where large pools of poor people live. The World Bank (2016: 2–3) states that eliminating extreme poverty—embedded in SDG 1—requires higher average growth, a narrowing in inequality or a combination of the two. Achieving the same poverty reduction during a slowdown in growth—a feature, present in numerous countries, of the period after the 2008–09 global financial crisis, and later during the pandemic as exacerbated by the effects of the war in Ukraine—therefore requires more equal income distribution to the extent that such interventions interrupt the intergenerational reproduction of inequalities of opportunity by addressing the roots and drivers of inequality while laying the foundations for boosting shared prosperity and fostering long-term growth.

Third, as argued by Atkinson (2015), the intergenerational aspect of inequality cannot be underestimated. Through the “Great Gatsby Curve”, Corak (2013) shows that greater inequality is associated with less mobility across generations. This is backed up by the OECD (2011: 40), which argues that income inequality “can stifle upward social mobility, making it harder for talented and hard-working people to get the rewards they deserve”, as those higher on the income ladder pass on a whole series of advantages to their heirs, a phenomenon that reduces the effectiveness of policies to promote equality of opportunity.

Fourth, it appears that democratic institutions and social peace and stability are put under multiple strains by increasing inequality. Policy responsiveness to the opinions and needs of poorer strata in society seems to be lower than to those of wealthier people, leading to uneven policy solutions to societal problems (Erikson 2015). In a similar vein, income inequality seems to be positively correlated with growing political polarization (McCarty et al. 2006; Frye 2010), which, according to Gu and Wang (2022: 376) “refers to the vast and

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<sup>2</sup> This report is mainly concerned with inequalities *within* countries. Even though the ILO heavily emphasizes inequalities between countries, they are only tangentially dealt with in this report for a simple reason: the survey targeted national institutions whose mandate is national, so their primary concern is within-country inequalities.

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growing gap of political attitudes and identities among the public that undermine the pursuit of a common good”.

Fifth, as mentioned, countries where inequality is high experience a number of social ills, such as higher crime rates, greater social unrest and lower social trust (Wilkinson and Pickett 2010; Ghodsee and Orenstein 2021). Especially when such inequalities are combined with stagnant average incomes, popular discontent reaches the middle classes, thus unravelling the social contract, undermining public trust in policies and institutions, and even leading to social unrest. In extreme cases, persistent inequalities and discrimination against specific groups of individuals (minorities, indigenous peoples and the like) may also lead to violent conflict (Stewart 2008; ILO 2021b).

## 2.2 Issues of definition and measurement

Two concepts of inequality can be identified: vertical inequality—inequality between richer and poorer people—and horizontal inequality—the systematically unequal treatment of specific groups or categories in society. Here we can single out individual groups within the population, who suffer discrimination on the grounds of, for example, their gender—one of the most pervasive forms of horizontal inequality today—colour, beliefs, sexual orientation and ethnic origin. The interaction between horizontal inequalities gives rise to issues of “intersectionality”, that is, the existence of individuals who lie at the intersection of various inequality dimensions and/or belong to several disadvantaged groups. For example, women from ethnic minorities in rural areas may find themselves in particularly vulnerable situations, and will likely combine disadvantages in accessing decent work with limited access to healthcare and other services, leading to overall lower life expectancy.

These two different aspects of inequality refer to multiple dimensions,<sup>3</sup> which create complex problems of definition and measurement (Barr 2020). In fact, the degree of unequal treatment between groups can be gauged through measures as diverse as infant mortality, life expectancy at birth, secondary school dropout rates, number of hospital beds in an area, crime rates and political participation, to mention just a few. As with income or wealth, it is possible to rank individuals in a society from the lowest to the highest according to some of these measures, but only when precise data is available. For this reason, not many composite inequality indexes exist, a situation that applies to inequalities in the world of work as well. The types of inequalities described in section 2.4 below have been inferred by comparing an indicator for a certain group in society (based on sex, religion or ethnicity among others) with the same indicator measured for society as a whole or for other groups. For example, gender discrimination on the labour market can be measured through the gender pay gap or different employment rates between men and women. Informal employment rates disaggregated by, for example, sex, age or ethnicity show us which groups work in the informal sector, and the same principle applies to the type of employment arrangements

<sup>3</sup> Barr (2020) enumerates, among others: (i) longevity, including avoiding premature mortality; (ii) physical security, including freedom from violence and from physical and sexual abuse; (iii) health, including well-being and access to high-quality healthcare; (iv) education, including being able to be creative, to acquire skills and qualifications, and having access to training and life-long learning; (v) standard of living, including being able to live with independence and security, and covering nutrition, clothing, housing, warmth, utilities, social services and transport; (vi) productive and valued activities, such as access to employment, a positive experience in the workplace, work-life balance, and being able to care for others; (vii) individual, family and social life, including self-development, and having independence and equality in relationships and marriage; (viii) participation, influence and voice, including participation in decision-making and democratic life; (ix) identity, expression and self-respect, including freedom of belief and religion; and (x) legal security, including equality before the law and equal treatment in the criminal justice system.

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(such as the incidence of fixed-term or part-time agency work), social protection coverage and trade union density, among other indicators.

Focusing on income inequality as a summary measure, we can distinguish between measurements at the micro and macro levels. At the micro level, we are interested in measuring differences between individuals or households, that is, by estimating the income gap (mean or median) between, for example, men and women or formal and informal economy workers, or rural vs urban workers. At the macro level, we are concerned with calculating aggregate measures of inequality for society as a whole. In this case we have to group individuals based on their income level and compare the different income groups thus obtained. The development of aggregate measures is very helpful for the comparison of individual territories, regions and countries against each other.

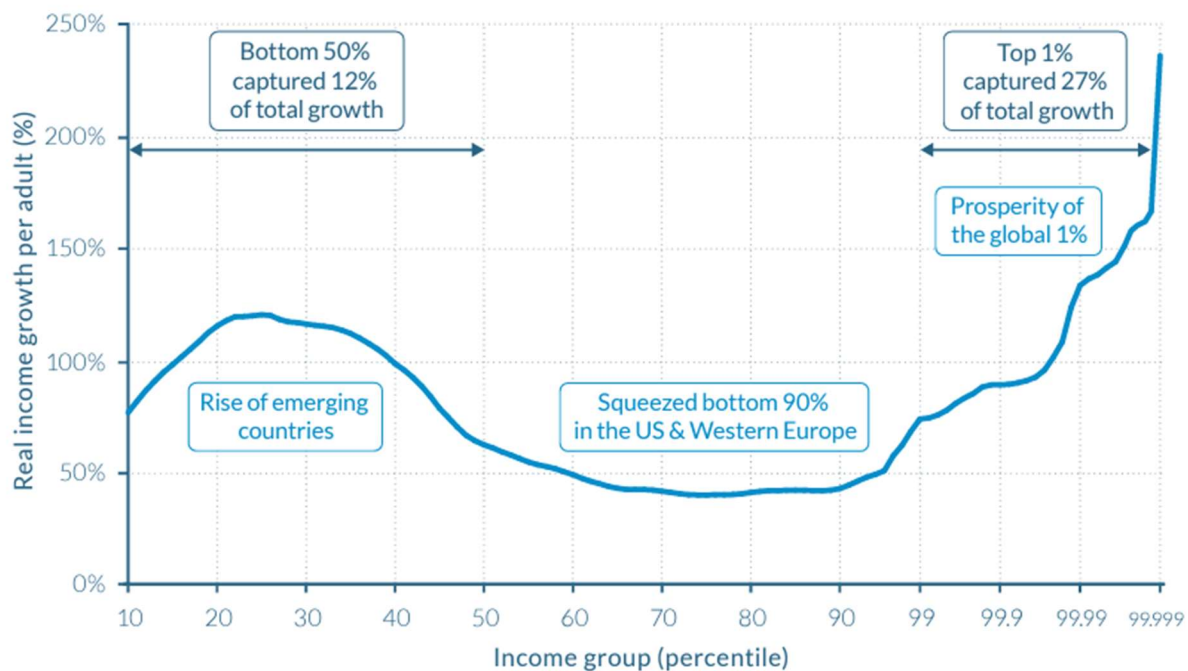
Many aggregate, that is, macro-level, measures are based on the frequency distribution of individual income in society, which is basically the ranking of all individuals in society according to their level of income. It is simple and easy to interpret, for example comparing how much a certain part of the population—for example, the top decile (the top 10 per cent)—earns compared with another part, such as the bottom decile (the bottom 10 per cent). The most widely used aggregate measure of inequality is the Gini coefficient, also known as the Gini index of inequality, which compares all incomes in a society, yielding an index ranging from 0, when everybody has the same income, so aggregate inequality is zero, to 1, when all income is garnered by a single person, and hence aggregate inequality is maximal.

### **2.3 A relentless rise in inequality?**

Nobel laureate Paul Krugman (2009: 3) refers to a period in United States (US) history—running from the end of the 1940s to the early 1980s (and see Piketty 2014: 24), sometimes dubbed as that of “middle-class America”—as a “paradise lost”. The reason is that it predates the later explosion in income inequality: the income share, excluding capital gains, of the top decile of the US population increased from around 32 per cent in 1982 to 46 per cent in 2012, a period the author calls the “great divergence”. Undeniably, within-country inequality has grown in the majority of the world’s nations in the past few decades, while between-country inequality has declined (Chancel et al. 2022). Yet there is great variation in the levels of income inequality between nations, in its distribution within nations and in its growth in different parts of the globe, each of which has to be analysed separately. The main implication of such heterogeneity is that there is no one-size-fits-all approach to tackling inequality, as the nature of appropriate policies depends on the underlying drivers and country-specific policy and institutional settings.

Lakner and Milanović (2013) inaugurated the study of global inequality dynamics—mainly owing to the availability of more encompassing data at global level, excluding for most of Africa—synthesized in the “elephant curve”, as shown (in a slightly updated version) in figure 1. The curve shows that between 1980 and the 2008–09 global financial crisis: (i) the middle classes in Asia (and other emerging economies), who are around the median of the global income distribution, experienced high income growth; (ii) Western middle classes, around the 80th percentile of the global income distribution, lacked such sustained growth; and (iii) the global top 1 per cent registered the highest growth.

**Figure 1 The elephant curve of global inequality and growth, 1980–2016**



Source: Alvaredo et al. (2018).

Yet as Milanović (2020; 2022) states, the original analysis was based on data preceding the global financial crisis. By employing more recent, richer and more precise data (especially for China and India), the author brought forward the analysis of global inequality to about 2014. The Asian middle classes have accelerated their income growth, recording 60 per cent of real cumulative per capita growth in constant purchasing power parity (PPP) prices during 2008–13. Slow but positive growth, of about 10 per cent over the same period, was registered by the Western middle classes. What changed is that the richest 1–5 per cent of the global population saw income growth of only 15 per cent in those five years. And so any assertion that inequality has been relentlessly rising is not entirely substantiated. To quote Milanović (2020): “Broadly speaking, the post-2008 period was good for the global poor and for the global middle class; it was not good for the Western middle classes and the global top 1%”.

To understand the distribution of income inequality across the world, it is necessary to refer to the Gini index of inequality for household income by country, with respect to both household market income—pre-tax and pre-transfers, and household disposable income—post-tax and post-transfers.

**Table 1 Highest- and lowest-ranking 10 countries for Gini index measures (household disposable income)**

Country	Year	Gini (D) <sup>a</sup>	Country	Year	Change in Gini <sup>b</sup>
<b>10 highest-ranking countries</b>					
Namibia	2016	63.9	Romania	2019	12.7
South Africa	2017	62.4	Bulgaria	2020	10.2
Eswatini	2016	59.7	Tajikistan	2015	8.8
Botswana	2015	57.5	Lithuania	2019	8.3
Côte d'Ivoire	2015	56.5	China	2020	8.2
Zambia	2015	55.3	Russian Federation	2020	8.2
Haiti	2012	54.4	Latvia	2019	8.1
Central African Rep.	2008	54.0	Costa Rica	2021	5.8
Comoros	2014	53.7	Sri Lanka	2016	5.6
Sudan	2014	52.6	Indonesia	2021	5.5
<b>10 lowest-ranking countries</b>					
Slovakia	2019	22.6	Peru	2019	-9.5
Belarus	2019	23.9	Brazil	2019	-7.4
Iceland	2017	23.9	Thailand	2019	-5.8
San Marino	2018	23.9	Dominican Rep.	2019	-5.5
Czechia	2019	24.4	Mexico	2018	-5.1
Slovenia	2019	24.4	Chile	2017	-5.0
Belgium	2020	26.0	Iran (Islamic Republic of)	2018	-5.0
Finland	2019	26.0	Argentina	2019	-4.7
Norway	2020	26.0	Venezuela (Bolivarian Republic of)	2020	-4.5
Sweden	2020	26.5	Panama	2019	-4.4

Source: SWIID version 9.3, June 2022. <https://fsolt.org/swiid/>.

Notes: <sup>a</sup> Gini (D) = Gini index of inequality in household disposable income expressed in percentage points; <sup>b</sup> Change in Gini = Difference between Gini (D) in 1990 and reference year expressed in percentage points.

A number of trends are discernible. First, inequality varies substantially across nations on both market and disposable income. On disposable income (table 1), one extreme is represented by Nordic and some post-socialist, mainly high-income<sup>4</sup> European countries, where the Gini index hovers around 0.25, indicating low levels of inequality. The higher end of the inequality scale is almost exclusively represented by some Sub-Saharan African countries, both low-income (Sudan, Zambia) and upper-middle-income (Namibia, South Africa), where inequality is very high, exceeding a Gini index of 0.50.

Second, the capacity to reduce inequality through government intervention, by adding transfers, especially through social security schemes (such as child benefits, maternity allowances, unemployment insurance, pensions and so on) and by subtracting taxes, that is,

<sup>4</sup> This background report employs the World Bank's updated classification of countries by region and income. <https://datahelpdesk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>.

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to transform market income into disposable income, varies enormously by country (for example, Barr 2020). The SWIID database (Solt 2020) indicates (though data is available for only 70 countries) that Western European countries generally fare best in both absolute and relative redistribution, reducing inequality by more than 40 per cent in relative terms. By contrast, four countries from Latin America and the Caribbean (Bolivia, Ecuador, El Salvador and Honduras), plus Mali and China, experience regressive redistribution, that is, income inequality rises or remains unchanged after transfers and taxes.

Two important caveats are in order (ILO 2021b). First, a robust social protection system is a necessary but insufficient condition to reduce income inequality. In fact, empirical evidence shows that productivity growth is the main driver of higher levels of income per capita. Second, there is only so much that a government can do to reduce inequality in the country. In countries where taxation and social security systems are highly developed, two developments reduce the capacity to redistribute. The first is a long-term trend towards reducing the progressivity of tax systems, by transforming them into flat-tax regimes or by reducing the number and amplitude of tax brackets (Piketty 2014). Even though reduced progressivity can also raise incentives to save and invest in human capital and so potentially result in increases in lifetime incomes and reductions in inequality, it reduces, all else being equal, the government's fiscal space. The second is that, rather than resorting to explicit but unpopular cuts to social security spending, governments have adopted a widespread shift towards "fiscal welfare", that is, mainly tax-relief programmes, which are not only under-researched but also pre-eminently regressive, as the poorer strata of the population usually do not pay much income tax to deduct from (for example, Sinfield 2020; Jessoula and Pavolini 2022).

The problems are even more acute in developing countries, chiefly owing to high rates of informality, which lead to zero or very little tax revenue. In fact, in lower-middle-income and upper-middle-income countries (Lustig 2016: 20) "the level of income redistribution and the size of the budget allocated to social spending (as a share of GDP) are associated", meaning that the lower the revenues from general taxation and social security contributions, the lesser the capacity to redistribute. Those working in the informal economy are largely excluded from both taxes and transfers, yet often rely on remittances from abroad (where there are sizeable diasporas), which seem to reduce income inequality (ILO 2021b: 21; Kóczán and Loyola 2021). Yet since 1990, the changes in the Gini index for household disposable income have been extremely uneven worldwide, although it increased in the majority of countries with data—69 out of 108.

Unambiguously, the region where inequality in disposable income has declined the most in the past 30 years is Latin America and the Caribbean, for several reasons. The contribution of formalization in the labour market to reduced inequality—especially wage inequality, including through the reduction of the wage gap between rural and urban populations—in countries such as Argentina, Brazil and Uruguay cannot be overstated (Alejo et al. 2013). Such formalization, coupled with strong and effective labour market institutions, including minimum wages and collective bargaining, are often prerequisites for additional measures aimed at reducing income inequality, including cash transfers. (For a classic take on the subject, see Korpi and Palme 1998.) The introduction of universal non-contributory benefits, such as basic pensions and/or citizenship- or residence-based minimum income schemes and/or conditional cash transfers, has helped reduce inequality in several Latin American countries: Brazil introduced a basic non-contributory pension, named the Bolsa Familia, and Peru a conditional cash transfer for families living in poverty,

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called Juntos.<sup>5</sup> Additionally, public spending programmes, primarily those on healthcare and education, which make up so-called tertiary (or final) income after such in-kind transfers are included, seem to be pro-poor and to reduce inequality in all the countries but one analysed by Lustig (2016), that is, in Brazil, Chile, Colombia, Mexico, Peru and South Africa. The exception is Indonesia, where they are somewhat neutral.

Yet reductions in labour income inequality above all drive a generalized reduction in the Gini index, which is of course unsurprising because labour earnings make up around 80 per cent of total household income in any Latin American country (Cord et al. 2017). Rodríguez-Castelán et al. (2016) detail why labour income inequality across the region has been falling since the 2000s: (i) labour incomes associated with relatively low-paying jobs rising faster than better-paid jobs; (ii) a declining education premium across Latin America, driven by larger growth in labour earnings among less well educated workers; (iii) a declining “experience premium” between senior and junior positions; and (iv) a narrowing urban–rural earnings gap.

Displaying much higher rises in inequality are mainly former socialist countries. These countries were characterized by severe shortages of goods, low levels of human capital investment, uncompetitive management, largely nationalized physical capital and poor services (Murrell 1995). The sudden liberalization of the administratively compressed wage structure during the transition to a market economy in the early 1990s contributed to a surge in income inequality. Additionally, nearly full employment, which had been the goal of socialist regimes, turned out to be unsustainable in the new economic reality, owing to high inefficiency. Liberalization resulted in an enormous outflow of the workforce from employment to either unemployment or inactivity, which further increased income inequality. In the late 1990s, income inequality generally stabilized in post-socialist countries that later joined the European Union (EU). Since then, income inequality has reached different levels among these countries, depending both on the initial pace and order of economic reforms and on the policies adopted afterwards. In general, the transformation has had the dual effect of concentrating wealth and income in the hands of a few individuals while impoverishing large parts of the region and its most vulnerable individuals. Even China, often portrayed as a success story, has not been spared from a rise in inequality.

Among high-income countries, inequality has risen in the majority of them, but with intercountry heterogeneity. Explanations range from a faster rise in real estate prices than in median household income (ILO 2021b) to reasons connected with the four megatrends identified by the ILO’s Future of Work initiative (ILO 2015; 2019a; ILO-AICESIS 2017), which have been partly responsible for a gradual erosion in the disposable income of the middle classes in developed countries in Europe and North America.

## **2.4 Inequalities and the world of work: Six drivers**

While many factors influence the extent of inequalities in the world of work, the ILO report (2021b) focused on six drivers: (i) distribution of work income; (ii) productivity differentials between enterprises; (iii) gender discrimination; (iv) extent of informality; (v) gaps in social protection coverage; and (vi) contractual arrangements. This section analyses each source of inequality in the labour market; provides a reflection on the definition and measurement

<sup>5</sup> Bolsa Familia ran from 2008 until 2021, when it was replaced by Auxilio Brasil. Juntos was introduced in 2005 in Vinchos and Chuschi, two districts of the Ayacucho region of Peru. It has now been adopted throughout the country.



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problems (touched on in section 2.2) that such variation entails; and shows, where possible, the link of each inequality type to the more customary measures of income inequality, such as the various Gini indexes.

### **2.4.1 Distribution of work income**

Starting with the distribution of work income, three main issues stand out: unemployment, wage differentials and intersectionality of cumulative disadvantage. Even though unemployment is not always related to rising inequality, it is often concentrated among specific groups, whose present and future income prospects are imperilled, especially if adequate social protection is not in place (for example, Hinrichs and Jessoula 2012). Although global unemployment hovered at around 5–6 per cent of the labour force just before the COVID-19 pandemic (ILO 2020a), its incidence among younger people was three times as high, providing much room for reducing inequality by increasing employment. In fact, the OECD calculated that for a 1 percentage point increase in the employment rate, a reduction of 0.65 percentage points in the Gini index of disposable income is expected (OECD 2011).

As with general levels of inequality, the distribution of wages and labour incomes has undergone different dynamics across regions at various stages of development. The majority of high-income countries have to cope with greater wage dispersion, that is, a growing divide between the salaries for those in high-skilled, high-paid jobs and for those in low-skilled, low-paid jobs, which has been often documented (for example, Piketty 2014). Additionally, Berlingieri et al. (2017) show that wage inequalities have grown even more at the bottom of the income distribution, which implies that the productivity gaps between firms matter (see next section).

These trends have gone hand in hand with job polarization, that is, the gradual disappearance of middle-skilled and middle-salary jobs (Goos et al. 2022), which may result from combined and mutually reinforcing trends tied to globalization, such as the “China shock”<sup>6</sup> (Autor et al. 2016), and accelerating technological changes in the so-called fourth industrial revolution, which may be responsible for the automation and, possibly, partial elimination of hitherto middle-skilled jobs (Acemoglu and Restrepo 2019). The upshot is that, while technology enhances productivity, accelerates economic growth, creates new job opportunities and increases access to basic services, the absence of educational opportunities to seize the advantages of such technological advancements may increase inequalities. Policies in advanced economies should be designed to help workers better cope with disruptions caused by technological progress and global integration, through skills upgrading and supporting accelerated automation so that employers can take advantage of sustained productivity growth, a key factor in limiting wage differentials.

### **2.4.2 Productivity differentials between enterprises**

The differentials in productivity between the highest- and lowest-paying firms and the best- and worst-performing ones (the last, a group to which many small- and medium-sized enterprises belong) are also closely related to the distribution of work income. The ILO (2021b: 38) notes: “Empirical evidence shows that the dispersion of enterprise productivity is highly and positively correlated with the dispersion of labour income across enterprises and that productivity divergence across enterprises is associated with an increase in labour income inequality”.

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<sup>6</sup> The increase in Chinese exports to the US and Europe after China's accession to the World Trade Organization in 2001 has had a negative impact on employment in their manufacturing sectors.

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Using firm-level data, Berlingieri et al. (2017) show that (i) the wage gap has increased between the most- and least-productive firms, and between the top- and bottom-paying firms; (ii) inequality in wages has grown faster in sectors in which the gap in productivity has increased the most; and (iii) structural factors, such as the above trends in globalization and digitization, as well as labour market policies and institutions, explain some of these differences. All this implies that what economist Jared Bernstein called in 2011 the “great divergence” (Bernstein and Raman 2015) is largely explained by an increase in wages *between* firms rather than *within* them. In other words, most of the wage dispersion witnessed nowadays comes from increasing differences in wages between the best- and worst-paying firms, rather than from a growing gap between top and bottom earners within the same firm.

Another trend is the progressive decoupling of wages from labour productivity, which explains why labour income shares (the share of labour compensation in GDP) in many countries remain substantially below those of the 1990s (ILO 2020b) According to UNECE (2022) data, between 2004 and 2019, 29 out of 52 countries covered—the majority Western European and North American high-income countries—saw a decrease in the labour share in GDP (including wages and social protection transfers).

### **2.4.3 Gender discrimination**

Despite these mixed and sometimes encouraging developments, inequality in the labour market continues to have a marked gendered dimension (ILO 2018a; 2020b), which takes the dual form of a persistent worldwide employment gap (around 27 percentage points) and pay gaps (20.5 and 18.8 per cent for monthly and hourly wages, respectively). According to the ILO (2019b), rather than being due to their lack of education—the educational gap with men has been steadily closing, so much so that women in paid employment tend to be more educated than men in similar occupational groups (ILO 2018a)—women have more limited access than men to high-quality job opportunities.

One of the reasons for persistent gender gaps is the unequal distribution of hours of unpaid work in the household, as women perform most of the household chores and most unpaid care work (for both elderly dependants and children). One oft-cited example is the tendency of women to work part time in high-income countries, which depends on the availability of social services, leading to differing work–care equilibria (Saraceno 2016; EC 2014). Women are therefore faced with a substantial motherhood penalty in terms of employment, pay and leadership, relative both to women not caring for young children and to men (fathers or not) (ILO 2019b). In middle- and low-income countries, women’s lower participation in wage employment may also reflect their participation in own-account work in the informal economy. According to the World Bank (2022b), the ratio of the female to male labour force participation rate was below one third in most Arab States, in northern Africa and in Southern Asia.

The explanations for the gender pay gap are self-evidently multiple and complex, with diverse factors in the explained and unexplained parts of the gap, such as the undervaluation of work in feminized occupations and enterprises as well as the lacunae in implementing equal pay (ILO 2018a: 55–85). If in high-income countries the gender pay gap is wider at the high-end of the income distribution—the “glass-ceiling”—in low- and middle-income countries it is more prominent at the lower end—the “sticky floor” effect (ILO 2018a). The ILO (2019b: 44) puts it: “In high-income countries, the gender pay gap is wider for women at the top of the skills and earnings scale [...]. In low and middle-income countries, women who are often in informal wage employment face a double penalty: they receive, on average, lower wages than their male counterparts as well as lower wages than workers in the formal economy”.

Another pervasive problem in the world of work is that women often suffer overlapping or intersectional inequalities because they also belong to other groups disadvantaged in

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society. Hence, women are particularly affected by intersectionality which “endows” certain groups with cumulative disadvantages. The ILO (2021b) singles out the following groups as being among the most vulnerable: members of racial and ethnic groups, people in rural communities (generating spatial inequality), migrant workers, persons with disabilities, and indigenous and tribal peoples. All these groups at the very least face multiple obstacles when entering the labour market, landing often precarious and low-paid jobs. Belonging to one or more of these groups compounds the gendered dimension of labour market inequality: the employment and pay gaps of indigenous or migrant women, for example, are much bigger than those of women outside these groups.

Another important issue is gender-based violence, including violence and harassment at work, which is an additional manifestation of inequality faced by women. Such violence—actual or potential—has a detrimental impact on women’s participation in employment, on the quality of their jobs and their ability to succeed as entrepreneurs (ILO 2021b). Women in care work and domestic work are especially affected: an indirect indicator is that UN Women (2020) documented a dramatic increase in physical domestic violence between April 2019 and April 2020 experienced by girls and women globally. Finally, intersectionality issues loom large as women of a particular ethnicity or indigenous background are particularly subject to work-related harassment and violence (ILO 2021b).

#### **2.4.4 Extent of informality**

One of the main drivers of labour market inequalities worldwide is the extent of people’s working informally.<sup>7</sup> The ILO (Bonnet et al. 2019) estimates that 61 per cent of the world’s global employees aged 15 or above, some 2 billion people, are informally employed, ranging from 18 per cent in developed (high-income) countries to 67 per cent in emerging (upper-middle-income and lower-middle-income) countries and to as much as 90 per cent in developing (low-income) countries. The direction of causality is straightforward: when informality is reduced, inequality at least partly subsides, per the experience in Latin America and the Caribbean (Bonnet et al. 2019).

Informal employment is highly correlated with several socio-economic indicators (for a detailed picture, see ILO 2018b). First, informal employment in developed, emerging and developing countries is associated with household poverty, far more than formal employment is. Second, globally, the share of informal employment in total employment is lowest among adult workers (25–64 years of age), compared with their younger and older peers. Third, even though the strategies to limit the extent of informality in an economy have to be comprehensive and tackle multiple angles, especially policies aimed at formalizing enterprises, education plays a role, as an increase in workers’ education is often related to a decrease in their share in informal employment. Fourth, globally the share of women in informal employment is lower than that of men (63 vs 58 per cent), but there are again issues of intersectionality and segregation. In particular, women with lower levels of education tend to be more than proportionally informally employed.

As the OECD (2019) and ILO (2018b) show compellingly, low earnings and a high incidence of poverty in the informal economy largely reflect the low productivity of informal

<sup>7</sup> The ILO (Bonnet et al. 2019: 4–5) provides a useful definition: “The components of informal employment are informal employment in the informal sector, in the formal sector and in households. Employment in the informal sector (i.e., informal enterprises) is comprised of employers, employees, own-account workers and contributing family workers. Informal employment in the formal sector includes employees and contributing family workers in formal enterprises who do not receive social protection contributions by their employer or, in the absence of information on social protection, do not receive paid annual and paid sick leave. Informal employment in households consists of domestic workers employed by households who do not receive social protection contributions from their employers.”

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employment, where labour productivity is half that in the formal sector. Paucity of enterprises is one cause: 75 per cent of total informal employment takes place in businesses with fewer than ten workers, including 45 per cent of independent workers without employees. The reasons for such low performance can be traced to limited access to capital, justice, property rights and so on. The educational level of the workforce in the informal sector is systematically lower than in the formal one.

A common characteristic of all types of informal work is that (ILO 2021b: 32) “workers are not legally recognized or are insufficiently protected under the relevant legal and regulatory frameworks or in practice, and as a result tend to face a higher degree of vulnerability, including to external shocks and economic cycles”. This translates into “higher exposure to health and safety risks without appropriate protection, lack of representation, poor access to training and retraining, and income insecurity from both work and social protection”. An unambiguous indicator that informality fosters both poverty and income inequality is the ratio of average monthly wages in formal and informal employment. If the reference is male average wages in formal employment (100 per cent), women in formal employment get 79 per cent, and men and women in informal employment get, respectively, 66 per cent and 47 per cent; the proportions are higher in developed than developing countries.

#### **2.4.5 Gaps in social protection coverage**

Gaps in social protection are another factor widening inequalities in the world of work, as the welfare state’s foremost objective is to insure against risks arising from the incapacity to earn labour income. As the ILO (2022c: 19) points out: “As of 2020, only 46.9 per cent of the global population were effectively covered by at least one social protection benefit, while as many as 4.1 billion people were left wholly unprotected. Behind this global average, there are significant inequalities across and within regions, with coverage rates in Europe and Central Asia (83.9 per cent) and the Americas (64.3 per cent) above the global average, while Asia and the Pacific (44.1 per cent), the Arab States (40.0 per cent) and Africa (17.4 per cent) have far more marked coverage gaps”.

Despite an improvement in overall coverage, less than one third of the working-age population enjoys comprehensive social security with women’s coverage (26.5 per cent) far behind men’s (34.3 per cent), mainly owing to a weaker position in global labour markets. The relation between low social protection coverage and informality in the labour market is close: according to the ILO (2021b), informal employment is the main reason why workers do not benefit from key social insurance programmes.

Gaps in social protection manifest themselves in many ways: only 18.6 per cent of workers receive benefits in case of unemployment, only 35.4 per cent receive compensation in case of work injuries, and only 33.5 per cent of persons with disabilities receive some form of pension (ILO 2022c). Such numbers derive from underlying legal and financial weaknesses. The extension of effective coverage has lagged significantly behind that of legal coverage, owing to problems in implementation and enforcement, lack of policy coordination and weak institutional capacities. The differences in expenditure are extreme: higher-income countries spend on average 16.4 per cent of GDP on social protection, or 15 times more than lower-income countries (1.1 per cent); Europe and Central Asia 17.4 per cent; and Africa 3.8 per cent. Again, the ability to finance social protection is impaired in most of the developing world mainly because large informal economies limit tax revenues and social security receipts, and administrative capacity is limited.

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## 2.4.6 Contractual arrangements

On the final and sixth driver, both developed and developing countries have experienced a shift, especially during the past three decades, from standard employment to more diverse contractual arrangements, sometimes called atypical jobs or diverse forms of work, such as temporary employment, part-time work, temporary agency work and other multiparty employment relationships, and dependent self-employment (ILO 2016). In the OECD in 2021, temporary employment ranged from less than 2 per cent of total dependent employment in the Baltic states, Bulgaria and Romania to over 25 per cent in Chile, Colombia, the Netherlands, the Republic of Korea and Spain (OECD 2022). The causes are multiple but have been driven particularly by the increased importance of the service sector, technological innovation, globalization, changes in the organizational strategies of enterprises and regulatory reforms. Many of the new contractual arrangements respond to a desire of business for greater flexibility, and sometimes to workers' preferences. What is, however, a common feature of atypical jobs is the lower degree of protection guaranteed on multiple dimensions (Emmenegger et al. 2012).

The labour and social protection systems of most countries are built around the concept of the standard employment relationship, which means that workers in other employment arrangements are less likely to be covered, or are not covered fully, by labour and social protection. These workers often have inadequate social security coverage, either because statutory provisions exclude them from entitlements to social security payments, or because short tenure or low earnings or hours provide limited or no access to such entitlements.

Owing to substantial wage gaps between standard and non-standard work arrangements, the latter foster income inequality and in-work poverty. All else equal, the wage gap between open-ended and temporary contracts—irrespective of gender considerations—can be up to 30 per cent (ILO 2016). Moreover, involuntary part-time work tends to be associated with wage penalties, while voluntary part-time work is more likely to result in wage premiums, varying across income levels (ILO 2021b). Such wage gaps can be partly imputed to the relative absence of collective bargaining, given that collective bargaining often contributes to reducing wage inequality (OECD 2019; ILO 2022d). Moreover, the lack of proper policy frameworks generates uncertain transitions between dependent employment and self-employment, employment and unemployment, and full-time and part-time employment. Three groups are more represented in such work arrangements: women, who often have part-time arrangements owing to the unequal distribution of unpaid work in the home; youth, who are often offered non-standard contracts; and migrants. The overrepresentation of these three groups reflects the greater difficulties that they face in entering and staying in the labour market.

## 2.5 The impact of COVID-19

The ILO (2021b) has devoted much attention to the effects of COVID-19 on inequalities in the world of work. Its main finding is the existence of a two-way dynamic, or feedback loop, between inequalities and the pandemic. Whereas higher levels of inequality have weakened the capacity of countries to respond to, in the case of the pandemic, external demand and supply shocks, as vulnerable workers face obstacles to adapt (Guerrieri et al. 2022), COVID-19 itself has exacerbated inequalities by hitting hard the weakest in society, especially those on the fringes of the labour market, as well as reversing the poverty reduction trends of the past few decades.

The World Bank (Mahler et al. 2022) estimates that COVID-19 increased the global Gini index by 0.7 percentage points and global extreme poverty—using an absolute poverty line of US\$2.15 per day—by around 90 million people compared with a counterfactual scenario without the pandemic. Yet contrary to some initial research, the authors claim that

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the increases are primarily driven by country-level shocks to average incomes and an increase in inequality between countries. Changes to inequality within countries were more mixed and relatively modest. Thus it is difficult to derive any generalized trends, given that the impact of COVID-19 on inequality within a country was heavily dependent on the situation before the pandemic.

The impact of COVID-19 on global labour markets was, however, dramatic. The ILO (2021c) estimated that global working-hour losses in 2020 equalled some 255 million full-time jobs. The losses were highest in Latin America and the Caribbean, Southern Europe and Southern Asia. Global employment declined by 114 million in 2020 or by around 3.5 per cent. In contrast to the fallout from the global financial crisis, the decline resulted in far greater levels of inactivity than unemployment. The reductions in employment were in line with the declines in economic output, except in emerging and developing economies, where employment fared worse than output (down 3.8 per cent against a 2.2 per cent drop in economic activity). Five general labour market trends have been detected as directly or indirectly linked to the pandemic.

First, COVID-19 most heavily affected low-paid and insecure jobs or low-earning self-employment. Services labelled non-essential were closed down. A decomposition by sector (Verick et al. 2022) shows that food and accommodation were hardest hit, followed by manufacturing, construction and other services, which includes arts, entertainment and recreation as well as activities of households as employers (including domestic work). Many of those first in line to lose work had no savings to rely on, and so quickly fell into poverty.

Adverse impacts were pronounced for members of groups already overrepresented among the working poor, such as the young, members of ethnic and racial minorities, indigenous peoples and workers with disabilities. Examples abound: in the US, black, Asian and Hispanic workers were far more likely to experience job or wage losses than white workers; in Latin America and the Caribbean, the most affected groups included indigenous people, people of African descent and migrants (ILO 2021b). The young suffered disproportionately for three interrelated reasons: disruptions to education and training; increased difficulties for new labour market entrants; and job and income losses, along with a loss of job opportunities (ILO 2021d).

Second, the impact of COVID-19 on the fortunes of enterprises was extremely variable. By sector, while the arts, tourism, hospitality and parts of the manufacturing sector stopped operating, the production of essential goods, such as pharmaceuticals and food, was left virtually untouched. Digital services in contrast experienced a boom owing to lockdowns. By enterprise size, small and microenterprises, as well as own-account workers, in both the formal and informal economy were disproportionately affected, leading to swathes of bankruptcies as they are financially vulnerable and were less likely to be reached by public relief programmes (ILO 2021b). Given that these size-groups account for up to 90 per cent of total employment in low- and middle-income countries, their difficulties compounded these countries' other vulnerabilities.

Third, women—especially young women—were more affected than men by the pandemic, for two reasons. The greater impact of COVID-19 on the service sector, where the share of female employment is higher, was both more severe and left women exposed to health risks owing to their engagement in nursing and social care work. Next, the unequal distribution of care responsibilities during the crisis reduced the chances of women working outside the domestic sphere and looking for jobs outside the family. The advantages provided by the possibility of working remotely were lower for women as they had—in the vast majority of cases—to take on more domestic chores in addition to their paid work, increasing work–family conflict and often putting their mental health at risk (ILO 2021b). The impact of the pandemic on employment was uneven around the globe, with women suffering the most in middle-income economies. In these countries in 2020, the decrease in

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employment from the pre-pandemic level was 15.6 per cent for young women (11.4 per cent for young men), while the decline for adult women and men was 4.7 and 2.8 per cent, respectively (Verick et al. 2022).

Fourth, COVID-19 had a doubly negative impact on informal employment, concentrated as it is overwhelmingly in low-income countries. On the one hand, lockdowns and other containment measures prevented informal enterprises and workers from engaging in economic activity. The ILO (2021e) calculated that informal wage workers were, on average, three times more likely to lose their jobs than workers in formal employment. On the other hand, many of them, owing to their inability to rely on savings or income replacement, had to continue working despite the high health risks. Again, issues of intersectionality loomed large, as migrants, ethnic minorities and indigenous people fared worse.

Fifth, the gaps in social protection highlighted above (ILO 2022c) aggravated the impact of COVID-19 on the least covered segments of the workforce, especially people in the informal economy and those employed in contractual arrangements insufficiently covered by labour and social protection. Those covered by neither unemployment nor healthcare insurance, or by only one of them, experienced the worst outcomes. Additionally, non-standard employment was most common in those sectors most affected by lockdown measures, such as tourism: in European OECD countries, for example, 40 per cent of total employment in tourism is non-standard, exceeding 50 per cent in Greece, Italy, the Netherlands and Spain. Limited coverage and delays in COVID-19–related protection were higher for workers in these contractual arrangements, including those in the gig economy (ILO 2021b).

Beyond the pandemic, we must mention the impacts of the crises the world is experiencing, notably the cost-of-living crisis, exacerbated by the war in Ukraine and the rise in food and energy prices. As explained by the ILO (2022e: 3): “For the first time this century, global real wage growth has become negative while real productivity has continued to grow. Indeed, 2022 shows the largest gap recorded since 1999 between real labour productivity growth and real wage growth in high-income countries. While the erosion of real wages affects all wage earners, it is having a greater impact on low-income households which spend a higher proportion of their disposable incomes on essential goods and services, the prices of which are increasing faster than those for non-essential items in most countries”.

### **III. The ILO-AICESIS survey on the role of social dialogue and its institutions in combating inequalities in the world of work**

The survey questionnaire was distributed electronically to ESC-SIs around the world in September 2022. It consisted of multiple-choice and open-ended questions, in four main parts:

1. The challenge of inequalities (discussed in sections 3.1–3.3 of this background report). This part included questions on the degree to which inequality is perceived as a problem, about which groups are the most affected, whether the COVID-19 pandemic exacerbated the problem and whether digital divides (digital inequalities) matter.
2. Action against inequalities (sections 4.1–4.3 of this report). Questions in this part addressed the existence, content and ways—including through consultations between the government and the social partners—in which a national strategy to combat inequalities has been drafted.
3. The role of social dialogue and its institutions in addressing inequalities in the world of work (sections 5.1–5.3 in this report). This part inquired about the role played,

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representativeness and successes or failures of individual ESC-SIs in combating inequalities in the world of work.

4. Looking ahead: Future plans to address inequalities and needs for ILO support (section 5.4 in this report).

Thirty-one ESC-SIs responded to the survey questionnaire, 19 from AICESIS member institutions and 12 from non-members (table 2). Some of the latter institutions are applying for AICESIS membership. Where a country name is cited in the sections that follow, this refers to the institution that responded to the survey in that country—generally the ESC-SI, but with three exceptions.<sup>8</sup>

<sup>8</sup> The survey respondent in Indonesia was the Ministry of Manpower, in Sri Lanka it was the Ministry of Labour and Foreign Employment and in Norway, the Ministry of Labour and Social Inclusion.



**Table 2 Responding institutions by region**

<b>Region (responses)</b>	<b>Country</b>	<b>Economic and Social Council or Similar Institution</b>	<b>AICESIS member</b>
Africa (15)	<b>Benin</b>	Conseil Economique et Social (CES)	Yes
	<b>Burkina Faso</b>	Haut Conseil du Dialogue Social (HCDS)	Yes
	<b>Burundi</b>	Comité National de Dialogue Social (CNDS)	Yes
	<b>Chad</b>	Comité National du Dialogue Social (CNDS)	Yes
	<b>Democratic Rep. of the Congo</b>	Conseil Economique, Social et Environnemental (CESE)	Yes
	<b>Eswatini</b>	Labour Advisory Board (LAB)	No
	<b>Ghana</b>	National Tripartite Committee (NTC)	No
	<b>Lesotho</b>	National Advisory Committee on Labour (NACOLA)	No
	<b>Mauritania</b>	Conseil Economique, Social et Environnemental (CESE)	Yes
	<b>Morocco</b>	Conseil Economique Social et Environnemental (CESE)	Yes
	<b>Niger</b>	Conseil National du Travail (CNT)	Yes
	<b>Togo</b>	Conseil National du Dialogue Social (CNDS)	No
	<b>Tunisia</b>	Conseil National du Dialogue Social (CNDS)	Yes
	<b>United Rep. of Tanzania</b>	Labour Economic and Social Council (LESCO)	No
	<b>Zimbabwe</b>	Tripartite Negotiating Forum (TNF)	No
Americas and the Caribbean (3)	<b>Costa Rica</b>	Consejo Superior de Trabajo (CST)	No
	<b>Curaçao</b>	Sociaal-Economische Raad (SER)	Yes
	<b>Peru</b>	Consejo Nacional de Trabajo y Promoción del Empleo (CNTPE)	No
Arab States (0)		-	
Asia-Pacific (5)	<b>Indonesia</b>	Ministry of Manpower	No
	<b>Philippines</b>	National Tripartite Industrial Peace Council (TIPC)	No
	<b>Sri Lanka</b>	Ministry of Labour and Foreign Employment	No
	<b>Rep. of Korea</b>	Economic, Social and Labour Council (ESLC)	Yes
	<b>Uzbekistan</b>	Republican Tripartite Commission on Social and Labour Issues (RTC)	No
Europe (8)	<b>Greece</b>	Economic and Social Council (OKE)	Yes
	<b>Ireland</b>	National Economic and Social Council (NESC)	Yes
	<b>Italy</b>	Consiglio Nazionale dell'Economia e del Lavoro (CNEL)	Yes
	<b>North Macedonia</b>	Economic and Social Council (ESC)	Yes
	<b>Norway</b>	Ministry of Labour and Social Inclusion	No
	<b>Republika Srpska, part of Bosnia and Herzegovina</b>	Economic and Social Council (ESC)	No
	<b>Romania</b>	Consiliul Economic și Social (CES)	Yes
	<b>Russian Federation</b>	Civic Chamber	Yes

### 3.1 Forms and manifestations of inequality at national level

In order to map the terrain, the substantive part of the survey started by asking how individual countries assessed the seriousness of the challenges posed by inequalities in the world of work and whether the pandemic has had an impact on inequalities. The vast majority of countries answered that inequalities are a very serious (9 out of 30) or moderately serious (18) challenge (figure 2) and that COVID-19 has had a serious impact (12 out of 31) or moderate (17) impact on inequalities (figure 3). **Chad, Republika Srpska** (Bosnia and Herzegovina) and **Uzbekistan** indicated that inequalities did not represent a serious problem, while the latter two also noted that COVID-19 did not aggravate the situation. Uzbekistan did not record any uneven treatment towards employees during lockdowns and other restrictive measures related to COVID-19.

Figure 2 Seriousness of inequalities challenge

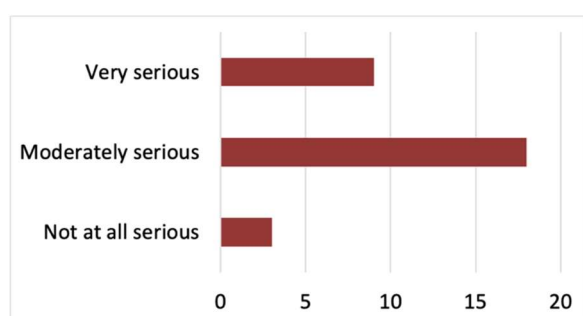
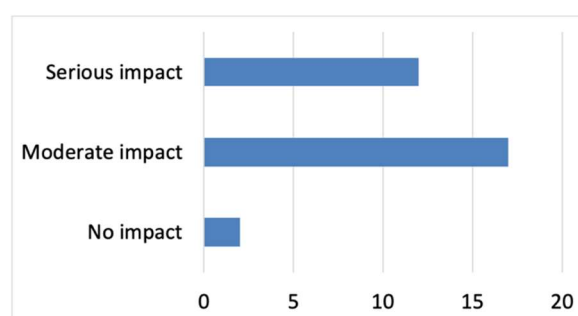


Figure 3 Impact of COVID-19 on inequalities



Many institutions indicated that the COVID-19 crisis has disproportionately affected those workers who were already in a vulnerable or precarious condition before the pandemic. In **Ghana**, the private sector has suffered from the pandemic much more than the public sector on job losses and pay cuts. Although the government supported small and medium-sized enterprises (SMEs), some firms are still struggling and unable to recapitalize their activities. Workers who were laid off in the private sector are still having difficulties securing decent jobs. In particular, low-skilled workers on short- and fixed-term contracts in extraction and manufacturing were deeply affected by COVID-19, because both sectors underwent corporate restructuring and reorganization (Ministry of Finance of Ghana 2022).

In **Greece**, the Ombudsperson monitors and promotes the implementation of the principle of equal opportunities and equal treatment, for the private and public sectors. During the pandemic, most cases of unequal treatment were related to employment (50 out of 70 in 2020 and 26 out of 41 in 2021) and social security (8 and 9 in 2020 and 2021, respectively). Among the 1,054 reports received concerning unequal treatment and/or discrimination during 2021, 49 per cent were related to gender, 25 per cent to disability or serious illness and 12 per cent to family situation. The rest dealt with age discrimination, nation and ethnic origin, race or colour, sexual orientation and the like. During the early stages of the pandemic, the Ombudsperson intervened to support individuals affected by the emergency measures, especially to protect them against unfair dismissal or wage cuts, as well as vulnerable groups, such as pregnant women, mothers, people with disabilities, and elderly and younger people. Regulatory gaps concerning leave for family reasons (among working parents, teaching staff and health personnel, vulnerable workers, carers of people with disabilities and serious illnesses) and impediments limiting access to maternity benefits were also common. The cases reported pointed to the need for legislative improvements in the field of work–family reconciliation.

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In **Benin**, the pandemic has had a strong and lasting socio-economic impact, aggravating pre-existing social and gender inequalities. The need for employees to wear protective masks and use antiseptics generated unforeseen expenses that burdened companies and employees. Even taking into account government subsidies, the cost of masks in pharmacies remained prohibitive for some workers. Additionally, the pandemic affected the operations of bars, restaurants, nightclubs and public transport, resulting in activity declines and causing closures (Assouma et al. 2020).

The pandemic affected cross-border work between **Burundi** and neighbouring countries, such as Rwanda and the Democratic Republic of the Congo. The impact on the hospitality sector was severe, with many hotels closing. Women and girls were the group most affected by declining employment.

The **Democratic Republic of the Congo** underscored how badly the educational sector was hit during the pandemic. According to the WFP (2020), the apprenticeships of 1.5 million pupils have been severed, the schooling of millions of girls has been temporarily or even permanently interrupted and attendance at important health programmes, such as for AIDS prevention, has been disrupted.

In **Eswatini**, the pandemic's impact on work-related inequalities was moderate, as most employees were equally affected. Contingency measures were uniformly applied without differentiation and discrimination. However, owing to low or incomplete social protection coverage of private sector employees, many suffered from temporary unpaid layoffs (25,000 workers was the cumulative figure as of March 2022). Absent a national unemployment insurance scheme, the government introduced a layoff relief fund to provide social assistance, but given its scant benefits, income inequalities became apparent.

The main effects of the pandemic in **Lesotho** were workers either losing their jobs or being temporarily laid off with little prospect of a swift resumption of activity. A significant number of children dropped out of school.

**Mauritania** stated that during the pandemic there was insufficient information available on COVID-19, limited access to means of prevention, and poor management of aid and support for the needy. In addition to the exposure of the informal sector to the pandemic, a survey by the General Confederation of Mauritanian Workers (Confédération Générale des Travailleurs de Mauritanie, CGTM) recorded that 86.3 per cent of its respondents reported economic losses due to unemployment; 72.8 per cent pointed to increased domestic work for women, especially due to the closure of schools; 68.4 per cent noted the absence of support for women in the informal sector; and 60.4 per cent warned against greater risks of conflict and violence in families during lockdowns.

In **Morocco**, the health emergency reduced the average living standards of households, measured by consumption expenditure per capita in nominal terms, by 2.2 per cent annually between 2019 and 2021 (HCP 2022). The most affected groups were unskilled workers (3.6 per cent), artisans (3.6 per cent), traders and commercial intermediaries (2.8 per cent), and farmers and agricultural workers (2.4 per cent). The living standards of line and senior managers in contrast declined by only 1.8 per cent. Households reduced expenditures on food, household equipment and leisure activities, and invested rather in health and communication. The decline in living standards has resulted in an increase in social inequalities, poverty and overall vulnerability, a trend similarly reported by **Chad**, especially in the informal sector, and **Niger**.

In **Tunisia**, the measures implemented by government to counter the pandemic have jeopardized an already fragile economic situation and related precarious jobs. Inactivity rates increased among young people, women, people working in the informal economy and migrant workers in an irregular situation—that is, all those groups that were already disadvantaged before the crisis. The ILO and Economic Research Forum (ILO-ERF 2022)

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found that the confinement has complicated or rendered impossible job search and that workers in the informal economy were three times more affected by job losses than those formally employed. Joblessness engulfed people at all levels of education: the unemployment rate increased by 33 per cent among the highly educated and uneducated, and by 36 per cent among those with a basic education. Secondary-school graduates were the least affected. According to the Institut National de la Statistique (INS 2021), the impact of COVID-19 on the private sector was: (i) 43 per cent of accommodation, catering and café services companies laid off workers by the end of 2020 (hitting migrant workers particularly hard); (ii) the adjustments varied according to the size of the company (smaller enterprises relied on working hour reductions and on layoffs, while large companies emphasized layoffs); (iii) companies that laid off more than half their workforce belonged mainly to the information and communication technology sector, to accommodation, catering and café services, and to the textile and leather industries; (iv) the dismissal of more than 75 per cent of the workforce happened mainly in microenterprises; and (v) 40.9 per cent of importing and 51.2 per cent of exporting businesses had difficulty accessing financial means and services.

**Zimbabwe** stated that decent work deficits have increased in the formal and informal sectors because of the pandemic.

In **Costa Rica**, the pandemic had a direct impact on the working conditions of the population, either through loss of employment or a reduction in hours worked. Various indicators shows that the situation for women has been particularly dire. A comparison, at the time of the survey, of the unemployment rate by educational attainment between men and women showed that among persons with a primary education or less, 17.6 per cent of women were unemployed and 7.8 per cent of men; for persons with incomplete secondary education, 24.7 per cent of women were unemployed and 12.6 per cent of men; and for persons with completed secondary education, 24.3 per cent of women were unemployed and 15.3 per cent of men. Domestic violence increased, care and unpaid domestic work responsibilities skyrocketed and levels of unemployment and underemployment in the informal sector were higher for women. The National Survey on Time Use already showed that in 2017, on average, women contributed 22 hours more than men to unpaid domestic work per week (in rural areas the figure was 26 hours).

Another impact in **Costa Rica** recorded by the National Institute for Women (Instituto nacional de la mujer, INAMU) referred specifically to businesses led by women, which experienced decreases in sales (86.8 per cent), limited access to raw materials (20.4 per cent), the impossibility of paying rent (14.6 per cent) or repaying debts (11.8 per cent), closure due to a health order (9.3 per cent), and difficulties in paying salaries (2.8 per cent). Given that 78 per cent of these businesses provided the main income for their households, that 71 per cent lost their income entirely, that 63 per cent of these women were heads of household, and that 79 per cent cared for at least one dependent person, the swift deterioration of these women's economic condition is evident (INAMU 2020). Similar trends were recorded in **Peru**, where women's earnings did not recover after the initial pandemic-induced drop as rapidly or as consistently as those of men.

In **Italy**, the pandemic triggered general closures in specific economic sectors, especially those in tourism and transportation, which were already characterized by seasonality and high rates of fixed-term work (Istat 2022). The parliament has set up an interinstitutional commission to investigate the inequalities produced or accentuated by the pandemic, in which the Consiglio Nazionale dell'Economia e del Lavoro (CNEL) also participated.

In **North Macedonia**, although 2019 was a year of exceptional job growth with almost 40,000 jobs added to the economy, taking total employment to almost 800,000, the impact of the pandemic was severe. According to the ILO (2020c), declines in working hours in the

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Western Balkans from both layoffs and other temporary reductions in working time amounted to 11.6 per cent in the second half of 2020. Applying this ratio to North Macedonia suggests that approximately 85,550 full-time equivalent jobs (assuming a 40-hour working week) were lost. Sectoral analysis shows that food and beverages services, retail, transport, warehousing, personal services, food manufacturing, construction and related specialized activities, and services for buildings, combined high labour vulnerabilities with a high impact of the COVID-19 crisis. There were over 26,000 own-account workers and over 50,000 microenterprises in the nine sectors. More than 33,000 workers had a fixed-term contract and another 33,000 were informal workers—around 26 per cent of total informal employment. Without adequate measures to support these workers and enterprises, the employment rate in North Macedonia might be reduced by around 5 percentage points.

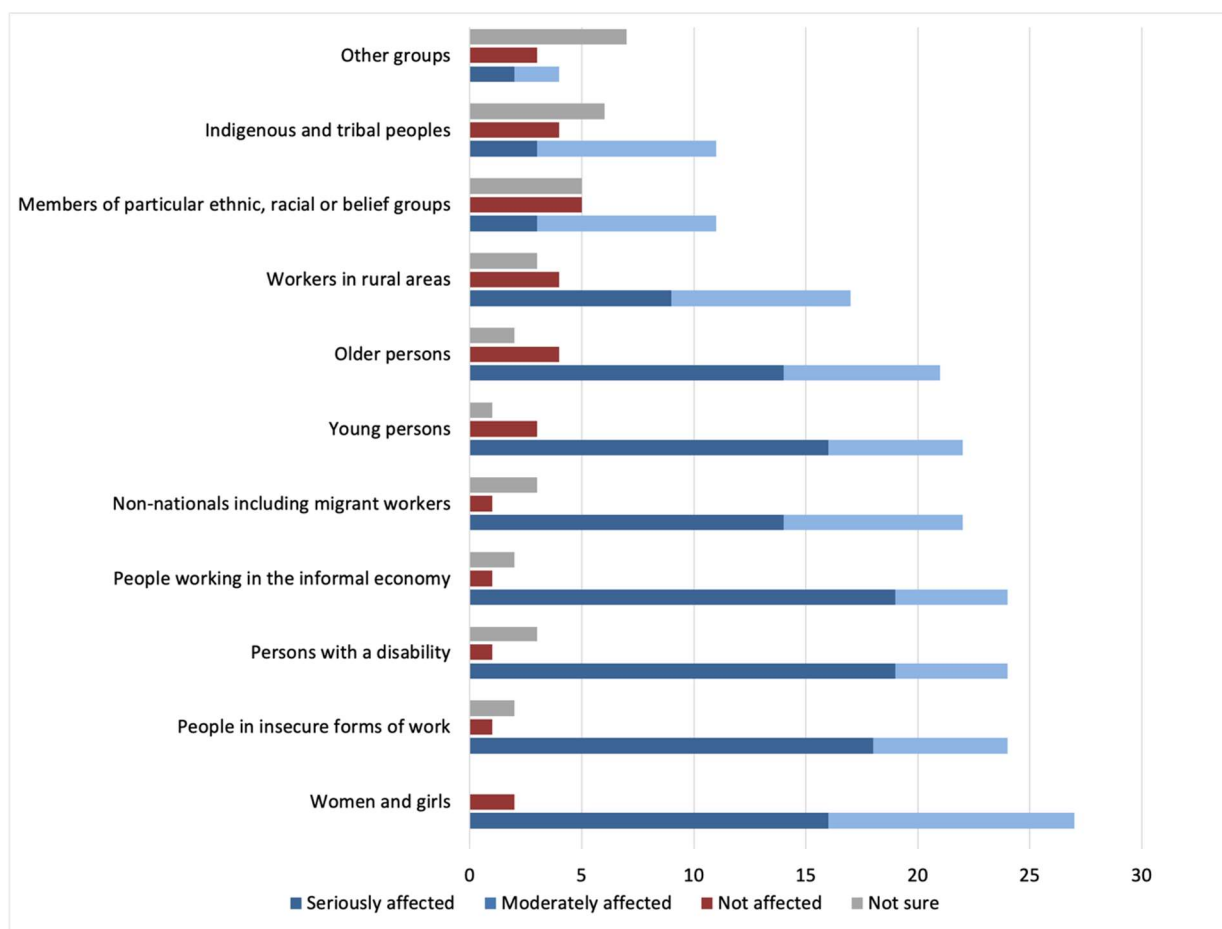
In **Norway**, similar to other Nordic countries, there is a gender-segmented labour market (women are predominantly employed in the public sector), hence the public sector, industry and services have been affected differently by the pandemic. Younger employees, migrant workers and workers in non-standard forms of employment were especially affected. In **Ireland** the situation was similar, where lower-paid workers, women and migrant workers have been hit hardest.

### 3.2 The most affected groups in society

As inequalities in the world of work affect various groups in society differently, the ESC-SIs were asked to identify which groups are most affected in their countries and to elaborate on their selection.

Figure 4 shows that most of the groups cited are either seriously or moderately affected in the 31 responding countries, yet women and girls are without doubt facing the worst situation (27 out of 29 responses), followed closely by people in insecure forms of work, persons with disabilities and people employed in the informal economy (24 each). Non-nationals, migrant workers and young persons (22 each) and old persons (21) also face major difficulties, whereas workers in rural areas seem to be slightly better off (17). ECS-SIs accorded the lowest impact of inequalities to members of particular ethnic, racial and belief groups, and to indigenous and tribal people (11 each). This is somewhat surprising as most of the literature indicates that minorities and indigenous people are often particularly affected owing to intersectionality. Yet lack of data may also play a role, because a consistent number of ECS-SIs was unsure as to the two categories' status.

**Figure 4 Adverse impacts of inequalities on specific groups**



Several ECS-SIs have described in detail one or more groups deeply affected by inequalities in the world of work and many added references to the effects of the pandemic (though some were still unable to provide reliable or definitive data, such as those in **Chad** and **Eswatini**).

African and Latin American countries have highlighted how inequality in the world of work is possibly worst for women and girls, who suffer from worrisome intersectionality issues. **Costa Rica** provided a detailed analysis of gender inequalities (box 1).

**Box 1 Gender inequalities in Costa Rica**

The main gaps that women face in accessing and remaining in the labour market are:

- *Inequality in the distribution of the use and control of time.* This corresponds to the unequal distribution of time devoted to unpaid domestic and care activities between women and men and time devoted to paid work. Such inequality perpetuates the traditional gender division of labour, with women taking on most of the tasks of maintaining the household and caring for dependants.
- *Segregation of the labour market.* This consists of horizontal divisions in occupations and vertical barriers to move up the organizational hierarchy, that is, the glass ceiling. These obstacles are reflected in participation rates in occupations over- or underrepresented by women or men, recruitment and selection of staff, and unequal access to higher positions in the organizational hierarchy and decision-making.

- *Digital divide in the context of the fourth industrial revolution and the future of work.* A gender gap exists in access to and use of technologies, especially with regard to the impact of the fourth industrial revolution as it relates to education and training, including in science, technology, engineering and mathematics.
- *Inequalities in recruitment and selection processes.* These are activated through conscious and unconscious biases, which lead to gender discrimination. Such biases against women exist throughout the whole recruitment process, from the moment vacancies are announced, to the type of questions asked during job interviews and to the possibilities of promotion.
- *Pay gap.* Discrepancies in pay between women and men persist.
- *Discrimination in the management of personnel/staff.* The peculiarities, needs and interests of women are rarely taken into consideration. Awareness of women's greater overall workload than men's is insufficiently reflected in policies concerning recruitment, incentives or salaries, leading to less equitable outcomes.
- *Work environment.* Some of the discrimination at the workplace concerns violence against women (sexual harassment and harassment at work).
- *Inequality in social protection benefits.* The paid employment that women have access to is characterized by low productivity and lower pay than men (often in the informal sector), affecting their economic autonomy, particularly in old age. Women's careers often have remuneration breaks with direct impacts on their pension benefits, partly associated with maternity and the care of dependants throughout the life cycle.

These inequality dimensions mean that women (as well as young people), whose unemployment rates are higher than the rest of the population's, are disproportionately affected by inequalities, with remunerated domestic workers standing out. According to the National Institute for Women in Costa Rica, the vulnerability of remunerated domestic workers increased with the pandemic, exposing them to situations of dependency, exclusion and violence owing to loss of economic autonomy. Government restrictions on mobility deteriorated their working conditions, and owing to the negative economic consequences for enterprises, a large number of employers (such as individual households, hotels and restaurants) opted for dismissal, suspension of contract or reduction of wages.

In **Peru**, women have been hit harder by the pandemic than men. Data from the National Household Survey (Encuesta Nacional de Hogares, ENAHO) shows that between 2019 and 2020 the economically active population in employment decreased by 9.8 per cent among men and 17 per cent among women. Intersectionality issues are also worrisome: if 24 per cent of the disabled population is inactive, for women the situation is worse as their educational attainment is low. In rural areas, 33.2 per cent of disabled women have only primary education and 57.7 per cent no education at all, almost tripling the national average for people with disabilities (22.3 per cent of the uneducated). ENAHO respondents also pointed to the limited coverage of social protection, with 69 per cent of elderly people not having access to pension benefits.

The situation in **Morocco** also exemplifies the problems of women and girls as well as of young people. According to data from the Haut-Commissariat au Plan (HCP), in the third quarter of 2022, the female unemployment rate was 17.8 per cent and that for young people (aged 15–24) 31.7 per cent, against a national average of 11.4 per cent; the activity rate was just 19.3 per cent for women and 22.3 per cent for young people, against a national average of 44 per cent. The female employment rate was as low as 15.9 per cent, against a national average of 39 per cent. Similar discrepancies are reported by the **United Republic of Tanzania**, especially in manufacturing, construction and mining.

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In **Tunisia**, according to the Institut Arabe des Chefs d'Entreprises (IACE), several indicators are still unsatisfactory, despite a narrowing gap between men and women. The female activity rate has almost quintupled in 50 years, from 5.6 per cent in 1966 to 26.7 per cent in 2016, yet since the early 2000s the feminization of employment has stalled, mainly because of women's difficulties in accessing the labour market, which worsened after 2011 as the political crisis linked to the Arab Spring intensified. The gender pay gap is equally wide: in the private, formal sector in 2011–12 women earned around 25.4 per cent less than men, while in the informal sector women earned about 35.5 per cent less than the Interprofessional Guaranteed Minimum Wage (Salaire Minimum Interprofessionnel Garanti, SMIG). Rural women in the agricultural sector working as occasional or seasonal workers sometimes earn as little as half what men do for the same work, per the Tunisian General Labour Union (Union Générale Tunisienne du Travail).

Although **Tunisia** is often presented as a pioneer in women's rights in the Middle East and North Africa region, women in rural areas remain socially and economically marginalized. They are overrepresented among agricultural workers and small traders—jobs in which they receive very low wages, perform exhausting physical labour, have no social protection and enjoy very limited access to high-quality healthcare. Facing such gender disparities, they have unequal access to income and economic opportunities. During the COVID-19 lockdowns, the socio-economic situation of rural women deteriorated further. Although farms continued operating, local transport was curtailed and women risked infection on overcrowded vehicles. Small-scale women farmers were particularly hit, owing to the closures of food stalls and local markets. Apart from a one-off payment, the Ministry of Social Affairs did not envisage any specific measures for female agricultural workers.

The other ESC-SIs provided more diverse answers, highlighting different groups, economic sectors and types of businesses affected by inequalities and hit by the pandemic.

In **Benin**, migrant workers and cross-border traders were at a standstill, particularly hit by the pandemic. In fact, Beninese agricultural workers who usually perform seasonal agricultural work in Nigeria found themselves stuck in Benin when most needed. The commercial flow of local products to neighbouring countries experienced a marked decrease (Assouma et al. 2020).

**Burundi, Burkina Faso and Mauritania** noted that workers in the informal sector have been the most affected by the pandemic. Some reported causes were forced confinement, which reduced the mobility of itinerant workers such as sellers of veils and food products, subsequent closure of restaurants and shops, and the absence of social protection or a strategy to compensate for income shortfalls.

In **Lesotho**, the pandemic affected all sorts of groups in society: in manufacturing, orders were cancelled, disproportionately affecting women; younger people employed in South Africa had to come back with little prospect of employment; and the rural population was deeply affected as its income depends heavily on economic activity in urban areas and remittances from abroad.

In **North Macedonia**, the emphasis is on ways to tackle youth inactivity and unemployment through innovative youth employment policies. The problem is pervasive: in 2021, youth unemployment was 12.9 per cent, of which two fifths were long-term unemployed, while the rate for young people (aged 15–29) not in education, employment or training (NEET) was 24.2 per cent, nearly twice the average NEET rate recorded in the EU. Moreover, many young women of that age cohort, especially the low-skilled, are inactive for care and family reasons and/or are unemployed for more than one year. The relatively high number of long-term unemployed calls for early intervention to prevent skill erosion and discouragement, and for strengthened job-matching services. Policy options to address inactivity among women having care and family responsibilities need to consider skills acquisition, care services and other support measures (ILO 2022f).



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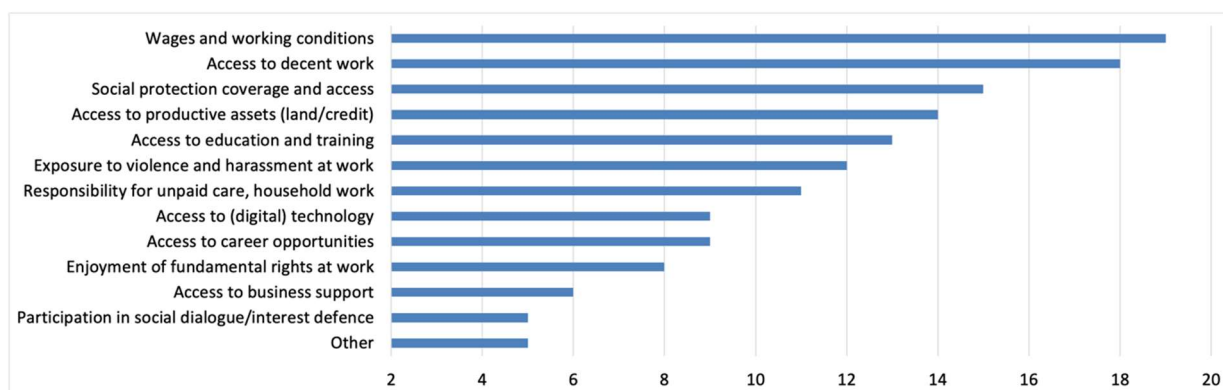
The Economic and Social Council (ESC) in **Republika Srpska** (Bosnia and Herzegovina) indicated that the pandemic has created unprecedented challenges to small and medium-sized enterprises—the backbone of the economy. Proposed solutions deal chiefly with technological advancements aimed to strengthen the regulation of smart work (such as remote and on-line work); generate high-quality smart jobs; encourage universities, business entities and research institutes to invest in research and innovation; develop new technologies, including modernizing production processes; and increase the population’s digital literacy.

Beyond noting a limited surge in general and youth unemployment rates caused chiefly by the pandemic, **Romania** commented on three groups in society affected by inequalities in the world of work. First, in a *spatially unequal* country, one in six Romanians live in disadvantaged peripheral areas with significant socio-economic challenges, such as the rural areas in the east, which have low rates of wage earners in the working-age population and limited access to healthcare and public infrastructure (Fina et al. 2021). Second, although the *gender pay gap* in Romania is among the lowest in the EU (with the partial exception of women under 35), it does not translate into the equal presence of women and men in the labour market (Guga and Sindreştean 2021). In 2020, women accounted for 52.4 per cent of Romania’s total population but only 45.5 per cent of the economically active—the main cause, the prevalence of women among unpaid family workers. Additionally, whereas 16.6 per cent of young Romanians (aged 15–29) were NEET in 2020, such a status was much more common among young women than young men. Third, the *Roma communities* are plagued by cumulative disadvantages. Non-enrolment in formal education and school dropout are common problems, Roma women access health services during pregnancy less often than non-Roma women, and the community’s participation in the electoral process is some 20 per cent lower than that of the general population. Roma people frequently have precarious, seasonal jobs without employment contracts. In rural areas, most Roma people work in subsistence farming.

The survey asked the ESC-SIs to indicate the five most important ways in which people affected by inequalities are disadvantaged in the world of work in their countries. Figure 5 shows rather diverse replies. Leading the ESC-SIs’ concerns are key aspects of workers’ security: wages and working conditions (19 countries), access to decent work (18), and access plus coverage of social protection (15). These are followed by the opportunities for social investment, in particular access to productive assets (14 countries), such as land or credit; access to education and training (13); and important aspects of the gender dimensions of inequality, such as exposure to violence and harassment at work (12), and responsibility for unpaid care and different tasks in the household (11).

Further down are access to digital technologies and career opportunities (9 each); enjoyment of fundamental rights at work (8), such as freedom of association and the effective recognition of the right to collective bargaining, and freedom from forced labour, child labour and discrimination at work; access to business support (6); and participation in social dialogue and defence of individual interests (5).

**Figure 5 Disadvantages in the world of work due to inequality (top five per ESC-SI)**



Despite many countries in the survey having similar problems such as large informal economies and serious gender imbalances, responses from ESC-SIs were extremely varied as to what represents the greatest challenge on inequalities in the world of work.

In **Benin**, a significant problem is access to credit and land. In 2008, just 0.3 per cent of households had access to bank credit, meaning that financial exclusion goes far beyond the borders of poverty, as about 60 per cent of non-poor Beninese residing in rural and urban areas cannot access bank loans. The situation is worse for women, as they are subject to legal dualism—modern law competes with customary law. Under customary law, women’s rights to land are part of a larger system of ancestral land distribution. Land is always perceived as belonging first to the chiefs, then to the male head of the household, who can—and at least by custom must—allocate land to his wife.

In **Burundi**, low social protection coverage is a major issue. The same is true for **Tunisia**, considered one of the countries with the most comprehensive social protection system in the Middle East and North Africa region, through its contributory and non-contributory schemes. However, more than 44 per cent of the active population was still not covered by 2019: the main divide is between the coast with its higher coverage, and the interior. The COVID-19 pandemic has tested the limits of the Tunisian social protection system, despite the government’s enacting eight urgent social security and healthcare measures from the start of the crisis. The situation of women working in rural areas highlights the general problem. According to the Ministry of Agriculture, 32 per cent of Tunisian women live in rural areas, and the National Institute of Statistics (Institut National de la Statistique) reports that 65 per cent of them drop out of school at an early age, which contributes to an illiteracy rate of more than 30 per cent. Women account for as much as 70 per cent of the Tunisian agricultural labour force, yet are underpaid relative to men and only one third are covered by social security—a figure also much lower than that for men. Women generally have an excessively heavy workload, as they have to combine physically demanding agricultural work, education and home care responsibilities.

In **Ghana**, the main problem is the informal economy, where access to capital, credit, decent working conditions, social protection and technology is minimal, yet it provides the only means of support for vulnerable and disadvantaged people in the world of work. The public sector is much better protected: no workers were laid off because of the pandemic, and salaries were paid regularly.

In **Mauritania**, the pandemic has severely affected access to education for schoolchildren. During periods of confinement, as many as 80 per cent of families did not have the technological means to ensure proper schooling of children, leaving them behind. **Burkina Faso** faces a similar situation.

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**Morocco** described a dire situation for many women. According to the Haut-Commissariat du Plan, in 2021, 35 per cent of economically active women have an unpaid job, 87 per cent of employed women suffer discrimination with respect to their salary and career opportunities, and 21 per cent have suffered unjustified dismissals.

In **Greece**, the main categories affected are the elderly, persons with disabilities and women. Older and disabled people rarely get equal access to decent work or to education and training/lifelong learning opportunities. Working conditions are also an area of possible discrimination, mainly for people with disabilities or serious illness, where greater protection against unlawful dismissal is necessary. Access to maternity benefits is part of social protection, where gender inequality and inequality tied to family status are prominent. Women—specifically mothers—seem to be most discriminated against in opportunities for promotion/career progression. The Ombudsperson has reported several cases of women returning from maternity leave who not only do not get promoted, but are demoted or even dismissed. Finally, women and people with disabilities are more exposed to violence and harassment at work than any other social group.

In **North Macedonia**, while education and training have a positive impact on participation and employment for adults, they do not protect against skills mismatches and do not shield young people from unemployment. According to the Ministry of Labour and Social Policy's National Employment Strategy 2021–2027 with Employment Action Plan 2021–2023, higher education attainment is positively related to labour market outcomes, as individuals with only primary education are the most likely to be unemployed. Yet the unemployment rate of tertiary educated youth is higher than that for young people with only secondary education. This reflects an economic system where micro- (often family-owned) and small enterprises are unable to absorb increasing numbers of young, high-skilled individuals. Labour demand has shifted towards medium-skilled workers, but the vocational education and training system remains unable to provide individuals with the competences required by employers, leading to skills mismatches and to skills shortages. An additional issue is the little interest of pupils who complete primary education in enrolling in vocational secondary schools. The training capacity of enterprises is limited and reliant on government support, with the share of adults (aged 25–64) attending adult learning less than one third the EU average (12.7 per cent vs 43.7 per cent).

**Romania** noted a general absence of good scientific data, but attempted to discern which groups are most likely to be affected by each type of disadvantage. Lack of access to education and training affects people from low-income or seasonal-income families at risk of socio-economic exclusion, particularly people from Roma communities and those living in rural areas and small towns. Inequalities related to pay and working conditions hit harder: women than men, people without access to education and training, people in rural and small urban areas (vs people in large urban areas), and young people who are NEET. Inequalities caused by lack of access to technology affect more: older people (vs young people), people who are NEET, and people in rural and small urban areas. Inequalities related to responsibility for unpaid care and to exposure to violence and harassment in the workplace affect women particularly.

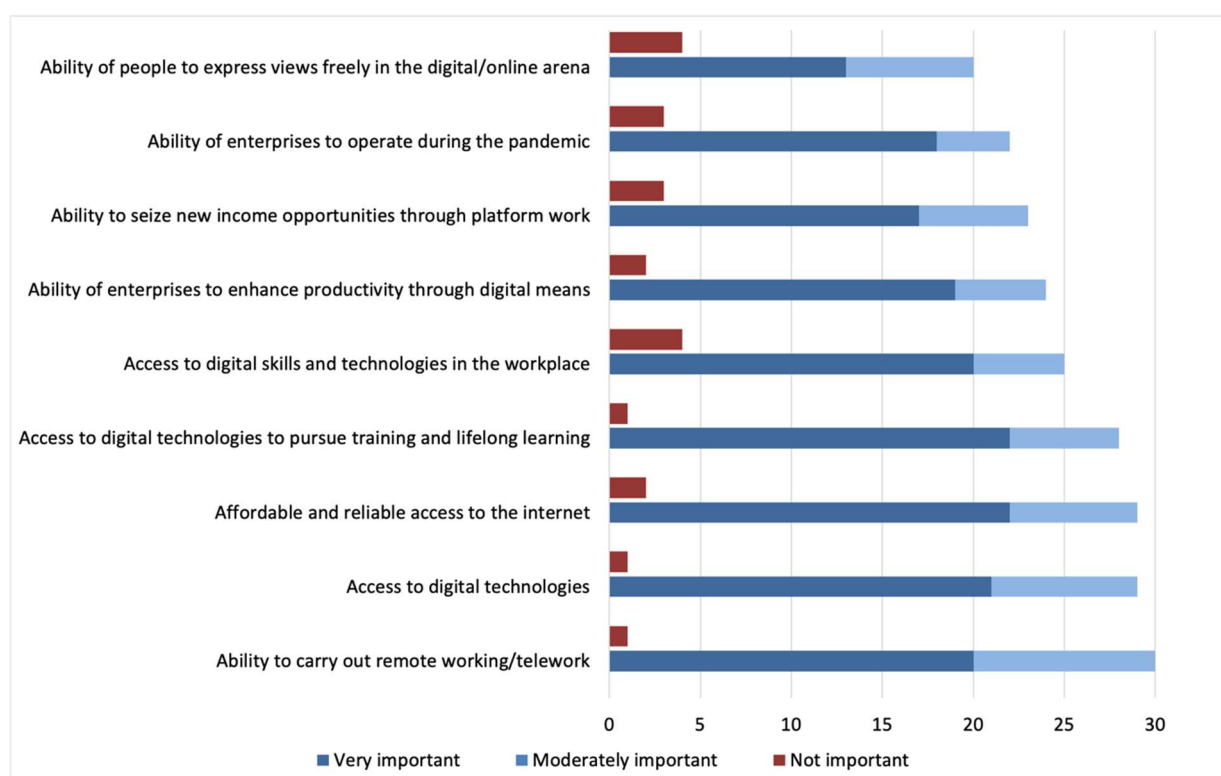
In **Peru**, the restrictive measures adopted to cope with the pandemic triggered the closure of schools and care centres, which caused exceptional difficulties for workers with children, especially working mothers. According to the National Household Survey, the main reason that the female economically inactive population does not work or seek employment is household chores, including childcare. The number of women who reported housework as the main reason for inactivity increased by 10.5 per cent between 2019 and 2020.

### 3.3 The importance of digital divides

As stressed by the ILO (2021b), the digital divide exacerbates existing inequalities in the world of work. The survey asked the ESC-SIs to rate aspects of the digital divide by importance. Most ESC-SIs replied that most aspects were very important or moderately important (figure 6). Five issues stand out: the ability to carry out remote working/telework (30 out of 31 responses); access to digital technologies, such as computers, smart phones, tablets, other electronic devices (29); affordable and reliable access to the internet (29); access to digital technologies to pursue training and lifelong learning (28); and access to digital skills and technologies in the workplace (25). Only very few ESC-SIs, such as that in Norway, considered these relatively unimportant issues.

Slightly lower-ranked issues included the ability of enterprises to enhance productivity through digital means (24), the ability to seize new income opportunities through platform work (23), the ability of enterprises to operate during the pandemic (22), and the ability of people to express views freely in the digital/online arena (20).

**Figure 6 Importance of different aspects of the digital divide**



Several ESC-SIs detailed which categories of workers or sectors of the economy are most affected by the digital divide. The answers were so varied that it is difficult to discern clear patterns.

**Costa Rica** pointed out that people below the poverty line, those living in regions with low or no connectivity (especially rural and indigenous populations), and the elderly and the marginalized in urban areas are most affected. Elderly people were also highlighted by **Ireland**, the **Republic of Korea**, **Peru** and **Zimbabwe** (that focused on the informal sector as well). The **Philippines** mentioned that gig and remote workers were badly affected.

In **Benin**, despite the development of information and communication technology, a digital divide remains in several categories. Women are one third less likely to access the internet than men. Internet use generally declines with age, low educational level, and for those leaving urban for rural areas. While 4G is widely available in large cities, coverage

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problems persist in certain agricultural regions. **Burkina Faso** indicated that rural and informal workers, trade and agriculture were badly hit. In **Burundi**, the most adversely affected sectors were construction and transport. In the **Democratic Republic of the Congo**, public administration and the informal sector suffered the most. In **Ghana**, workers in the informal economy and some groups in the private sector (women, rural workers and unskilled labour) as well as teachers in rural areas were the hardest hit. Also in Ghana, micro, small and medium-sized enterprises; wholesale and retail trade; education; agriculture; and the art, entertainment and recreation sectors were the most affected.

**Indonesia** noted that workers and enterprises in the garment sector were worst off digitally. In **Lesotho**, those working in the rural economy, those in transport and retail, migrant workers (especially in mining and agriculture), and teachers were worst off. **Mauritania** listed low-income and illiterate workers as the most affected, as well as financial institutions (banks). In the **Russian Federation**, agricultural enterprises are the most exposed. In **Sri Lanka**, several economic sectors were affected, whether formal or informal, particularly education, manufacturing, accommodation and food service activities, transport and storage, construction, and human health and social work activities. In the **United Republic of Tanzania**, the worst affected were mainly SMEs in locations with poor internet connectivity. Small and microenterprises were among those most affected in **Tunisia**, especially in the catering (restaurants and bars) and accommodation (hotel) sectors.

In **Greece**, the challenge of digital inequalities was greatest for workers whose employment depends on digital technologies (as, for example, those in call centres) or workers without the necessary digital skills (older people and less-educated professional groups). The Greek agricultural sector, SMEs and the e-commerce sector were in greater need of access to digital skills and technologies. **Italy** saw the digital divide affecting mainly workers in sectors with a high concentration of informal work. Structural differences, as in access to distance learning, between less developed southern and more developed northern regions of Italy are stark.

The Digital Economy and Society Index (DESI), published each year by the European Commission, provides useful data on the four EU member states covered by the survey. DESI data (EC 2022) showed that while **Ireland** is a highly digitized country, ranking 5th out of 27 member states, the other three lag behind: **Italy** is 18th (it has advanced in the past few years), **Greece** is 25th and **Romania** is 27th. **Romania** has quite good results for connectivity and ranks 2nd in the EU in the share of female information and communication technology specialists in the workforce, but has a very low level of basic digital skills relative to the EU average. Romania also performs poorly in the integration of digital technologies and digital public services against other EU countries, and the share of SMEs with at least a basic level of digital intensity is only 22 per cent.

#### **IV. Action taken to combat inequalities at national level**

Twenty-four out of 31 countries confirmed that a national strategy to combat inequalities, including in the world of work, has been put in place. Of these, slightly more than half were drafted after 2020, and the earliest reported one is from 2014.

Several countries named what they consider their respective national strategies to combat inequalities: **Benin**—Plan national de développement (PND) 2018–2025; **Burkina Faso**—Deuxième Plan national de développement économique et social (PNDES II) 2021–2025; **Costa Rica**—“Bridge to Development” National Strategy for the Reduction of Poverty; **Mauritania**—SCAPP 2016–2030: Stratégie de croissance accélérée et de prospérité partagée, Volume 2: Orientations stratégiques & plan d’actions 2016–2030; **Morocco**—Stratégie nationale pour l’emploi du Maroc (SNE) 2015–2025; **North Macedonia**—National Employment Strategy 2021–2027 with Employment Action Plan

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2021–2023; **Romania**—National Resilience and Recovery Plan; and **Zimbabwe**—National Development Strategy 1 (2021–2025).

Other ESC-SIs indicated different types of documents. **Chad** referred to the offices dealing with the most important inequality issues, such as access to education and training, promotion of employment, equal opportunities and gender equality. OKE in **Greece** highlighted several strategies: the National Plan of Action on Gender Equality (2021–2025); the National Plan of Action on the Rights of Persons with Disabilities; the National Strategy and the Relevant Action Plan for the Social Inclusion of Roma People (2021–2030); and the Strategic Plan for Vocational Education, Training, Lifelong Learning and Youth (2022–2024).

The Civic Chamber in the **Russian Federation** indicated several projects devised by the government, including for healthcare, education and housing. CNEL in **Italy** stated that it has presented legislative initiatives, parliamentary hearings and the annual report on the quality of public services—most recently, the CNEL 2021 Report to the Parliament and the Government on the Levels and Quality of Services Offered by Central and Local Public Administrations to Businesses and to Citizens.

Countries without a national strategy are **Ghana, Indonesia, Niger, Norway, Togo, Tunisia** and **Uzbekistan**, though this does not necessarily mean that they take no action to tackle inequalities. In **Ghana** for example, the social partners have contributed to the government’s strategy in dealing with the impact of COVID-19. In **Niger**, the Conseil National du Travail (CNT) formulates some proposals to reduce inequalities in the world of work. The Conseil National du Dialogue Social (CNDS) in **Tunisia** described the country’s economic and social policies aimed at combating inequalities, including the programme Amen Social and adherence to the Equal Pay International Coalition,<sup>9</sup> especially targeting vulnerable groups, such as female victims of inequality and violence, women in rural areas, children, young people, the elderly, and people with disabilities.

## 4.1 Content of national strategies to combat inequalities

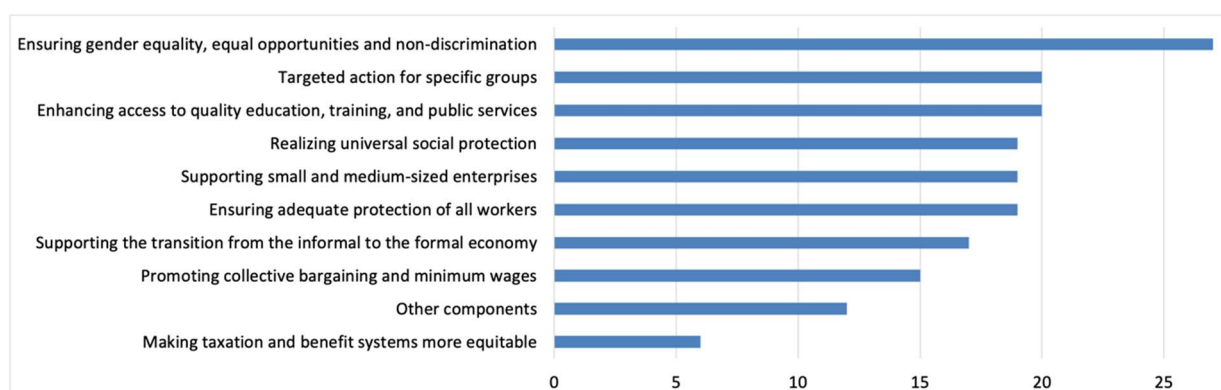
Comparing national strategies to combat inequalities is difficult given their heterogeneity. The survey asked the ESC-SIs to rank and comment on the most relevant elements (summarized in figure 7).

Most ESC-SIs (27 out of 31)<sup>10</sup> indicated that their national strategies contain measures ensuring gender equality, equal opportunities and non-discrimination. Other popular measures included targeted action for specific groups (such as youth, women, migrant workers and ethnic minorities) and enhancing access to quality education, training and public services (20 each); realizing universal social protection, supporting SMEs, and ensuring equal protection of all workers (19 each); supporting the transition from the informal to the formal economy (17); promoting collective bargaining and minimum wages (15); and making taxation and benefit systems more equitable (6).

<sup>9</sup> The Equal Pay International Coalition, led by the ILO, UN Women and the OECD, aims to achieve equal pay for women and men everywhere. Bringing together a diverse set of actors, it supports governments, employers, workers and their organizations to make concrete and coordinated progress towards this goal.

<sup>10</sup> This number exceeds the number of countries with a national strategy in place, and so has to be used cautiously.

**Figure 7 Main national strategy components**



Several countries indicated that their national strategies addressed other policy issues in addition to combating inequalities: for example, **Curaçao** focuses on climate change and innovation, **Greece** pushes for living wages, and **Zimbabwe** promotes decent work and employment. **Peru** promotes a culture of equality and non-discrimination in employment and occupation, especially by strengthening the technical-regulatory and management capacities of the labour and employment promotion sector with the aim of including women and other groups in special need of protection in the labour market.

**Mauritania** stated that protecting women's rights, particularly against gender-based violence, is not sufficiently considered, even though it is a government priority. It argued that gender equality is approached timidly, thus demanding a review and commitment to improve the status of women and to meet not only their immediate practical needs, but also strategic ones, such as their presence in decision-making bodies.

Among the several national plans aimed at combating inequalities shared by ESC-SIs, the most elaborate is **Sri Lanka's** plan to guarantee women's empowerment and gender equality, which tackles many issues of intersectionality, such as the actions needed to protect Tamil-speaking women.

## 4.2 Drafting process

As noted by the ILO (2021f), how the inputs made by the members of an ESC-SI are transformed, by way of its internal processes, into policy outputs can be broadly referred to as the throughput legitimacy of social dialogue. This term relates to the inclusiveness and effectiveness of an ESC-SI and concerns, for example, how the agenda is set, how the ESC-SI organizes its work and how its members interact with each other. The throughput legitimacy of social dialogue is enhanced when equal consideration is given to the views of each constituency through inclusive and effective internal processes so as to produce its outputs by consensus.

On the involvement of the social partners and other stakeholders in drafting national strategies, among the countries that adopted a strategy, **Burundi** consulted other stakeholders, but not the social partners; **Greece**, **North Macedonia** and **Romania** did the opposite; and **Lesotho** and **Peru** consulted neither. As for the involvement of the ESC-SIs themselves and the translation of their opinions into policy,<sup>11</sup> among those with a strategy,

<sup>11</sup> Some incoherence surrounds the survey responses on this issue, as some countries not reporting a national strategy have nonetheless confirmed the involvement of the ESC-SI in it. It might be that the strategy had been discussed but ultimately not adopted or implemented.

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**Ireland, Peru and Romania** indicated little or no influence of their ESC-SI. Of the 24 affirmative responses, 8 confirmed a high degree of involvement and influence, and 16 a moderate one.

Among the positive cases, the ESC-SIs in **Chad, Curaçao, the Democratic Republic of the Congo, Lesotho** and the **United Republic of Tanzania** were substantially involved in different stages of drafting the national strategy.

**Benin** listed several strategies adopted through a consultative process. Among them, PND 2018–2025 was developed through a participatory and inclusive approach, involving most stakeholders, including sectoral ministries, civil society organizations, the social partners, the National Association of Municipalities of Benin, and other technical and financial partners. PND 2018–2025 received the full support of all development actors. The United Nations Development Programme, in its capacity as leader of the technical and financial partners, was a major support in the process. Likewise, the Conseil Economique et Social (CES) has formulated recommendations to improve the project called the Assurance pour le renforcement du capital humain (ARCH), which aims to increase access of the most vulnerable segments of the population (including artisans, workers, poor farmers, taxi drivers, artists and market vendors) to basic social services.

**Burkina Faso** noted a satisfactory degree of participation of several stakeholders—ministries, employers’ and workers’ organizations, technical and financial partners—and of the Haut Conseil du Dialogue Social (HCDS) in formulating proposals to extend social coverage and move towards equal treatment of employees.

Among the several initiatives in **Costa Rica**, in 2016–17, the National Strategy for the Transition to the Formal Economy (ENTEF) was developed in a tripartite manner and with ILO support. ENTEF has four axes: education and technical training; social protection; simplification of procedures; and simplification of tax and social contributions. Its implementation was reassessed in light of the COVID-19 pandemic, and the tripartite governance structure and decision-making procedures were maintained.

**Eswatini** stated that the government consults with the social partners on any legislative reform, policy, action plan or programme that affects employment and labour policy through the statutory Labour Advisory Board. Tripartite working groups often prepare the draft documents, which are then screened by the Labour Advisory Board. Another forum, the National Steering Committee on Social Dialogue, which was established to facilitate consultations between government and the social partners on any other socio-economic matter, was suspended in 2019.

In the **Republic of Korea**, workers, employers and the government all participate, with a focus on vulnerable groups. Similarly, **Morocco** recorded satisfactory levels of participation in formulating the Stratégie nationale pour l’équité et l’égalité entre les sexes par l’intégration de l’approche genre dans les politiques et les programmes de développement, as well as the Stratégie nationale pour l’emploi.

The ESC in **North Macedonia** advised that the National Employment Strategy 2021–2027 was developed by a tripartite working group, and the workers’ and employers’ organizations were included in every stage of preparation. Before the government adopted it, this strategy was discussed and endorsed by the ESS at every stage.

In **Sri Lanka**, the Ministry of Labour and Foreign Employment has conducted discussions with stakeholders, including government agencies, workers’ and employers’ organizations as well as civil society organizations. The government was preparing several strategies, such as the follow-up to the National Plan of Action to address Sexual and Gender-Based Violence in Sri Lanka 2016–2020.



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In **Zimbabwe**, broad consultations were done through a thematic group, which included the tripartite partners, non-governmental organizations, and representatives of UN agencies and the private sector. The Tripartite Negotiating Forum provided inputs specifically promoting decent work, employment and inclusive social protection.

Several countries reported less ESC-SI involvement in drafting the national strategy to combat inequalities. In **Greece**, the involvement of OKE shows a mixed record and is limited to its advisory function. On the one hand, OKE was asked to issue an opinion on Law 4808/2021, which incorporates the Violence and Harassment Convention, 2019 (No. 190) as well as the incorporation of Directive (EU) 2019/1158 of the European Parliament and of the Council of 20 June 2019 on work–life balance for parents and carers. Consequently, it published an assessment and recommendations for improvement. The draft bill was also subject to online public consultation. On the other hand, Greece adopted various strategies, such as the National Plan of Action on Gender Equality (2021–2025); the National Plan of Action on the Rights of Persons with Disabilities (adopted in 2020); a Strategic Plan for Vocational Education, Training, Lifelong Learning and Youth (2022–2024); and a National Strategy and Action Plan for the Social Inclusion of Roma people (2021–2030). But in no case was OKE asked to contribute to the drafting.

In **Ireland**, the Roadmap for Social Inclusion 2020–2025 was developed by the Department of Employment Affairs and Social Protection, with inputs from government departments. Views were sought from people experiencing poverty and social exclusion, and from community and voluntary-sector organizations, through an online public consultation that took place in February 2018, at the 2017 and 2018 annual Social Inclusion Forum and through regular meetings between the Department and the community and voluntary sector. Yet the National Economic and Social Council (NESC) seems to have been only tangentially involved, chiefly through its work on social welfare.

In **Romania**, the National Recovery and Resilience Plan (NRRP), part of the common response of EU member states to the COVID-19 pandemic, includes a chapter on gender equality and equal opportunities, aiming to achieve the objectives of interrelated strategies, including the National Strategic Policy Framework for Social Inclusion and Poverty Reduction for 2021–2027; the National Roma Strategy 2021–2027; the National Strategy for the Promotion of Equal Opportunities and Treatment for Women and Men; and Preventing and Combating Domestic Violence for the Period 2021–2027. There were consultations between the government and the social partners, but not with the Consiliul Economic și Social (CES).

In **Mauritania**, the Conseil Economique, Social et Environnemental (CESE) was only partly involved in validating SCAPP 2016–2030, but CESE did issue opinions on other programmes aimed at reducing inequalities.

An important point on national strategies on inequalities is whether they were updated given the impact of COVID-19 on the most vulnerable groups. Fourteen countries stated that the strategy was updated and 17 that it was not. In most cases, the strategy already considered the pandemic's consequences, simply because it had been developed after 2020, as in **Greece, North Macedonia, Romania, Sri Lanka and Zimbabwe**.

In **Benin**, a collective budget was adopted to meet the demands of the pandemic. To support PND 2018–2025 and mobilize greater resources from donors, Benin has accessed the Extended Fund Facility and the Extended Credit Facility of the IMF. In **Eswatini**, the Decent Work Country Programme, the National Social Security Policy and the Unemployment Benefit Fund Bill were drafted during the pandemic, as was the Decent Work Country Program III in **Lesotho**. In the **Republic of Korea**, the Tripartite Agreement to overcome the COVID-19 crisis was signed in late July 2020. The same month, in the **Russian Federation**, a decree on the national development goals of the Russian Federation for the period up to 2030 was drafted.

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In **Ireland**, the Roadmap for Social Inclusion 2020–2025 was undergoing a review, yet despite several changes to the original plan, no specific COVID-19 update was implemented. In **Mauritania**, 94 per cent of respondents to surveys affirmed that the pandemic exacerbated violence against women and girls, increasing their vulnerability. A dedicated project on the protection of women and their rights was therefore needed.

### 4.3 Implementation of national strategies

The output legitimacy of social dialogue relates to the effectiveness of an ESC-SI and refers to the policy or other outputs that the institution produces (Scharpf 2003; ILO 2021f). When social dialogue produces outputs that are evidence-based, well presented, balanced and ultimately influence policy in the way intended, the output legitimacy of the underlying process is enhanced.

Accordingly, the survey asked ESC-SIs about the successes and pitfalls encountered during implementation of the national strategies. The answers were extremely varied, with several ESC-SIs reporting notable successes against inequalities.

In **Burkina Faso**, the national strategy avoided many layoffs by supporting some companies, but difficulties in agreeing on common points were multiple. In **Curaçao**, the recommendations of the Sociaal-Economische Raad (SER) on poverty reduction made the issue more visible throughout the country. In the **Democratic Republic of the Congo**, the national strategy to fight inequalities was inspired by the Constitution and by Law No. 5 of 25 February 2011 on the promotion and protection of indigenous peoples' rights (Loi n° 5-2011 du 25 février 2011 portant promotion et protection des droits des populations autochtones). The **Greek** Law 4808/2021 mentioned above has significantly improved work–life balance by granting fathers the right to 14 days paid leave (instead of two) and extending maternity protection to surrogate and adoptive mothers. Provisions for paid leave for the purpose of assisted reproduction or prenatal check-ups in the private sector, as well as provisions for paid leave to single-parent families, for the first time offered solutions to many families.

In the **Republic of Korea**, a new strategy to promote gender equality aims to create a nation in which women are happy; create a gender-equal environment that can promote women's representation; eliminate sexually discriminative social customs; and create a violence-free nation in which all are safe. In **Lesotho**, the Gender and Development Policy 2018–2030 addresses inequalities by empowering women to know their rights. By promoting the equality of married persons, the position of married women improved substantially. Those women who were married in a community of property had no right to purchase land or to take out loans with commercial banks without their husbands' consent. They were treated in effect as minors.

Several ESC-SIs indicated that the scarcity of resources—human, financial and institutional—has been exacerbated by the pandemic and the war in Ukraine, which renders implementation problematic. Among them stand out **Burkina Faso**, **Burundi**, **Curaçao**, the **Democratic Republic of the Congo**, **Lesotho**, **Mauritania** and **North Macedonia**. **Lesotho** noted that the main challenge remains the culture and socialization of those members of society affected by the national strategy.

There were several examples of challenges. The Fair Wage Policy in **Burundi** is accompanied by several job management and career reforms that are difficult to implement. **Zimbabwe** pointed out that monitoring and evaluation are complicated and that the strategy on economic formalization is still being prepared. In **Peru**, the Plan sectoral para la igualdad y la no discriminación en el empleo y la ocupación (2018–2021) was being evaluated at the time of the survey.

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OKE in Greece has proposed several improvements to the provisions on combating violence and harassment in the workplace. The Labour Inspectorate will have greater responsibility in protection against incidents of violence. Additional proposals were to widen the concept of violence and harassment at work, assign to the social partners' observatories the management of training programmes on resolving conflicts, and deal with instances of violence and harassment in the workplace.

An interesting example is Benin's testimony of its national strategy's successes and challenges (box 2).

### **Box 2 Successes and challenges of Benin's Plan national de développement 2018–2025**

Benin's PND 2018–2025 has the following objectives to combat inequalities: make information, products, services and quality healthcare accessible to populations; build an equitable, inclusive and quality education system for sustainable development; put in place sustainable and inclusive social protection mechanisms; ensure food and nutritional security and access to drinking water for all; promote better income opportunities and decent jobs for the population; strengthen the quality of interventions in favour of young people; and promote equality and equity between girls and boys and between women and men.

One of its successes is the strategy Assurance pour le renforcement du capital humain (ARCH), implemented by April 2022, through which the populations of municipalities, such as Aplahoué, Banikoara, Kandi, Lalo, Lokossa, Ouèssè and Tchaourou, are consulted and treated free of charge in the partner hospitals of the Agence Nationale de Protection Sociale (ANPS).

In contrast though, Benin highlighted persisting socio-cultural constraints and discrimination against women, including: the high rate of illiteracy of the population and especially illiteracy among women; the insufficient culture of respect for human rights in general and the rights of women and girls in particular; a lack of resources allocated to gender promotion activities in the national budget; the absence of a specific law favouring the institutionalization of equal treatment of gender as a principle of governance and management of public policies; and the low representation of women in governance bodies and in the public administration (below the 30 per cent threshold as per international standards).

A silver lining, however, is the electoral law, which institutes a gender quota for candidate lists, trying to resolve to a degree the problem of gender inequality in the parliament.

## **V. The role of social dialogue and its institutions, and of the social partners, in addressing inequalities in the world of work**

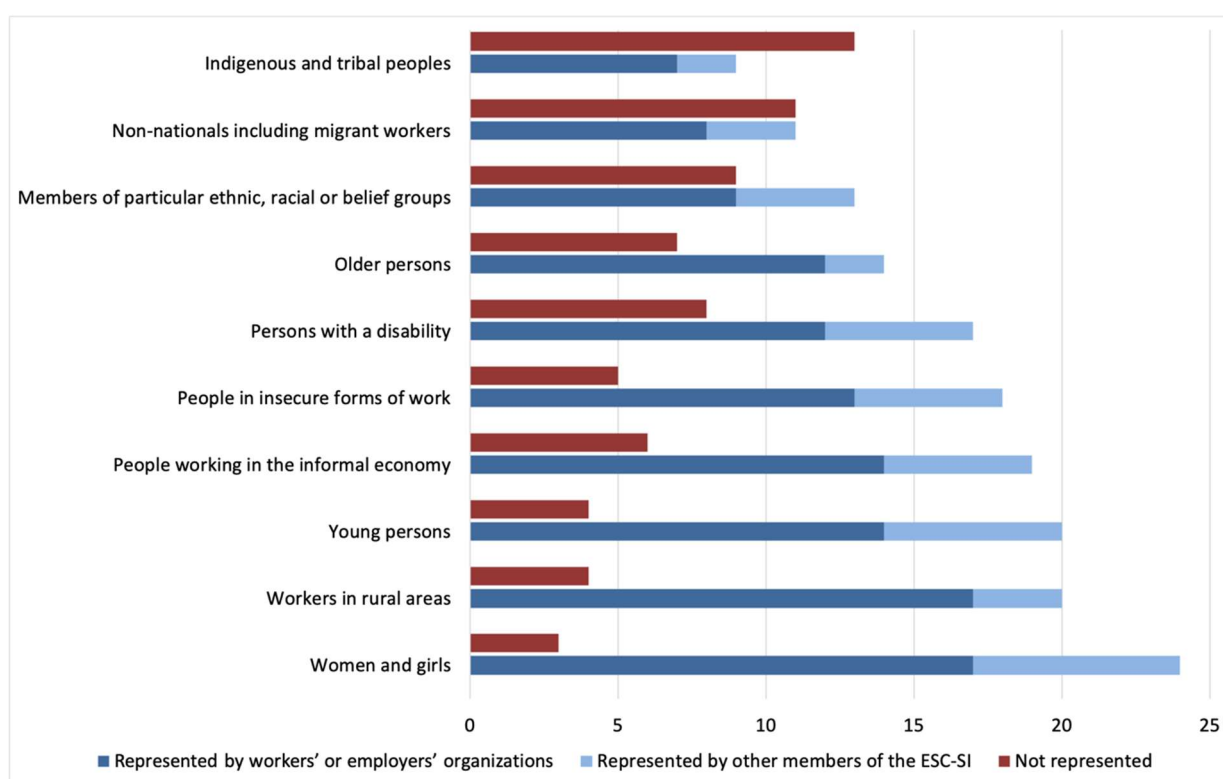
An important aspect of social dialogue is its input legitimacy, that is, the inclusiveness of the ESC-SI. Insofar as strong and representative social partners have the legitimacy to participate in social dialogue and to provide meaningful inputs, the input legitimacy of social dialogue in the policymaking process is enhanced (Scharpf 2003; ILO 2021f). Some questions in the survey inquired whether the social partners and the ESC-SIs discussed inequalities in the world of work in the past and whether they planned to continue doing so.

## 5.1 Inclusiveness of ESC-SIs

Inclusiveness is a particularly important feature for the ESC-SIs’ task of combating inequalities in the world of work. The survey asked whether the most affected groups were represented in national social dialogue institutions, and how.

The ESC-SIs generally seem fairly representative of several vulnerable groups, albeit with great variability (figure 8). The most represented—either through workers’ and employers’ organizations in an ESC-SI or other groups—are women and girls (24 out of 27 countries); followed closely by workers in rural areas and by young persons (20 out of 24 each); and by people working in the informal economy, workers in insecure jobs and persons with disabilities. Lower levels of representation are awarded to older persons; members of particular ethnic, racial or belief groups; and indigenous and tribal people, represented only in 9 out of 22 cases.

**Figure 8 Inclusion of groups most affected by inequalities in the world of work**



Some ESC-SIs indicated that they specifically include representatives of several categories deeply affected by inequalities in the world of work. In OKE in **Greece**, multi-child families are separately represented by the Supreme Confederation of Multi-Child Parents of Greece. The workers’ organizations on the tripartite Consejo Nacional de Trabajo y Promoción del Empleo (CNTPE) in **Peru** include representatives of persons with disabilities, rural workers, those working in the informal economy and migrant workers. Other bodies representing vulnerable group participate in the CNTPE, including the Movimiento Manuela Ramos, whose aim is the promotion and defence of women’s autonomy. Young people are also represented by workers and employers in the Youth Social Dialogue Table, which is part of the CNTPE.

**Burundi’s** Comité National de Dialogue Social (CNDS) has representatives of the informal sector. The Comité National du Dialogue Social (CNDS) in **Chad** and the CNT in **Niger** have representatives of workers in rural areas (in Niger, also of traditional chiefdoms).

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The Economic, Social and Labour Council (ESLC) in the **Republic of Korea** includes representatives of atypical workers. **Romania** indicated which associations represent different vulnerable groups: women and girls—Sexul vs The Stork; young persons—Youth Council Romania, and the National Alliance of Student Organizations in Romania; persons with disabilities—Help Autism and the Romanian National Disability Council; and members of particular ethnic, racial or belief groups—the Împreună Agency for Community Development.

The ESC-SIs were asked whether the groups not represented in the institution have representatives invited to participate in discussions on matters that directly concern them. Out of 30 survey responses, 19 said yes, of which 8 ESC-SIs noted that they invite non-represented groups regularly, while 11 do so occasionally. The rest (11 out of 30) do not extend such invitations.

Some ESC-SIs simply act pragmatically and invite groups to share their views as the need arises: SER in **Curaçao**; the Ministry of Labour and Social Inclusion in **Norway**, which also invites experts; CESE in the **Democratic Republic of the Congo**; the National Steering Committee on Social Dialogue in **Eswatini**; the Social Partnership Council in **Ghana**; NACOLA in **Lesotho**; CESE in **Morocco**; CNT in **Niger**; and the Labour Economic and Social Council in the **United Republic of Tanzania**. In **Benin**, CES advisers meet members of unrepresented groups during field visits.

Several ESC-SIs provided details on the modalities of involvement of affected groups. In **Sri Lanka** and **Zimbabwe**, informal-economy representatives are often present, in the former including those working in plantations, garments and manufacturing, food processing, and food and beverages. CNEL in **Italy** undertook a public consultation aimed at young people in their role in that country's National Recovery and Resilience Plan—the centrepiece of each EU member state's plan to recover from the pandemic. This consultation was collectively organized with (among others) the Ministry of Education, the Ministry of University and Research, the Department for Youth Policies and Universal Civil Service, the Department for European Affairs of the Presidency of the Council of Ministers, and the National Youth Council.

## 5.2 Involvement of ESC-SIs

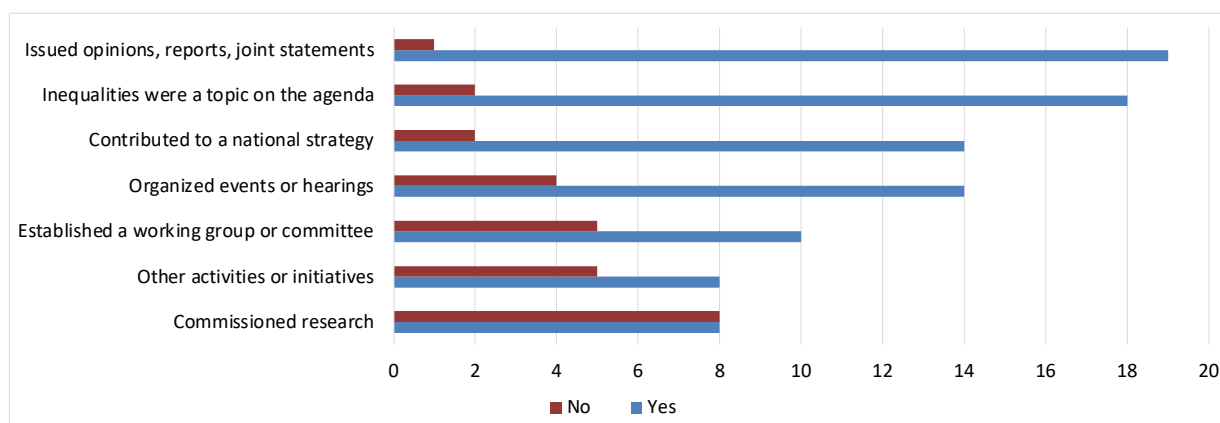
The survey asked whether the ESC-SIs had discussed inequalities in the world of work during the past five years. Out of 31 countries, only 7—**Costa Rica, Indonesia, Mauritania, Niger, Norway, Togo** and **Uzbekistan**—had not.

In countries where ESC-SI involvement was lacking, the reasons varied, but reflected the dimensions—including problem-solving capacity, effective mandate and political support—required for a social dialogue institution to operate effectively (ILO 2021f; Guardiancich and Molina 2022).<sup>12</sup> Some countries indicated that the reason lies in the executive: either inequalities are not a national policy priority (3 responses) or the government simply has not consulted the ESC-SI (5); others noted that the ESC-SI either lacks the mandate (5 responses) or does not have adequate resources (3). Seven countries also indicated that institutions other than the ESC-SI have been in charge. Only **Uzbekistan** elaborated further, stating that the government had already taken some decisions aimed at preventing unequal access to the labour market for socially vulnerable groups.

<sup>12</sup> There was some inconsistency in responses to the questions regarding non-involvement of ESC-SIs. For example, respondents from **Benin**, whose CES has dealt with inequalities in the past five years, noted that it lacked adequate resources to do this. Those from **Mauritania** noted that CESE was consulted only once.

Figure 9 shows the breakdown of actions undertaken by the ESC-SIs addressing inequalities in the world of work in the past five years. The highest share of countries stated that the respective ESC-SIs issued opinions, reports and joint statements (19 out of 20) and that inequalities were a topic on the agenda (18 out of 20). Slightly fewer ESC-SIs contributed to a national strategy and organized events or hearings (14 out of 16 and 14 out of 18, respectively) or established a working group or committee (10 out of 15). Testifying to a probable lack of resources and problem-solving capacity, only 8 out of 16 ESC-SIs commissioned research on the issue.

**Figure 9 ESC-SIs' initiatives undertaken in the past five years to address inequalities**



Several ESC-SIs recorded regular activity connected to inequalities in the world of work. For example, HCDS in **Burkina Faso** has set up a working group to reflect and make recommendations on inequalities. SER in **Curaçao** uses SDG 10, which focuses on reducing inequality within and among countries, as a starting point to formulate recommendations. OKE in **Greece** considers inequalities as one of the most relevant topics in its field of competence. In 2021, OKE issued opinions concerning combating violence and harassment in the workplace and achieving a suitable work–life balance. OKE organized public consultations, which led to the publication entitled “Educational material useful to entities and organizations of the public administration towards combating multiple discrimination”. As well as discussing inequalities at several conferences, OKE took part in a working group established by the Greek Ministry of Labour and Social Affairs for promoting the principle of equal treatment at work.

Similarly, CESE in **Morocco** has published opinions and reports on many issues, ranging from the promotion of equality between women and men in economic, social, cultural and political life, to the economic integration of street vendors, the rights and inclusions of persons with disabilities, the informal economy, the labour market for migrant workers and social dialogue, and collective bargaining and labour dispute resolution in Morocco. CES in **Romania** has issued opinions on draft legislation, including on inequalities, received from the Romanian government and parliament. Inequalities were on the agenda of CNDS in **Tunisia**. Similar to NACOLA in **Lesotho**, CNDS recommended ratification of the Violence and Harassment Convention, 2019 (No. 190). Various committees have been set up with the participation of the Tunisian General Labour Union. In **Zimbabwe**, the Tripartite Negotiating Forum has met regularly to discuss socio-economic issues that affect the world of work.

More specific issues were mentioned by several ESC-SIs. CES in **Benin** has not specifically dealt with inequality but rather in connection with other subjects. CES has thus organized field trips to meet various sections of the population and to record their grievances over inequalities, in order to formulate recommendations to the government and to the National Assembly. The President of CES often receives representatives of affected categories with the same aim. **Ghana** has conducted research on unemployment insurance

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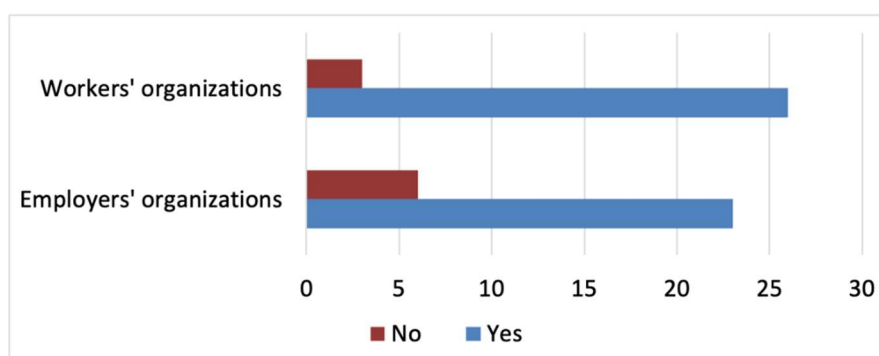
and on the incidence of violence and harassment in the world of work. The Social Partnership Council has subsequently formulated proposals to address economic hardship for public funding.

NESC in **Ireland** set up a working group that published a major report entitled “The Future of the Irish Social Welfare System: Participation and Protection”, which was presented at a national conference. The most important development in the **Republic of Korea** was the creation in 2018–20 of the Committee for Resolving Social Polarization and Creating Decent Jobs in the ESLC—key intertwined issues—to be achieved by constructing a fair economy and spurring growth. The Committee published recommendations in late 2021 on developing occupational capacities and providing effective employment services. Members of the ESC in **North Macedonia** were involved in drafting the National Employment Strategy 2021–2027. Since 2018, the CNTPE in **Peru** has dealt mainly with regulating and institutionalizing minimum wages. **Sri Lanka** highlighted the need to raise the female labour force participation rate by allowing night work (after 6pm) in the information technology sector, whether in commercial, administrative or technical activities.

### 5.3 Involvement of the social partners

The vast majority of ESC-SIs reported involvement of workers’ and employers’ organizations in their activities to combat inequalities in the world of work, with employers only slightly less engaged than workers (6 negative responses against 3 for workers, out of 29).

Figure 10 Involvement of workers’ and employers’ organizations in ESC-SI activities to combat inequalities



The social partners’ participation in formulating policy was either a natural consequence of their membership of the ESC-SI or because they were involved in its activities, including to combat inequalities. This is the case of HCDS in **Burkina Faso**, CNDS in **Burundi**, CNDS in **Chad**, SER in **Curaçao**, the Labour Advisory Board in **Eswatini**, CESE in the **Democratic Republic of the Congo**, the Ministry of Manpower in **Indonesia**, CNEL in **Italy**, CESE in **Morocco**, the Labour, Economic and Social Council in the **United Republic of Tanzania** and CNDS in **Tunisia**. In **Greece’s** OKE, the social partners representing the most vulnerable groups have conducted social dialogue to combat discrimination and promote equal treatment in the workplace.

In several ESC-SIs, working groups have been created on topics specifically related to combating inequalities in the world of work. In **Ireland’s** NESC, workers’ and employers’ organizations were key members of the working group on social welfare and on employment vulnerability (linked to climate change and the digital transition). In **Peru’s** CNTPE, the business associations have participated in the Commission on Productivity and Minimum

Wages, and in the Youth Social Dialogue Roundtable. In **North Macedonia**, business associations are members of the ESS working group on employment policies.

Other ESC-SIs reported that one or both social partners contributed to specific initiatives. In **Benin**, workers’ organizations held discussions with the CES president over questions of unequal treatment of civil servants. In **Ghana**, the social partners provided inputs during preparation of the government’s Budget Statement and Economic Policy for FY2023, which includes incentives for workers in the post-pandemic period, and for measures for job retention, continuous employment, and provision of utility subsidies. Both workers’ and employers’ organizations in NACOLA in **Lesotho** took part in a wide range of discussions on labour market inequalities, reporting violations, educating workers and lodging disputes, with the employers also training their members in International Labour Standards and other rights.

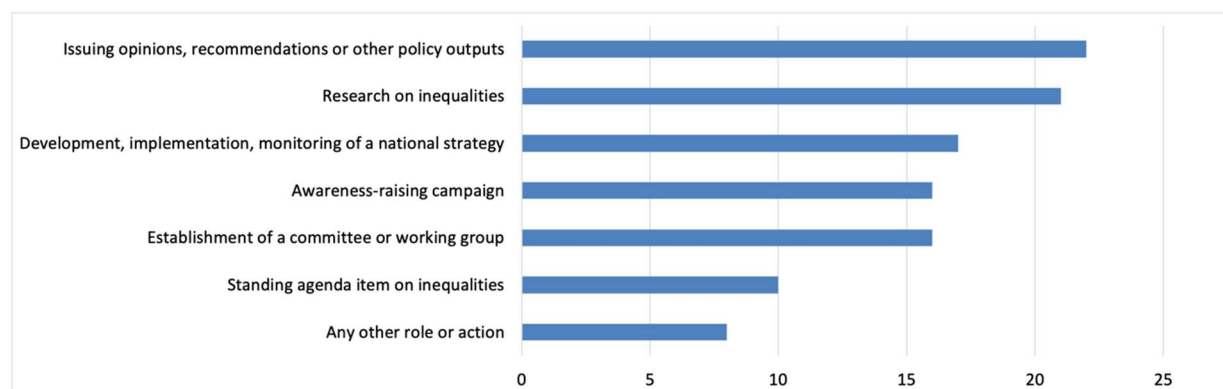
In **Niger**, the main preoccupations of the social partners were the improvement of living standards for workers and the dominance of multinational enterprises, which limits access to the market for local companies. In **Romania**, workers’ organizations especially were involved in amending all governmental or parliamentary legislative proposals submitted to CES for opinions, including Law 202/2002 on equality of opportunities between women and men, and Law 62/2011 concerning social dialogue. In **Sri Lanka**, the social partners were involved in activities mainly concerning payment of workers on plantations, legislation on unfair labour practices, and protection of workers staying at home during the pandemic. In **Zimbabwe**, the social partners took part in legislative reforms, such as the Public Service Act (2021) and the Public Service Sexual Harassment Policy (2022).

ESC-SIs expressed fewer opinions on the lack of involvement of the social partners. In **Uzbekistan**, for instance, neither workers’ nor employers’ organizations played a major role owing to the perceived low relevance of the topic. Similarly in **Togo**, inequalities in the world of work were rarely discussed in the Conseil National du Dialogue Social (CNDS). **Mauritania** suggested the limited functioning of its CESE as a major reason for such lack of involvement.

## 5.4 Future plans of ESC-SIs and support from the ILO

The final part of the survey dealt with the future plans of ESC-SIs in the fight against inequalities in the world of work. In the vast majority of cases (figure 11), the institutions plan to issue opinions, recommendations or other policy outputs and to conduct research on inequalities (22 and 21 out of 30 responses, respectively). Only slightly less common were plans to develop, implement and monitor a national strategy (17), launch awareness-raising campaigns or establish a committee or working group (16 each). Standing agenda item on inequalities (10) and any other role or action (8) were the least common plans.

**Figure 11 Future plans of ESC-SIs in combating inequalities**





Ten ESC-SIs stated that inequalities would be a standing item on their agenda, namely: CESE in the **Democratic Republic of the Congo**, SER in **Curaçao**, NCT in **Ghana**, NESI in **Ireland**, CNEL in **Italy**, NACOLA in **Lesotho**, CNT in **Niger**, the National Tripartite Industrial Peace Council in the **Philippines**, the Civic Chamber in the **Russian Federation**, and the Ministry of Labour and Foreign Employment in **Sri Lanka**.

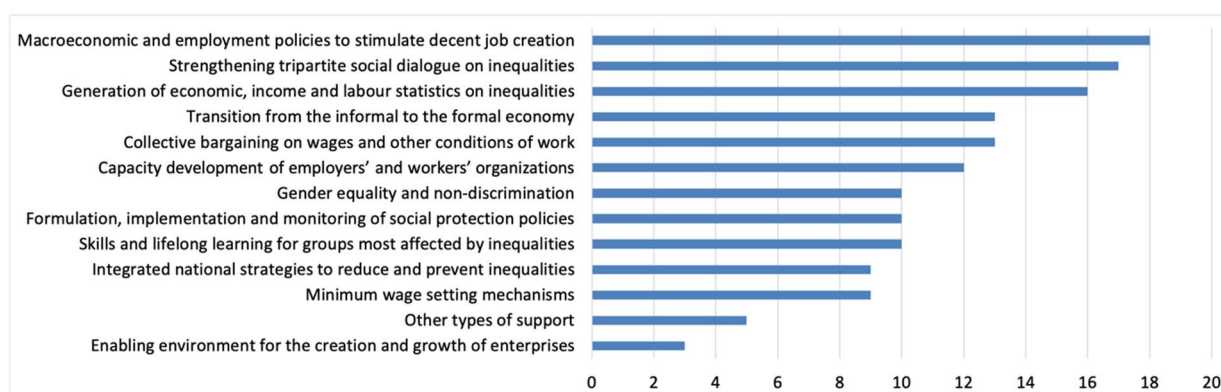
Other future actions envisaged include pledging to discuss measures through tripartite consultations in **Sri Lanka**, setting up a programme to fight inequalities in **Burundi**, rewarding organizations and institutions that play a leading role in combating inequalities and showcasing them as best practices in **Lesotho**, conducting an independent analysis on inequalities in the world of work in **Uzbekistan** and continuing legislative reforms in **Zimbabwe**. Finally, CNEL in **Italy** will continue to pursue its goals, including providing support to the parliament in ratifying ILO Conventions.

In March 2022, the Governing Body of the ILO adopted an action plan for 2022–27 to give effect to the conclusions concerning inequalities and the world of work adopted by the International Labour Conference in December 2021, which includes many areas of action (ILO 2022a). ESC-SIs were asked to indicate what they consider the five “top priority” issues for support from the ILO in their national context.

The responses were rather heterogeneous (figure 12), with only three issues favoured by more than half the countries: macroeconomic and employment policies to stimulate decent job creation (18 responses out of 31), followed by tools that streamline the policymaking process of tackling inequalities in the world of work, that is, strengthening tripartite social dialogue on inequalities and the generation of economic, income and labour statistics on inequalities (17 and 16 responses, respectively). Specific measures, including formalization of the economy, gender equality and social protection policies as well as development of skills and lifelong learning for badly affected groups and minimum wage setting mechanisms all garnered between 13 and 9 preferences.

Reinvigorating collective bargaining on wages and work conditions (13), nurturing the abilities of employers’ and workers’ organizations (12) and drafting integrated strategies to reduce and prevent inequalities (9) occupy middle positions in the ranking. The least favoured item was creating an enabling environment for the creation and growth of enterprises (3).

**Figure 12 Priority issues for support from the ILO (top five per country)**



Several ESC-SIs either proposed other types of support from the ILO or detailed what they felt the most important aspects to be considered. Among the ESC-SIs most concerned with gender equality was CES in **Benin**, which detailed a possible future strategy to systematically consider the gender dimension in all policy areas and at all levels, guarantee equal opportunities and equal access to resources, create an environment conducive to

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implementing gender-related strategies, ensure better coordination of gender actions and promote research and dissemination of data disaggregated by gender in all policy areas.

CNDS in **Burundi**, NACOLA in **Lesotho**, CESE in **Mauritania**, and CNTPE in **Peru** were particularly concerned with the need to gather statistical information on labour market functioning to improve the operation of tripartite social dialogue conducive to efficient planning and sound policy formulation. CNTPE expressed the concern that, while the generation of statistical data on groups in special need of protection is essential for designing labour market policies, it is very challenging to collect such data and to identify these groups' main problems.

CNDS in **Tunisia** prioritized the dependency and vulnerability of workers in the informal economy, among whom women, youth, migrants and older workers are the first victims of decent work deficits as well as being exposed to violence, exploitation and abuse, including extortion and corruption. Most dramatic is the incidence of informality among people younger than 40, accounting for 60 per cent and 83 per cent of total informal male and female employment in 2014 (CRES 2016).

Finally, three ESC-SIs emphasized the need to focus on other aspects of inequalities. OKE in **Greece** suggested that making the digital and green transitions in a fair and inclusive way may represent a key aspect of combating inequalities, NESC in **Ireland** was undertaking work on the cost-of-living crisis, and the Ministry of Public Service, Labour and Social Welfare in **Zimbabwe** emphasized the need for continued support to build capacity for implementing International Labour Standards.

## **VI. The way forward: Recommendations to strengthen the role of social dialogue and ESC-SIs in combating inequalities in the world of work**

The joint ILO-AICESIS conference 2023 takes place in the context of the aftermath of the COVID-19 pandemic with its marked impact on inequalities in the world of work. The recognition of heightened inequalities has led to a series of ILO initiatives aimed at increasing international attention on the need for action to reduce them. In particular, this conference will encourage reflection among ESC-SIs and, especially, the ILO's tripartite constituents—governments, employers' and workers' organizations—on the challenges posed by these inequalities. Consideration of the role of social dialogue is a central part of these reflections. In short: What contribution can—and should—social dialogue, including collective bargaining, make to ensure that appropriate measures are taken at national and international levels to gradually reduce inequalities in the world of work?

To answer this question, this background report ends by summarizing key trends and challenges, before drawing some tentative conclusions. It then suggests provisional policy recommendations for further discussion at November's Athens conference.

### **6.1 Key trends and challenges**

This report first set out the key issues and challenges related to inequalities in the world of work, including the key drivers shaping it, as identified by the ILO: (i) distribution of work income; (ii) productivity differentials between enterprises; (iii) gender discrimination; (iv) extent of informality; (v) gaps in social protection coverage; and (vi) contractual arrangements. It examined the impact of the recent pandemic as well as the cost-of-living crisis on the severity of existing inequalities. The report went on to analyse the results of an ILO-AICESIS survey of 31 national ESC-SIs.

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The survey provides insights into how ESC-SIs around the world perceive and are responding to the numerous challenges presented by the spread of inequalities in the world of work. The findings showed a wide variety of perceptions, priorities and activities of ESC-SIs across regions and countries. The vast majority of ESC-SIs demonstrated awareness of some—if not all—of the challenges that their countries face related to inequalities in the world of work, at the same time displaying varying degrees of readiness and capacity to tackle them.

Most countries stated that inequalities are very or moderately challenging and that the pandemic has had a moderate to serious impact, especially on those workers and societal groups already in a vulnerable position before the pandemic. The ESC-SIs' testimonies largely, but not entirely, confirm the intersectionality issues highlighted in section 2.2. Women and girls are unmistakably facing the worst situation, followed closely by people employed under non-standard contracts, persons with disabilities and people employed in the informal economy. Other vulnerable categories, such as non-nationals and migrant workers, and young and old persons, also face major difficulties, whereas workers in rural areas seem to be slightly better off. ESC-SIs accorded the lowest impact of inequalities to members of particular ethnic, racial and belief groups as well as to indigenous and tribal people, which is surprising and goes against many intersectionality studies.

The ESC-SIs accorded great importance to the digital divide as a factor exacerbating or lessening inequalities in the world of work. They saw as key the ability to carry out remote working/telework, access to digital hardware (such as computers, smart phones, tablets and other electronic devices), affordable and reliable access to the internet, and access to digital technologies for day-to-day work at the workplace and to pursue training and lifelong learning.

Looking at ESC-SIs' broader mandate in fighting inequalities in the world of work, national social dialogue was broken down into its input, throughput and output legitimacy components, eliciting varied answers by ESC-SIs.

On policy inputs, ESC-SIs were fairly representative of several vulnerable groups, albeit with great variability. The most represented were women and girls, followed closely by workers in rural areas, young persons as well as people working in the informal economy, workers in insecure jobs and persons with disabilities. Lower levels of representation were awarded to older persons, members of particular ethnic, racial or belief groups and indigenous and tribal people, somewhat confirming the less attention given to groups that often suffer from intersectional inequalities.

In the past five years, three quarters of ESC-SIs have discussed inequalities in the world of work—a positive result. The reasons for the lack of involvement among the remaining quarter varied, but closely followed the dimensions—problem-solving capacity, effective mandate and political support—required for a social dialogue institution to operate effectively. Moreover, the vast majority of countries reported a high level of involvement of both workers' and employers' organizations in the activities of individual ESC-SIs, while combating inequalities in the world of work, with employers only slightly less engaged than workers.

Looking at concrete actions to combat inequalities, including in the world of work, three quarters of ESC-SIs confirmed that a national strategy had been put in place, consisting of non-discriminatory and enabling labour-market, educational and social-policy measures. Even though the ESC-SIs were in the majority of cases involved in consultations and their opinions were often translated into policy, their involvement was not fully satisfactory, implying that the throughput legitimacy of social dialogue in this area could see some improvements.

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As for the policy output, that is, the successes and pitfalls during the implementation phase of the national strategies, the experiences showed heterogeneity. On the one hand, several success stories emerged, especially regarding protection against job losses during the pandemic as well as major improvements in legislative action combating various forms of gender discrimination. On the other hand, some ESC-SIs indicated that the scarcity of resources (human, financial and institutional) was exacerbated by the pandemic and, possibly, by the war in Ukraine, rendering the implementation of national strategies and similar plans problematic.

Regarding the support that could be awarded to ESC-SIs on behalf of the ILO, again, preferences were not uniform. Three main priority issues stood out, in descending order: macroeconomic and employment policies to stimulate decent job creation, the strengthening of tripartite social dialogue on inequalities in the world of work, and the generation of economic, income and labour statistics on such inequalities.

## 6.2 Conclusions and policy recommendations

Several policy conclusions can be drawn, but as inequalities in the world of work are complex and multifaceted, effective action requires identifying and addressing the drivers of such inequalities, which are by their nature context specific. Moreover, reducing inequalities requires combined, coordinated and coherent interventions at various levels, adapted to country circumstances. Reducing inequalities also requires a recognition of the interconnectedness of the affected nations and people, giving, for example, due attention to issues of intersectionality.

Hence, a key lesson is that there is no one-size-fits-all approach to tackling inequalities in the world of work. The nature of appropriate policies depends on the underlying drivers and country-specific policy and institutional settings. The organization of social dialogue, including collective bargaining—a key tool for achieving a fair distribution of the fruits of economic progress—should therefore follow from identifying the multifaceted nature of inequalities, in line with the Resolution concerning the second recurrent discussion on social dialogue adopted by the 107th Session of the International Labour Conference in June 2018.

In sum, ESC-SIs have a key role to play in bringing together government and the social partners to discuss and develop adequate national strategies to combat inequalities and promote an inclusive world of work. Tripartite actors can benefit from the views and contributions of other stakeholders, who are also concerned with the challenge of rising inequalities and their impact on the sustainability of economies and the cohesion of societies. Most important, ESC-SIs should not be involved only in the design phase of national strategies addressing inequalities—they should also participate fully in the implementation of such policies and the monitoring and evaluation of their effectiveness.

In order, however, to meaningfully take part in decision-making, ESC-SIs have to be fully empowered to do so. This means, first, that they need to be endowed with sufficient resources—human, financial and technical—to boost their problem-solving capacity so as to address the intellectual challenges inherent in effectively combating inequalities in the world of work. Second, ESC-SIs must have the effective mandate—implicit or, better, explicit—to participate in all key policymaking phases. Finally, political support is vital, requiring the routine participation of the government and the social partners in the operations of the ESC-SI throughout the policy cycle.

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