

# Media Update

3 December 2020

## ILO

PRESS RELEASE

### COVID-19 drives wages down, new ILO report finds

Even before the COVID pandemic hit, hundreds of millions of workers worldwide were being paid less than the minimum wage.

GENEVA (ILO News) – A new report by the International Labour Organization (ILO) has found that monthly wages fell or grew more slowly in the first six months of 2020, as a result of the [COVID-19 pandemic](#), in two-thirds of countries for which official data was available, and that the crisis is likely to inflict massive downward pressure on wages in the near future.

The wages of women and low-paid workers have been disproportionately affected by the crisis.

Furthermore, while average wages in one-third of the countries that provided data appeared to increase, this was largely as a result of substantial numbers of lower-paid workers losing their jobs and therefore skewing the average, since they were no longer included in the data for wage-earners.

In countries where strong measures were taken to preserve employment, the effects of the crisis were felt primarily as falls in wages rather than massive job losses.

The [Global Wage Report 2020/21](#) shows that not all workers have been equally affected by the crisis. The impact on women has been worse than on men. Estimates based on a sample of 28 European countries find that, without wage subsidies, women would have lost 8.1 per cent of their wages in the second quarter of 2020, compared to 5.4 per cent for men.

The crisis has also affected lower-paid workers severely. Those in lower-skilled occupations lost more working hours than higher-paying managerial and

professional jobs. Using data from the group of 28 European countries the report shows that, without temporary subsidies, the lowest paid 50 per cent of workers would have lost an estimated 17.3 per cent of their wages.

Without subsidies, the average amount of wages lost across all groups would have been 6.5 per cent. However, wage subsidies compensated for 40 per cent of this amount.

“The growth in inequality created by the COVID-19 crisis threatens a legacy of poverty and social and economic instability that would be devastating,” said ILO Director-General Guy Ryder. “Our recovery strategy must be human-centred. We need adequate wage policies that take into account the sustainability of jobs and enterprises, and also address inequalities and the need to sustain demand. If we are going to build a better future we must also deal with some uncomfortable questions about why jobs with high social value, like carers and teachers, are very often linked to low pay.”

The report includes an analysis of minimum wage systems, which could play an important role in building a recovery that is sustainable and equitable. Minimum wages are currently in place in some form in 90 per cent of ILO Member States. But even before the onset of the COVID-19 pandemic the report finds that, globally, 266 million people – 15 per cent of all wage earners worldwide – were earning less than the hourly minimum wage, either because of non-compliance or because they were legally excluded from such schemes. Women are over-represented among workers earning the minimum wage or less.

“Adequate minimum wages can protect workers against low pay and reduce inequality,” said Rosalia Vazquez-Alvarez, one of the authors of the report. “But ensuring that minimum wage policies are effective requires a comprehensive and inclusive package of measures. It means better compliance, extending coverage to more workers, and setting minimum wages at an adequate, up-to-date level that allows people to build a better life for themselves and their families. In developing and emerging countries, better compliance will require moving people away from informal work and into the formal sector”.

The *Global Wage Report 2020/21* also looks at wage trends in 136 countries in the four years preceding the pandemic. It found that global real wage growth fluctuated between 1.6 and 2.2 per cent. Real wages increased most rapidly in

Asia and the Pacific and Eastern Europe and much more slowly in North America and northern, southern and western Europe.

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## UNDP

### PRESS RELEASE

## KP Government looks at UNDP's Amn-o-Insaf programme as flag bearer of rule of law interventions

**Peshawar, 3 December 2020:** – Despite the many challenges faced due to the Covid-19 pandemic, UNDP's Amn-o-Insaf (AOI) Programme has been able to achieve its outputs and make significant progress in 2020. The Programme supports both the supply and demand sides of rule of law. This is made possible by strengthening justice institutions and citizen rights as well as deepening ongoing efforts to secure peace and stability in the country. The same was highlighted by UNDP Pakistan Resident Representative (a.i.) Ms. Aliona Niculita in her welcome remarks at AOI's Annual Progress Review Board (PRB) Meeting held virtually yesterday.

Co-chaired by Additional Chief Secretary, Government of Khyber Pakhtunkhwa (KP) Mr. Shakeel Qadir Khan and UNDP Pakistan Resident Representative (a.i.) Aliona Niculita, the PRB was attended by representatives from KP Home Department, KP Police, KP Prosecution Department, Economic Affairs Division, KP Bar Council and donors including Bureau of International Narcotics and Law Enforcement Affairs (INL) and Government of Japan.

Mr. Shakeel Qadir Khan welcomed the participants and said that rule of law in the development sector is a new area for international assistance and the UNDP AOI is the flag bearer to attract more international support in the area. "In the past three years, I have seen UNDP AOI make major strides. What makes this programme unique is that it is a good blend of soft activities with infrastructural support", he highlighted while mentioning the importance of the sector to Government of KP and stressing on the significance of development efforts in the Merged Areas (MAs). He also offered the support of Planning & Development Department to take the work further.

UNDP AOI Manager Mr. Jakhongir Khaydarov delivered a detailed presentation and highlighted areas of success for the programme during 2020. He mentioned that UNDP will be supporting PHC to establish 14 virtual courts in KP and MAs. Among achievements, digitization of case file record has been completed and the next phase is also anticipated, and UNDP has provided necessary institutional support to courts in MAs for their functionality.

Throughout this year, AOI has been working on the capacity building of judges and courts staff, which will continue next year as well.

In spite of the restrictions imposed due to Covid-19, 6731 persons, including 2204 women were made aware of their legal rights through legal awareness campaigns in MAs with the support of KP Bar Council and Civil Society Organization partner. The programme provided law libraries and bar room furniture to three bar associations in districts of the MAs namely Khyber, Mohmand and Bajaur and digitized KA Bar Council's record room.

Mr. Jakhongir further highlighted that 100% of the original construction work at the Joint Police Training Center Nowshera under the INL Pakistan funding has been completed and savings of US \$1.6 million that occurred are being used to build additional facilities. This is expected to be completed in 2021.

Looking forward to 2020, another successful year for UNDP and AOI, Mr. Jakhongir said that in addition to completion of several ongoing projects, five Model Police Stations will be constructed in the MAs with support from Government of Japan and support KP Police in training of 500 MAs police personal.

Moreover, four training centres to eradicate poppy cultivation will be constructed in KP and MAs with funding from Bureau of International Narcotics and Law Enforcement Affairs.

Ms. Aliona Niculita appreciated the support of partners and said this meeting has given a great opportunity to identify gaps on where to direct additional efforts. The meeting successfully concluded with a vote of thanks.

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