

## Executive summary

This second Global Deal Flagship Report illustrates the importance of social dialogue in managing the consequences of the coronavirus (COVID-19) pandemic, as well as the benefits of involving social partners in adult-learning systems to prepare for the future of work.

The COVID-19 crisis that erupted so suddenly at the beginning of 2020 has stressed labour markets and employment to a degree never seen before. Both the Organisation for Economic Co-operation and Development (OECD) and the International Labour Organization (ILO) are documenting the steep decline in the number of jobs and/or the volume of work over the first half of 2020. The same organisations also fear that the jobs recovery will be uncertain and far from complete.

This report emphasises the role that social dialogue has to play in promoting lifelong learning and skills development, and in addressing the changes and challenges brought about by the COVID-19 crisis.

The arrival of the coronavirus presented the first of many challenges, which was to manage the short-term impact of the pandemic. Initially, it was necessary to prevent the sudden shutdown of major parts of the economy from amplifying itself into an even deeper recession. Social partners, together with governments, addressed this by swiftly negotiating several series of short-term changes in work arrangements that keep workers in their jobs, thus strengthening labour-market resilience.

Social dialogue has also played a key role in developing policies to protect workers' health against the spread of the virus. Many agreements and protocols were negotiated, providing workers with personal safety equipment, boosting sanitary provisions, reorganising workplaces and working hours to allow for social distancing, and taking extra precautionary measures for those at a higher risk of serious illness, such as older workers. By providing workers with a collective voice, social dialogue helped provide them with the confidence that a return to work would be as safe as possible. This, in turn, helps in the continuation of essential activities, and with reopening businesses after lockdown.

The type of social agreements struck during this early phase of the pandemic also shows that social dialogue does not shy away from the issue of flexibility. In fact, many agreements, with or without some nudging from governments, were signed to find flexible working-time arrangements in balanced ways. In particular, this took the form of shifting working hours from periods of idle time (during lockdown) to periods when a recovery of production was to be expected. In doing so, management was sometimes given more leeway to decide on working time, provided this took place within certain limits and in return for other engagements from the side of the employers.

Turning to the global economy, the COVID-19 crisis also seriously disrupted global supply chains. As orders and payments were suddenly cancelled, workers and

companies at the bottom of the supply chain were facing the cancellation of many orders. Social dialogue also engaged in tackling this problem by developing several initiatives at the global level, with the 'COVID-19 - Call for action in the global garments industry', negotiated by the International Organisation of Employers (IOE), the International Trade Union Confederation (ITUC) and the ILO, constituting a prominent example.

The second main challenge arises from what COVID-19 revealed: pre-existing weaknesses in world economies. There is significant evidence that the pandemic has caused disproportionate negative impacts on low-wage workers, workers who are already facing much insecurity, women, young people, informal workers and on vulnerable groups in our society. COVID-19 is thus intensifying inequalities. There are calls to ensure that the recovery tackles the challenges of income and wealth inequality. Social dialogue needs to be a key part of the agenda of "building back better", and this report documents the different channels and mechanisms through which social dialogue can work to deliver a widespread distribution of the benefits of economic growth.

In addition to the challenges and changes brought by the COVID-19 crisis, technological change and other megatrends are restructuring labour markets, thereby creating both skills shortages and surpluses. To prevent skills depreciation and obsolescence and to facilitate transitions towards sectors and jobs that are expanding, strong adult-learning systems are needed more than ever. However, adult-learning systems do not always take into account the changing skill needs of the labour market. Moreover, participation is especially low among those most in need of new or additional skills, and among the rising number of workers in non-standard employment arrangements.

Successful, contemporary skills development systems and lifelong learning policies use social dialogue to build bridges, connecting education and training to the world of work. Shifting to a knowledge - or skills-based economy and fostering productive activities will accelerate the creation of more and better jobs, improve social cohesion and contribute to sustainable development. Investing in skills development creates a virtuous cycle in which sought-after, higher skills boost productivity and help to modernise the economy, increase employability, and ensure social inclusion and better work and life situations.

The involvement of social partners in the adult-learning system varies significantly across countries. While in some countries, social partners are heavily involved in the definition and management of a training system, in others, they have only a limited consultative role. A lack of stakeholder involvement in the planning and development of skills assessment and anticipation is seen as a barrier to well-informed policy making.

With most adult learning occurring in the workplace, governments need to utilise the capacity of trade unions and employers to develop and deliver training. Many countries

use payroll taxes, or training levies, to incentivise employers to put greater emphasis on upgrading the skills and productivity of their workforce. Programmes to encourage learning environments at work are more successful where social partners communicate effectively about changes in work organisation. They have a key role to play in evaluating the quality and outcomes of participation in training. Engagement of employers and unions is also important to provide prompt and effective re-employment assistance to workers who become unemployed and have difficulty finding sustainable employment in the same occupation and industry. As countries look to scale up training provision to address the challenges brought about by the megatrends and magnified by the COVID-19 crisis, social partners have a central role to play in improving and increasing adult-learning provision.

By supporting investment in skills and lifelong learning, social dialogue is key to ensuring that the benefits of structural change derived from technological progress and other developments are shared broadly and fairly. Such support will also serve to help governments, business and individuals adapt to the pressing changes and challenges brought by the COVID-19 crisis.

This report shows how Global Deal partners have engaged in efforts to promote and strengthen social dialogue. One of the ways in which this is done is through voluntary commitments, which are concrete actions by partners that help realise the objectives of the Global Deal. As of July 2020, 64 partners had made 99 voluntary commitments to promote social dialogue as a means for achieving decent work and inclusive growth. Annex I provides a summary of the commitments and actions taken by partners.