



International  
Labour  
Organization

► ILO Flagship Report

# The value of essential work

World  
Employment  
and Social  
Outlook

2023

Executive summary

# Executive summary

**The COVID-19 pandemic has made evident the extent to which societies need key workers – in both good times and bad – but also how undervalued most key jobs are**

At the end of March 2020, 80 per cent of the world's population lived in countries with required workplace closures. But among the hushed streets of cities and towns throughout the world, key workers left the safety of their homes to go to work. These workers produced, distributed and sold food, cleaned streets and buses to minimize the spread of the pandemic, ensured public safety, transported essential goods and workers, and cared for and healed the ill. These are the “key workers”.

The COVID-19 pandemic has made evident the extent to which societies need key workers – in both good times and bad – but also how undervalued most key jobs are, raising concerns about the sustainability of these essential activities, especially given the likelihood of future shocks. This report calls for a reevaluation of the work of key workers and greater investment in key sectors in order to more fully reflect their economic and social contributions. This is one of the most important public policy lessons to be drawn from the COVID-19 pandemic, as every country has an inherent interest in strengthening its resilience to major disruptions and crises irrespective of their nature.

## **Key workers provide essential goods and services that enable societies to function...**

Key workers can be found among eight main occupational groups: food systems workers; health workers; retail workers; security workers; manual workers; cleaning and sanitation workers; transport workers; and technicians and clerical workers. Across the 90 countries with available data, key workers make up 52 per cent of the workforce, though the share is lower in high-income countries (34 per cent), where economic activities are more diversified (see figure ES1).



Food systems workers



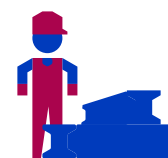
Health workers



Retail workers



Security workers



Manual workers



Cleaning and sanitation workers

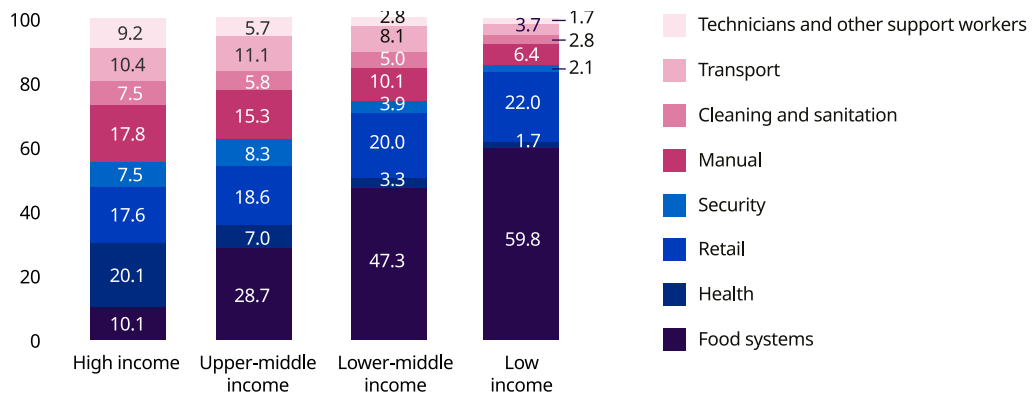


Transport workers



Technicians and clerical workers

► **Figure ES1. Distribution of occupations among key workers by country income group (percentage)**



**Note:** Due to data limitation, the “technicians and other support workers” category includes key personal service workers (ISCO code 51), including those that fall under other occupational groups (for example, food systems workers, such as cooks).  
**Source:** Analysis based on ILO Harmonized Microdata (ILOSTAT). See Appendix for more details.

Women account for 38 per cent of all key workers globally, which is lower than their share in non-key work (42 per cent). Women constitute two thirds of key health workers and more than half of key retail workers, but they are grossly under-represented in security and transport. High-income countries rely heavily on international migrants to perform key services in occupations like agriculture and cleaning and sanitation.

## ... but faced elevated health risks and job strain while working during the pandemic

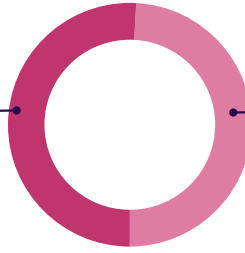
Key workers suffered higher mortality rates from COVID-19 than non-key workers, as a result of their greater exposure to the virus. However, mortality rates varied among key workers: while health workers had high levels of contact with infected patients, their mortality rates were lower than those of transport workers, who suffered the highest mortality rates. The findings reveal the importance of occupational safety and health (OSH) protections – to which transport workers had less access – but also the benefits of working in formal workplaces with collective representation. Both in terms of health risks from COVID-19 and job strain, formally employed workers with job security and union representation were better able to accommodate the increased demands and risks of working during the pandemic than workers on informal and insecure contracts or without collective representation.

## Key enterprises struggled to maintain operations and sales during the pandemic

Key enterprises that provided goods and services deemed essential by governments at the start of the COVID-19 pandemic faced many challenges. These included managing disrupted supply chains, financial uncertainty, declines in investment, problems with staffing, and implementing emergency OSH guidelines. These issues were more acute for micro and small enterprises.

# Key workers

51%  
are salaried

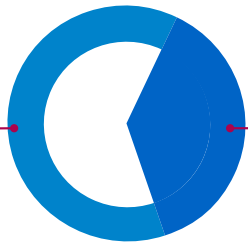


49%  
are self-employed



87.3%  
Self-employment is  
highest in low-income  
countries

62%  
Men

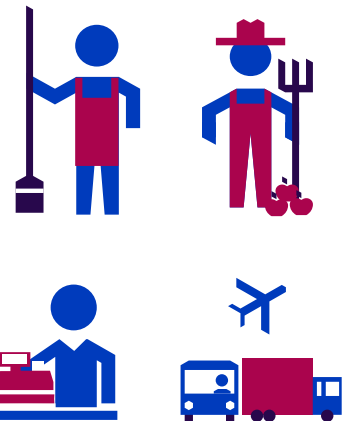


38%  
Women

Dominant type of work



Dominant type of work



1 in 5 key workers in  
high-income countries is  
an international migrant

## Deficiencies in working conditions reflect the undervaluation of key workers

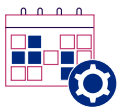
The valuation of key workers is reflected in their pay and other working conditions. Deficiencies in any of these areas typically reverberate across other areas.



### Elevated OSH risks

Physical and biological hazards, as well as psychosocial risks, more commonly affected key workers even before the pandemic. During the pandemic, the incidence of verbal abuse and threats increased sharply for all key workers (and more than for non-key workers), with particularly sharp increases in threats recorded for retail workers. Key workers faced additional health risks during the COVID-19 pandemic owing to their physical presence at workplaces and contact with clients. This was especially true for workers in transportation, security and cleaning, which is probably a reflection of lax OSH controls and more limited access to healthcare and paid sick leave among these occupations.

See sections 2.1 and 3.1



### Over-reliance on temporary contracts

Nearly one in three key employees is on a temporary contract, though there are considerable country and sectoral differences. In food systems, key employees have a higher incidence of temporary work, at 46 per cent worldwide. But temporary employment is also prevalent in cleaning and sanitation, and manual occupations, with one in three employees holding a temporary contract.

See section 3.3



### Long and irregular working hours

More than 46 per cent of key employees in low-income countries work long hours, while a substantial share of key workers around the world have irregular schedules or short hours. Long working hours are more common in transport, where nearly 42 per cent of key workers across the globe work for more than 48 hours a week.

See section 3.4

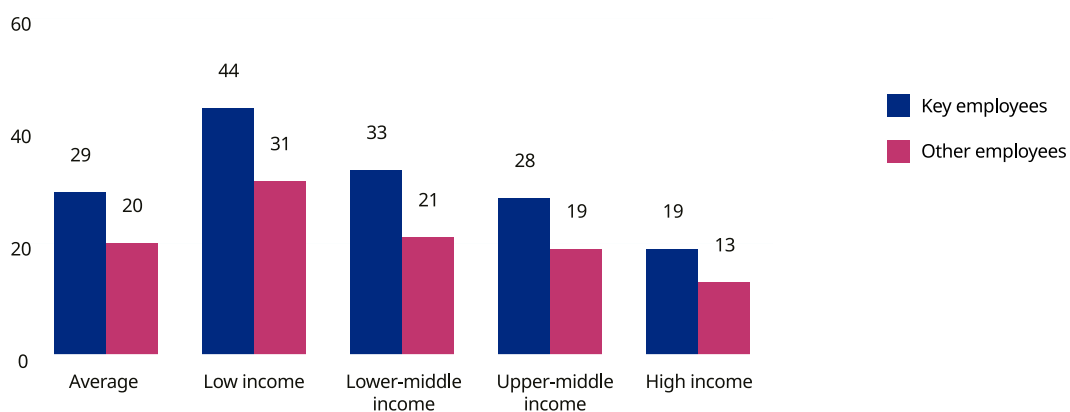


### Low pay

On average, 29 per cent of key employees are low-paid, regardless of countries' level of development (see figure ES2). Key employees earn 26 per cent less than other employees, with only two thirds of this gap being accounted for by education and experience. In food systems, the share of low-paid key employees is particularly high, at 47 per cent. The share of low-paid employees is also high among other key occupations, such as cleaning and sanitation (31 per cent). These sectors, especially in high-income countries, employ a large share of international migrants.

See section 3.5

► **Figure ES2. Share of low-paid workers among key and other wage employees, by country income group (percentage)**



Source: Analysis based on ILO Microdata Repository (ILOSTAT), 2019 or latest year.



### Under-representation, especially in a few key sectors

While unionization and collective bargaining coverage are limited for many workers, the available data indicate that unionization rates in several key sectors – including food systems (9 per cent), cleaning and sanitation (13 per cent) and retail (6 per cent) – are significantly lower than average rates in developed and developing countries alike.

See section 3.2



### Deficits in social protection, including paid sick leave

Nearly 60 per cent of key workers in low- and middle-income countries lack some form of social protection. In low-income countries, social protection is minimal, only reaching 17 per cent of

key workers. The picture is even bleaker for self-employed key workers in most developing countries, as they are almost entirely left out of social protection.

See section 3.6



### Insufficient training

Fewer than 3 per cent of key workers in low- and lower-middle-income countries received training during the preceding 12 months, and this share is as low as 1.3 per cent among self-employed key workers.

See section 3.7

# Key recommendations

## To build resilience, countries should invest in the institutions of work and key sectors

The undervaluation of key work has implications beyond the individual worker. When difficult working conditions and low pay are systemic, labour shortages, high turnover and, ultimately, an inadequate provision of key services result. Thus, the resilience of key services in the face of future pandemics or other crises is dependent on investments made in these key sectors, as well as in working conditions of those who perform critical work.

## Investing in the institutions of work improves working conditions

While decent work is a universal objective, it is particularly critical for key workers, given the importance of their work for the basic functioning of economies and societies as well as the widespread deficits in their working conditions. Regulation, either through statute or collective bargaining agreements, in concert with other institutions of work – workers' and employers' organizations, labour administration and inspection systems, and courts and tribunals – is needed to achieve the following objectives:

- ▶ ***Safe and healthy workplaces for all.*** The pandemic showed that a safe and healthy working environment is not just a benefit to the individual worker, but also to the organization for which they work, as well as to society at large. OSH systems are most effective when they are coherent, meaning that there exists a solid foundation for all regulatory interventions relating to OSH. Such a system should be developed through tripartite collaboration, with clear duties and rights specified; it should apply to all branches of economic activity and all workers, regardless of their employment status; and it should prioritize prevention by undertaking risk assessments at regular intervals.
- ▶ ***Equality of treatment and other safeguards for all contractual arrangements.*** The legal framework determines whether part-time, temporary, and agency employment, as well as subcontracting, is a source of insecurity and labour market disadvantage or not. Where legal frameworks mandate equal treatment and impose other safeguards, these work arrangements are more likely to be used for the flexibility they provide in organizing production than as a means to lower labour costs. The principle of equal treatment implies that workers in these arrangements receive the same rights as those accorded to comparable full-time or bilaterally employed workers, with wages and social benefits equivalent, though proportional, to hours of work. Because of higher OSH risks in

hazardous work, some countries restrict the use of private employment agencies and subcontracting in specific occupations or branches of economic activity.

- ▶ **Safe and predictable working hours.** Working hours are closely related to job quality, with too few, too many and erratic hours each generating specific problems. Given the detrimental impacts on workers' health and safety of working excessive hours, countries should strive to reduce working hours through regulation, including collective bargaining. As the self-employed are not covered by working time regulation, additional policy interventions are needed to address the low levels of productivity and low incomes that lead to lengthened working hours.
- ▶ **Wage policies that support the valuation of key work.** Two labour institutions can lessen the wage gap between key and non-key employees and ensure that the wages of key workers better reflect their social contribution:
  - ▶ **Collective bargaining.** The key worker pay gap is smaller where collective bargaining systems are inclusive and widespread. Collective bargaining systems should be strengthened and their scope made more inclusive, thus allowing a broader population of employees to benefit from collective bargaining agreements.
  - ▶ **Statutory minimum wages** are another effective instrument for addressing the undervaluation of key work, given that key workers are over-represented at the bottom of the wage distribution. A first means of redressing their lower earnings is to ensure that all workers are covered by the minimum wage – agricultural and domestic work are sometimes excluded, for example. When setting minimum wages, governments and social partners should be mindful of the social contribution of key workers. Finally, compliance with minimum wages should be improved through stricter enforcement.
- ▶ **Extending social protection for a resilient workforce.** The COVID-19 pandemic made clear the importance of access to adequate social protection, especially paid sick leave and sickness benefits. Countries should adapt legal frameworks so that all workers, regardless of their employment status and contractual arrangement, are covered by social protection. Tailoring payment schedules and contribution levels to the circumstances of self-employed, part-time and temporary workers makes social protection systems more inclusive.
- ▶ **Training for an adaptive and responsive key workforce.** Training is a means of preparing workers for the tasks they perform, so that they can carry out their work effectively and safely, and for preparing workers for crisis situations. Training cannot be the sole responsibility of the worker; effective training systems require the active involvement of both workers' and employers' organizations, in addition to governments.



- ▶ *Turning law into practice through compliance and enforcement.* Policies, systems and programmes designed to promote labour, OSH, and social security laws, are undermined if adequate enforcement systems are not in place. Inspectors should be given wide evidence-gathering and enforcement powers, including to prohibit activities and order improvements or, if necessary, close facilities. Broad enforcement powers can more effectively address OSH hazards or labour violations.

## Sectoral investments support key workers and enterprises

Investments in physical and social infrastructure in key sectors are a necessary condition for improving working conditions and strengthening business continuity. Such investments lay the foundation for creating resilient economies and societies with the capacity to withstand, adapt to and transform in the face of shocks and crises.

- ▶ *Investing in health and long-term care.* The negative effects of infectious diseases and associated health crises can be mitigated if health systems are well-resourced and adequately staffed. Unfortunately, shortfalls in access to adequate health-care and health expenditures plague many parts of the world, especially low- and middle-income countries, which have the lowest service coverage rates and the highest shares of out-of-pocket expenditures. Adequate investments in health and long-term care are costly but pay off. The ILO estimates that increased spending to meet the United Nations Sustainable Development Goal targets on health would generate 173 million jobs. While the funding gaps in low-income countries are most acute, not addressing them is even more costly: during the 2014–16 Ebola pandemic, for example, international aid to combat the pandemic was greater than the sum required to establish universal healthcare in the most affected countries.
- ▶ *Investing in resilient food systems.* Recent crises have increased the vulnerability of food supply chains, affecting the availability and affordability of food, as well as the livelihoods of those in agricultural work. Agricultural workers are highly susceptible to income fluctuations, because of seasonality in production and the worsening of climate risks, but also because of food price volatility, which has increased since 2005. Counterbalancing measures include minimum guaranteed prices and insurance systems, including tailored actions to promote take-up by farmers. There is a need to adopt and strengthen insurance mechanisms, including social protection, while considering the specificities of this sector, such as a high prevalence of self-employment and contributing family work. Infrastructure investments would further support the productivity and sustainability of food systems. In addition to general investments in road, electrical, telecommunications and other infrastructure in rural areas, the private sector and governments have an important role to play in investing in midstream segments of food systems chains, such as processing, storage, and transport, which can increase access to markets and improve productivity.

- ▶ *Investing in sustainable enterprises.* Eighty-five per cent of key workers are in the private sector. Ensuring that enterprises have adequate resources and capacities is thus a prerequisite for attaining decent work for key workers, as well as for reinforcing the capacity of economies to maintain the delivery of key products and services during a crisis. During the COVID-19 pandemic, micro and small businesses, which are often informal, suffered due to their limited financial and human resources and access to credit and government support. These enterprises should be supported in transitioning to formalization. Strengthened investments in infrastructure, human resources and innovation are additional enabling factors that can improve productivity. Given the increasing risk of crises, enterprises should be included as active participants in government disaster management planning, as well as in the design of their own or their sectors' business continuity plans.

## Social dialogue is needed to build resilience

Just as markets do not internalize environmental externalities, markets on their own have not been internalizing the fundamental economic and social contribution of key work. A deliberate process of shared assessment and planning through social dialogue is needed to strengthen the institutions of work and increase investment in key sectors in order to address underlying resilience risks within them. These strategic resilience dialogues could be organized at the national level as well as within specific sectors.

Governments and employers' and workers' organizations would benefit from coming together to institute an actionable road map for identifying and addressing specific deficits that can impede the delivery of key goods and services, whether in good times or bad. Like an insurance policy, such a strategy would more than pay for itself when the next crisis hits. This is one of the most important policy lessons to be drawn from the COVID-19 pandemic.

## Advancing social justice, promoting decent work

The International Labour Organization is the United Nations agency for the world of work. We bring together governments, employers and workers to drive a human-centred approach to the future of work through employment creation, rights at work, social protection and social dialogue.



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