

Seizing the benefits of trade for employment and growth

International Labour Office, 16 November 2010

This feature article is the executive summary of the joint OECD, ILO, World Bank and WTO report [Seizing the benefits of trade for employment and growth \(pdf 726 KB\)](#), published on the occasion of the G20 Summit held in Seoul on the 11th and 12th November 2010.

Countries that have embraced openness have been more successful in sustaining growth and moving up the development ladder than those that have not. The available evidence highlights that trade openness will contribute to growth and employment, provided that it is complemented by appropriate policies.

Trade facilitates technological progress and the global spread of innovation. These deeper economic forces are the primary source of longer-term gains in productivity that are necessary to achieve higher levels of per capita income.

National governments have an important role to play in maximizing the contribution that trade can make to ensuring sustainable, balanced, and inclusive growth. Properly designed economic, labour market, education and social policies can serve to enhance the opportunities available to those who stand to gain from trade opening to actually do so and to help those who are displaced to develop new skills and find new opportunities.



International institutions can play a supportive role by clarifying how trade, labour market, education and social policies interact and thereby contribute to coherent policy design and the realization of desired outcomes. Related technical and financial assistance can help countries to achieve a smooth adjustment process as well as to take full advantage of new opportunities from a more open world market

The recent crisis demonstrated that open economies not only benefit from global growth opportunities, but also suffer from exposure to external shocks. Established social protection systems and "emergency" social safety nets help affected individuals to manage such shocks. Even as government expenditures are reduced in the aftermath of the crisis, these social protection systems remain vital to assist those most seriously affected to adjust and adapt.

Forward movement on trade and investment opening, combined with support for the most vulnerable, are key elements of a sustainable recovery path. The G-20 countries

demonstrated their willingness to act collectively to prevent a wave of protectionism during the crisis, and thus to preserve progress already made towards more open global markets. That same willingness can now be directed towards achieving even greater openness, doing so in a way that expands employment in competitive firms and raises real wages while assisting those who must adjust. A concerted program of trade and investment liberalisation – starting with a renewed focus on concluding the Doha Development Agenda expeditiously – can provide a non-debt-creating source of stimulus for the world as a whole, while at the same time helping to achieve a more balanced global economy.



Further resources

ILO Publications

- Cazes, S.; Verick, S.; Heuer, C. 2009. [*Labour market policies in times of crisis* \(pdf 699 KB\)](#) (Geneva, ILO).
- ILO. 2010. [*Accelerating a job-rich recovery in G20 countries: building on experience* \(pdf 541 KB\)](#), An ILO report with substantive contributions from the OECD to the G20 Labour and Employment Ministers Meeting, Washington D.C. April 2010. (Geneva). • [Français \(pdf 561 KB\)](#) • [Español \(pdf 597 KB\)](#)
- ILO. 2010. [*Employment and social protection policies from crisis to recovery and beyond: a review of experience* \(pdf 819 KB\)](#), an ILO report to the G20 Labour and Employment Ministers Meeting, Washington, DC, 20–21 April 2010 (Geneva).
- ILO. 2010. [*Employment policies for social justice and a fair globalization* \(pdf 1.55 MB\)](#), Report VI, International Labour Conference, 99th Session, Geneva, 2010 (Geneva).
- ILO. 2010. [*Global Employment Trends - January 2010* \(pdf 11.33 MB\)](#) (Geneva).
- ILO. 2010. [*Trade and Employment in the Global Crisis* \(pdf 1.96 MB\)](#), Jansen, M., von Uexkull, E. (eds), Geneva, 2010. Executive Summary: • [Français \(pdf 196 KB\)](#) • [Español \(pdf 212 KB\)](#)
- ILO. 2010. [*Weak employment recovery with persistent high unemployment and decent work deficits - An update on employment and labour market trends in G20 countries* \(pdf 1.59 MB\)](#) (Geneva). • [Français \(pdf 243 KB\)](#) • [Español \(pdf 242 KB\)](#)
- ILO. 2010. [*World of Work Report 2010: From one crisis to the next?* \(pdf 8 MB\)](#) (Geneva). Executive Summary: • [Français \(pdf 75 KB\)](#) • [Español \(pdf 60 KB\)](#)
- ILO. 2010. [*World Social Security Report 2010-2011: Providing coverage in times of crisis and beyond* \(pdf 6299 KB\)](#) (Geneva).

- ILO. 2009. [Recovering from the crisis: a global jobs pact](#) (pdf 93 KB) (Geneva).
 - [Français](#) (pdf 105 KB) • [Español](#) (pdf 108 KB)
- ILO. 2009. [Social Security for All - Investing in social justice and economic development](#) (pdf 458 KB) (Geneva).
 - [Français](#) (pdf 560 KB) • [Español](#) (pdf 521 KB)
- ILO. 2008. [Setting Social Security Standards in a Global Society - An analysis of present state and practice and of future options for global social security standard setting in the International Labour Organization](#) (pdf 633 KB) (Geneva).
 - [Français](#) (pdf 688 KB) • [Español](#) (pdf 683 KB)
- ILO; IMF. 2010. [The Challenges of Growth, Employment and Social Cohesion](#) (pdf 1.99 MB), Discussion document, Joint ILO-IMF conference in cooperation with the office of the Prime Minister of Norway, Oslo, 13 Sep.
- ILO; WHO. 2010. [Social protection floor initiative: the sixth initiative of the CEB on the global financial and economic crisis and its impact on the work of the UN system: manual and strategic framework for joint UN country operations developed by the group of co-operating agencies and development partners](#) (pdf 306 KB) (Geneva).

Other Feature Stories

- [ILO warns of new threats to global economic and jobs recovery from debt crisis and financial instability](#)
- [Social Protection Floor For All: An Interview with Her Excellency, Michelle Bachelet](#) 
- [Trade and employment in the global crisis: Lessons for the future](#)

ILO Events

- [Joint ILO-IMF Conference: The Challenges of Growth, Employment and Social Cohesion](#)

ILO Videos

- [Marion Jansen on Trade and Employment in the Global Crisis](#) 
- [Panel Discussion: The Global Jobs Pact and Macroeconomic Policy](#) 

ILO Websites

- [Employment promotion](#)
- [Global Job Crisis Observatory: Employment Promotion](#)
- [Global Job Crisis Observatory: Fair Globalization](#)
- [Global Job Crisis Observatory: National Recovery Policies](#)
- [Global Job Crisis Observatory: Social Security](#)
- [Global Jobs Pact](#)

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- [Joint ILO-GTFA conference - Globalization and Employment: Global Shocks, Structural Change and Policy Response](#)
- [Social protection floor advisory group](#)
- [Trade and employment](#)
- [What is the 'UN CEB Social Protection Floor'?](#)