

The Uneven Road to Recovery: A First Semester 2010 Overview

Sectoral Activities Department, 30 November 2010

This Feature Article presents the major findings in the report [Jobs Recovery: Sectoral coverage - A Global Overview of Employment Trends and Working Conditions by Economic Activity \(pdf 2.26 MB\)](#), developed by the [Sectoral Activities Department](#) of the ILO.

Introduction

In 2010 the global economy entered into a new stage: divergence and volatility in a number of labour markets have significantly increased, and uncertainty over the stability of the recovery remains high. Understanding the underlying causes behind these patterns, and identifying some of the emerging policy challenges for different sectors is important. In this context, the ILO has published a new working paper which provides a global comparative picture of the performance of 13 economic activities and 51 developed and developing countries (for which 2010 data is available) which highlights the activities that are contributing to the jobs recovery as well as those where progress is slow or stagnant.

The major findings reviewed in the working paper are:

The pace of recovery is slower than what is required to restore the millions of jobs lost since the onset of the crisis

- Despite stronger activity reported through the first quarter of 2010, the pace of the economic recovery appears to have slowed globally in recent months. GDP growth in the second quarter was moderate both in developed and vigorous emerging economies notably in the U.S, the Euro Area, Japan, China, South Africa, and Brazil.



- Emerging and export-oriented economies in Asia, Latin America and Africa continue to lead the recovery in the first half of 2010. Supported by domestic demand, improvements in inventory cycles, trade and commodity prices. The role of these economies for the recovery has increased substantially as they contribute nearly half of global growth.

Jobs in advanced economies are generally subdued in a number of sectors, whereas in emerging and developing economies the recovery seems to be progressing more rapidly

- Employment expanded slowly in the first semester of 2010 across sectors. Globally, manufacturing and construction continued to lose, on aggregate, the largest number of jobs in the first half of 2010, albeit at a slower pace. Nearly 3.0 and 2.2 million jobs were lost in these sectors, respectively, in the first quarter of 2010 (year-on-year) whereas in the second quarter of 2010 (year-on-year) the fall was greater in construction (1.4 million) than in manufacturing (1.1 million). Manufacturing labour markets remain troubled particularly in Europe.



- The pace of job losses also declined in wholesale & retail trade (-0.8 per cent) and in transportation, storage & communications (-0.6 per cent) in the second quarter of 2010 (year-on-year), signalling that the recovery is slowly progressing in these sectors and that they remain highly dependent on the volatility observed both in domestic and export markets in the first half of the year.

- Volatility also persists in financial intermediation. After early signs of recovery in the first half of 2009, employment levels fell unexpectedly in the third quarter of 2009 and have been rising and falling quarter-to-quarter since then, confirming that the industry is still undergoing some restructuring, particularly in the U.K. and the U.S.

- Agriculture remained resilient across regions in the first semester of 2010 compared to 2009 with some volatility observed globally, in the first quarter of 2010 (-1.1 per cent) (year-on-year). The effects of the El Niño phenomenon in a number of Asian economies seem to be driving these trends. Employment levels in this region declined 5.9 per cent in the first quarter of 2010 (year-on-year).



- The recovery seems to be continuing in hotels & restaurants and in real estate, renting & business services. Employment levels in these sectors rose 1.5 and 1.1 per cent respectively in the second quarter of 2010 compared to 2009. The activity in the tourism sector is more solid in the Asian and Pacific, as well as, in the Latin American regions.

- Employment levels in education, health and public administration remained positive in the first semester of 2010, in spite of announced austerity measures in a number of developed economies. The health sector has by far been the most active in adding jobs during the economic slowdown. Almost 2.8 million jobs were added in the first quarter of



2010 compared to the same period in 2008. This trend remained in the first semester of 2010.

- Labour markets continued to adjust across sectors in the first semester of 2010 not only through changes in employment levels, but also in hours of work. After falling consecutively throughout 2009, hours of work began to resume in the first and second quarters of 2010 (year-on-year) in almost all the sectors with the exception of agriculture, forestry & fishing.

The rapidly changing environment suggests that the recovery will continue across economies and sectors over the remainder of 2010, albeit at an uneven and moderate pace

- In the first half of 2010 concerns have increased over the weak private consumption in developed economies and the uncertainty of the impact of fiscal consolidation plans in determining the length of the recovery in the short term. Similarly, there are early signs of a job-less recovery in certain sectors where the economic slowdown may have been resulted in a more permanent reduction of employment. This seems to be the case of manufacturing. The shape and strength of the recovery is likely to depend on how this trend will evolve in the long-term.
- Overall, the labour market outlook for the next half of 2010 remains uncertain across sectors. Employers surveyed by Manpower in 36 countries worldwide expect that hiring will improve in 32 out of 36 countries in the fourth quarter of 2010 (year-on year). However, the hiring expectation falls to 14 countries out of 36 when responses are analyzed on a quarterly basis. Employers' expectations are more positive in the Americas and in the Asian Pacific regions than in Europe and in the Middle East & African regions.


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 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 situation by economic activity in selected countries, first semester 2010*](#) (pdf 662 KB) (Geneva).
- ILO. 2010. [*Global Employment Trends \(January 2010\)*](#) (pdf 11.6 MB) (Geneva).
- ILO. 2010. [*Global Employment Trends for Youth - August 2010*](#) (pdf 3.22 MB) (Geneva)
- ILO. 2010. [*G20 Jobs Recovery: Sectoral Coverage - The Uneven Road to Recovery: A First Semester 2010 Overview*](#) (pdf 323 KB) (Geneva).
- ILO. 2010. [*Jobs Recovery: Sectoral Coverage - The Uneven Road to Recovery: A First Semester 2010 Overview \(Highlights\)*](#) (pdf 114 KB) (Geneva).
- ILO. 2010. [*Jobs Recovery: Sectoral coverage - A Global Overview of Employment Trends and Working Conditions by Economic Activity*](#) (pdf 2.26 MB) (Geneva).
- ILO. 2010. [*Recovery and growth with decent work*](#) (pdf 542 KB), Report of the Director-General, Report I(C), International Labour Conference, 99th Session, Geneva, 2010 (Geneva).
 - [Français](#) (pdf 923 KB) • [Español](#) (pdf 761 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; 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. 2009. [*Recovering from the crisis: a global jobs pact*](#) (pdf 93 KB) (Geneva).
 - [Français](#) (pdf 105 KB) • [Español](#) (pdf 108 KB)

Other Feature Stories

- [Challenges of Growth, Employment and Social Cohesion](#)
- [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 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: National Recovery Policies](#)
- [Global Jobs Pact](#)

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- [Global Statistics on the Labour Market](#)
- [ILO and IMF Conference in Oslo to address ways of accelerating a job-rich crisis recovery](#)
- [Joint ILO-GTFA conference - Globalization and Employment: Global Shocks, Structural Change and Policy Response](#)
- [Sectoral activities at the ILO](#)
- [Trade and employment](#)