

The global crisis: Causes, responses and challenges

ILO, 07 September 2011

The following is the preface written by ILO's Director General Juan Somavia to the recently published report entitled ["The global crisis: Causes, responses and challenges"](#). This important collection of essays brings together the main findings of ILO research since the start of the global financial and economic crisis in 2008. With contributions from diverse research disciplines, the volume provides new perspectives on employment and income-led growth and the role of regulation, and makes policy recommendations for the future.

A key lesson from the global financial and economic crisis is that policies for economic growth which have prevailed over the past three decades need a rethink. For one thing, even before the crisis, economic growth was not creating enough decent work opportunities. The global employment rate did not increase despite high economic growth. The vast majority of jobs were precarious or informal and did not offer adequate opportunities for women and men to realise their legitimate aspirations. In many countries, young women and men experience great difficulties in securing a job, and when they do, it is often low skilled. Access to social protection has improved only slowly, even in countries with high economic growth. And the application of fundamental principles and rights at work has remained uneven.



These trends have led to a significant widening of income inequalities, unprecedented in recent economic history. They also went hand in hand with significant environment degradation. In short, economic growth has not enabled the majority of people to move on in life.

Another lesson from the crisis is that growth was unsustainable from the point of view of the economy itself. The crisis erupted in the financial system. It revealed that growth relied on weak foundations: too much recourse to debt in some countries, excessive reliance on exports in others.



Interestingly, in order to tackle the crisis, policy makers moved away from the conventional approach. Jobs were protected in sustainable enterprises, social policy was used to boost domestic demand, and an effort was made to avoid cuts in wages and rights. Rather than applying one-size-fits-all policies, many countries – especially emerging and developing ones – acquired self-assurance and tailored crisis responses to their specific needs. This policy approach, consistent with the [ILO Global Jobs Pact](#), was instrumental in stimulating the economy and reducing job losses.

Many challenges lie ahead, however. There is a risk of a return to business as usual. The financial system remains largely unreformed. Unemployment and job precariousness decline slowly, especially among youth, even though the economy is growing again. A growth-cum-inequalities path is in motion once again, with unpredictable social and political consequences. And new risks have emerged, notably as a result of the sovereign debt crisis in some European countries.

[“The global crisis: Causes, responses and challenges”](#), which assembles ILO staff research carried out since the start of the global crisis, provides key insights into policies that have worked and the challenges ahead. The volume assembles valuable ILO research further consolidating the knowledge base required for the forging of policies based on ILO values. Let us build a new era of social justice with decent work.

Further resources

ILO Publications

- ILO. 2011. [The Global Crisis. Causes, responses and challenges](#) (pdf 3.38 MB) (Geneva)
- ILO. 2011. [Global employment trends 2011: the challenge of a jobs recovery](#) (pdf 2.27 MB) (Geneva).
- ILO. 2010. *Don't waste the crisis : critical perspectives for a new economic model* (Geneva).
- ILO. 2010. [Employment and social protection policies from crisis to recovery and beyond: a review of experience, an ILO report to the G20 Labour and Employment Ministers Meeting, Washington, DC, 20–21 April 2010](#) (pdf 819 KB) (Geneva)
- ILO. 2010. [Employment policies for social justice and a fair globalization, Report VI, International Labour Conference, 99th Session, Geneva, 2010](#) (pdf 1.55 MB) (Geneva).

- ILO. 2010. [*Youth employment in crisis: Questions and answers on the situation of youth on the labour market*](#) (Geneva)
 - [Español \(pdf 691 KB\)](#)
- ILO. 2009. [*ILO Declaration on Social Justice for a Fair Globalization*](#) (pdf 134.87 KB) (Geneva).
 - [Français \(pdf 1.59 MB\)](#) • [Español \(pdf 144.50 KB\)](#)
- ILO. 2009. [*Labour market policies in times of crisis*](#) (pdf 699 KB) (Geneva).
- ILO. 2009. [*Recovering from the crisis : a global jobs pact*](#) (pdf 93.22 KB) (Geneva)
 - [Français \(pdf 105.47 KB\)](#) • [Español \(pdf 107.50 KB\)](#)
- ILO. 2004. [*A fair globalization : creating opportunities for all*](#) (pdf 2 MB) (Geneva).
 - [Français \(pdf 2.25 MB\)](#) • [Español \(pdf 1.18 MB\)](#)

ILO Videos

- [ILO Director General Somavia: Global Jobs Pact key to a job-rich recovery](#) - 
- [Global Employment Trends for 2011: BBC World Interviews ILO's Theodoor Sparreboom](#) - 
- [Global Employment Trends 2011: Weak Jobs Recovery to Continue](#) - 

ILO Websites

- [Global Jobs Pact](#)
- [Decent Work](#)
- [ILO Global Job Crisis Observatory: Fair globalization](#)
- [ILO Global Job Crisis Observatory: Social Dialogue](#)
- [ILO Global Job Crisis Observatory: Employment Promotion](#)