

**SDG DECADE OF ACTION**  
TRADE UNION POLICY RESPONSES

**EXECUTIVE  
SUMMARY**

# **SDGs FOR RECOVERY AND RESILIENCE**

## **CASE STUDIES: PAKISTAN AND NEPAL**

**# TIME FOR** 

**THE CLOCK IS TICKING  
FOR A NEW SOCIAL CONTRACT**



## THE SDGs FOR RECOVERY AND RESILIENCE CASE STUDIES: PAKISTAN AND NEPAL

As the world moves into the third year of living with Covid-19, Asia-Pacific is still reeling from the pandemic. Inequality within and between countries has grown. Gross Domestic Product (GDP) in the region fell from 5 per cent in 2019 to -0.7 per cent in 2020, according to the Asian Development Bank, while the International Monetary Fund (IMF) estimates that Covid-19 pushed 148 million Asians into poverty between 2020 and 2021.

### SOCIO-ECONOMIC IMPACT OF COVID-19 IN ASIA-PACIFIC

According to International Labour Organization (ILO) data, the region recorded net employment losses of approximately 58 million at the end of 2021. The most vulnerable workers – women, young workers, informal workers and migrant workers among them – have been hardest hit by the fall-out from the pandemic, and labour rights violations are on the rise. Goal 8 on decent work and economic growth has a pivotal role to play, not only in relation to the other Sustainable Development Goals (SDGs) and the 2030 Agenda, but in ensuring a people-centred recovery and resilience. Data from the 2022 International Trade Union Confederation's (ITUC) Global Monitor on SDG 8 shows that the Asia-Pacific region is performing below the world average of 100, with an overall score of 95.57. The situation regarding labour rights is particularly alarming, with 21 out of the 25 countries ranking below the world average. In addition, three countries of the region – Bangladesh, Myanmar, and The Philippines – are listed among the 10 worst countries for workers in the ITUC Global Rights Index 2022. If the Asia-Pacific region is to realise the 2030 Agenda it will need to shore up SDG 8 and its targets on jobs, workers' rights, decent work, social protection, inclusive growth and environmental preservation.

### CASE STUDY: PAKISTAN

Prior to the onset of Covid-19, Pakistan was hit by a volley of crises, including a heavy foreign debt burden, a current account deficit and a crippling energy shortfall. The global pandemic only worsened Pakistan's domestic situation. Some 27.6 million workers were negatively impacted, with 20.6 million people unable to work due to lockdown measures. With a score of 83.38 on the 2022 ITUC Global Monitor on SDG 8, Pakistan is down from 90.05 in 2019. By all indicators, Pakistan has performed poorly, particularly around labour rights, where it has one of the lowest scores in the world. In an attempt to counter the economic and social upheaval caused by the pandemic, Pakistan introduced a number of measures, including a one-time emergency cash assistance programme called Ehsaas, which disbursed PKR 179 billion (USD 1.1 billion) to over 14.8 million households. This was bolstered by other schemes to help low-income and daily-wage workers and consumers (via assistance with food, fuel and energy bills), as well as a micro health insurance scheme for Pakistan's poorest families. In addition, investments were made in digital technologies and the care economy, and measures to support small and medium enterprises (SMEs) and to protect and create jobs were introduced. However, the government not only failed to align its recovery and resilience plans with the SDGs, most notably SDG 8, it also failed to consult the trade unions, for example with the Ehsaas scheme, or the 2020 decision to issue a moratorium on coal-based energy. This has led to poorly targeted interventions, as evidenced in skills development and job creation efforts which fail to address the concerns of the most vulnerable segments of the workforce, and completely overlook commitments to decent work, the provision of labour rights or workplace safety. Trade unions have also spoken out against the lack of workers' representation on the advisory bodies and committees related to climate, the environment and the green economy, and are calling for a more robust response to galloping inflation in the country.

## CASE STUDY: NEPAL

Nepal's internationally renowned poverty alleviation strategy suffered a serious blow from Covid-19. GDP growth went down from 6.7 per cent in 2019 to -2.4 per cent in 2020, the first downturn in three decades. Even now, growth remains subdued. Some 31.5 per cent of all workers lost their jobs and 74 per cent did not get paid during the 2020 lockdown. The multi-faceted impacts of the pandemic on women are particularly noticeable, not only in the form of more job losses and greater loss of income, but women also experienced an increase in care responsibilities at home, combined with an uptick in gender-based violence. Nepal managed to preserve some of its pre-Covid gains with the implementation of targeted fiscal and monetary interventions such as food distribution to vulnerable households, free healthcare for anyone who tested positive for Covid-19, NPR 5838.7 billion (USD 48.3 billion) of social security allowances distributed to over three million people, and relief to poor households in the form of transport fee waivers and tax deferrals. As a result, the 2022 ITUC SDG 8 Global Monitor ranks Nepal's score as 99.01, slightly below the world average of 100, but comparatively better than other South Asian countries. Trade unions had limited engagement in tripartite social dialogue during the pandemic and major national centres have expressed their disappointment at being excluded from recovery and resilience planning. As with Pakistan, this has resulted in major policy gaps, especially in relation to help for the most vulnerable workers, such as informal workers, rural workers, home-based workers, domestic workers and migrant workers, all of which are excluded from social security provisions. Unions are particularly concerned about the working conditions, wages, social protection and work contracts available to Nepalese migrant workers in destination countries; during the pandemic some 1.3 million Nepalese workers living abroad wanted to return home because they lacked protection from exploitation and discrimination.

## CONCLUSIONS AND RECOMMENDATIONS

**FOR GOVERNMENTS:** Despite decades of impressive economic growth, decent work deficits were endemic in the Asia-Pacific region even before the Covid-19 pandemic. Using the SDGs, particularly SDG 8, as a guide, governments in the region now have an opportunity to ensure a sustainable recovery for all based on a New Social Contract with SDG 8 at its core, including the guarantee of fundamental labour rights; minimum living wages and equal pay; climate-friendly jobs with just transitions, bolstered by investments in innovation and new technologies, as well as training and reskilling; investment in the care economy; the strengthening of women's participation in a labour market free from violence and harassment; and the establishment of universal social protection floors, the strengthening of existing social protection systems in line with ILO Convention 102 and ILO Recommendation 202, and improved access to, and investment in, health care. All of this must be underpinned by a genuine commitment to social dialogue.

**FOR INTERNATIONAL COOPERATION DONORS:** Official Development Assistance (ODA) support will be crucial to achieving this. Decent work should not only be at the heart of development cooperation, but it should be consistent with international labour standards. Just transitions to sustainable economies will create more and better jobs, and will be central to efforts to eradicate poverty. Climate finance must involve workers and trade unions as well as affected communities to ensure collective solutions to the climate emergency. By focusing on SDG 8, donors can help bring the four pillars of the Decent Work Agenda – social dialogue, social protection, rights at work and employment – to life, which must be at the centre of policies for strong, sustainable and inclusive growth. Given the vital importance of social protection to this goal, donors should increase funding in this area to reach at least 7 per cent of their ODA by 2030 and 14 per cent beyond. A Global Social Protection Fund to facilitate the building of social protection floors in the countries most in need of funding and technical support must be put in place. Finally, the rights-based digitalisation of economies, the promotion of decent youth employment, and the inclusion of informal economy workers and those in new work arrangements (including platform and gig economy workers) are key objectives. Development cooperation support will need to be coupled with broader development finance policies – such as domestic resource mobilisation through progressive taxation and international coordination to tackle tax evasion, tax avoidance and illicit financial flows – to create the fiscal space to implement an SDG 8-led recovery and resilience.

# NEW SOCIAL CONTRACT: Six workers' demands for recovery and resilience

- 1. Creation of decent and climate-friendly jobs with Just Transition.** Job-creating industrial transformation to achieve net-zero carbon emissions, along with decent jobs in health, care, education and other quality public services.
- 2. Rights for all workers,** regardless of their employment arrangements, to fulfill the promise of the ILO Centenary Declaration with its labour protection floor including rights, maximum working hours, living minimum wages and health and safety at work.
- 3. Minimum living wages and equal pay policies** by enforcing statutory minimum wages that guarantee dignity for all workers and their families, and putting forwards equal pay policies to guarantee equal pay for work of equal value.
- 4. Universal social protection,** including the establishment of a Social Protection Fund for the least wealthy countries.
- 5. Equality. Ending all discrimination,** such as by race or gender, through inclusive labour market policies, redistributive public policies and collective bargaining.
- 6. Inclusion.** Ensuring a truly inclusive multilateral system, engaged in redressing the current imbalance of power and wealth, and where developing countries have the policy space to define their developmental models and use social dialogue as a key means of implementation of the 2030 Agenda.

The full report can be found at:

<https://www.ituc-csi.org/sdgs-for-recovery-and-resilience-in-asia-pacific-2022>



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