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Promoting a recovery focused on jobs

Juan Somavia, ILO Director General, 11 January 2011

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Introduction

The global financial crisis has led to the highest level of unemployment ever recorded – 210 million people. This has sharpened prior international concern about the failure of the global economy to generate enough decent work opportunities in all countries.

Unfortunately, official unemployment is only the tip of the iceberg. Millions are working in poverty. Many women and men are working part-time when they want a full-time job. Many are simply too discouraged to keep on looking for work. Half of the global work force is in different forms of vulnerable employment. And four out of five have no access to basic social protection.



We also have around 45 million young people entering the labour market each year. Our 2010 report on [Global Employment Trends for Youth](#) says that of some 620 million economically active youth aged 15 to 24 years, 81 million were unemployed at the end of 2009 -- the highest number ever. This is 7.8 million more than the global number in 2007.

The youth unemployment rate increased from 11.9 percent in 2007 to 13.0 percent in 2009.

The report rightly warns of the "risk of a crisis legacy of a 'lost generation' comprised of young people who have dropped out of the labour market, having lost all hope of being able to work for a decent living".

Despite this grim scenario, mostly coming from an imbalanced globalization that was moving in the wrong direction, we are now seeing signs of a fragile recovery. But for millions of people and enterprises around the world, the crisis is far from over. We must concentrate on a jobs-centred growth strategy as our number one priority. If we don't, the economic recovery may take years to reach those who need it most, or it may not reach them at all.

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Connecting policies to the real economy

We cannot let that happen. We must connect our policies with the real economy, people's legitimate aspirations for a fair chance at a decent job.

That's why we have organized the [ILO/IMF Conference](#) in Oslo last September. The Conference brought together the Managing-Director of the IMF, Dominique Strauss-Kahn, the Director-General of the ILO, Juan Somavia, and a group of world leaders, senior representatives of employers' and workers' organizations, and members of the academia. To address immediate concerns, but also to help build the kind of future we need. To redress past imbalances so we can have sustainable, balanced and above all, inclusive growth.



The Conference was significant because it took place at a time when the economic recovery is not translating into job creation. Governments, but also workers and enterprises all around the world, are asking what can be done to reduce the human cost of the jobs crisis.

It was also significant because we heard first-hand from the leaders of three countries – Greece, Spain and Liberia – that have been severely hit by the crisis and that are employing courageous and innovative measures to tackle its effects. But it was especially important because it was the first time in 66 years that the ILO and IMF have taken off their blinkers to see how they can best work together to solve very complex problems.

The main message was that employment creation needs to be at the heart of the economic recovery. In fact, it was generally agreed that full-employment should become a key macroeconomic objective alongside low inflation and sound fiscal accounts.

Another very important – and related – conclusion was the need to stop treating employment and social policies as separate from macroeconomic issues. The global economy is a lot more complex than that. We need better, deeper coordination between policies, as well as enhanced coordination between institutions and nations. This Conference marked an important step in that direction.

As a result of this Conference, the ILO and the IMF have agreed to work together on two specific areas. First, we will explore the idea of a minimum [social protection floor](#) for the most vulnerable in all countries. This is a concept the UN as a whole and the ILO in particular have been working on. The idea now is to bring in the fiscal expertise of the IMF to the equation. Second, we will focus more, and work more closely together on, policies to create employment-rich growth.



There was also a general agreement that social dialogue plays a key role in times of crises, both as a ways of building

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consensus around difficult issues and of ensuring that the social consequences of the crisis and its aftermath are taken fully into account. Finally, both institutions will continue and deepen their cooperation in support of the G20 and its Mutual Assessment Process aimed at ensuring strong, sustained and balanced global growth.

What's next after the ILO-IMF conference in Oslo?

Though the IMF and the ILO have different mandates and policy tools, we have come together to tackle the challenges of growth, employment and social cohesion.

This is a process that started when IMF Managing Director Dominique Strauss-Kahn visited the ILO Governing Body in March 2009 and that continued in the weeks and months ahead as we took part in the Millennium Development Goals Summit in New York and the November [G20 meeting in Seoul](#).

The Managing Director has also agreed to address the International Labour Conference next year. But the most importantly, this Conference has shown us the need to start working more closely together on issues that are far too complex to be looked at through only one lens.

We must deal with rising inequalities, a growing informal economy, job-weak growth patterns, productivity gains with stagnant wages, absence of basic social protection, and many other shortcomings. Our meeting in Oslo has helped to define the steps that must be taken to bring millions back into the labour force. Tackling the jobs crisis is not only key to a meaningful global economic recovery, but also for social cohesion and peace.”



The ILO's [Decent Work Agenda](#) is a source of personal dignity. Stability of family and households. Peace in the community. Trust in government and business and overall credibility of the institutions that govern our societies. Labour is much more than just a cost of production. This simple aspiration to have a fair chance at a decent job is at the top of the political agenda, on top of opinion surveys.

The challenge now is to maintain the momentum created by the Oslo conference. The recent G 20 Summit in Seoul confirmed that creating quality jobs must be at the heart of global economic recovery. I urge the G20 to implement this commitment and pledge the ILO's full cooperation.

Fairness must be the compass guiding us out of the crisis. People can understand and accept difficult choices, if they perceive that all share in the burden of pain. Governments should not have to choose between the demands of financial markets and the needs of their citizens. Financial and social stability must come together. Otherwise, not only the global economy but also social cohesion will be at risk.

Further resources

ILO Publications




- Cazes, S.; Verick, S.; Heuer, C. 2009. [*Labour market policies in times of crisis* \(pdf 699 KB\)](#) (Geneva, ILO).
- Hyman, R. 2010. [*Social dialogue and industrial relations during the economic crisis: Innovative practices or business as usual?* \(pdf 183 KB\)](#) (Geneva, ILO).
- ILO. 2010. [*Accelerating a job-rich recovery in G20 countries: Building on experience* \(pdf 542 KB\)](#) (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 IV, International Labour Conference, 99th Session, Geneva, 2010 (Geneva).
 - [Français](#) (pdf 1.40 MB) • [Español](#) (pdf 1.66 MB)
- ILO. 2010. [*Global Employment Trends, January 2010* \(pdf 11.33 MB\)](#) (Geneva).
- ILO. 2010. [*Global Wage Report 2010/11. Wage policies in times of crisis* \(pdf 5.14 MB\)](#) (Geneva).
 - [Français](#) (pdf 8.73 MB) • [Español](#) (pdf 10.12 MB)Press Release: • [English](#) • [Français](#) • [Español](#)
- ILO. 2010. [*Promoting employment recovery while meeting fiscal goals* \(pdf 698 KB\)](#) (Geneva).
- ILO. 2010. [*Recovery and growth with decent work: Report of the Director-General* \(pdf 750 KB\)](#), Report I(C), International Labour Conference, 99th Session, Geneva, 2010 (Geneva).
 - [Français](#) (pdf 922 KB) • [Español](#) (pdf 761 KB)
- ILO. 2010. [*Restructuring enterprises through social dialogue and labour-management agreements: Social responsibility practices in times of crisis: briefing note* \(pdf 319 KB\)](#) (Geneva).
- ILO. 2010. [*Social protection floor initiative* \(pdf 688 KB\)](#) (Geneva).
 - [Français](#) (pdf 694 KB) • [Español](#) (pdf 694 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 - The Magazine of the ILO* \(pdf 14 MB\)](#), No. 70,

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December 2010 (Geneva).

- ILO. 2010. [*World social security report 2010/11: providing coverage in times of crisis and beyond*](#) (pdf 6.20 MB) (Geneva).
Executive Summary: • [English \(pdf 204 KB\)](#) • [Français \(pdf 213 KB\)](#) • [Español \(pdf 208 KB\)](#)
Press Release: • [English](#) • [Français](#) • [Español](#)
- ILO. 2009. [*Protecting people, promoting jobs: a survey of country employment and social protection policy responses to the global economic crisis*](#) (pdf 1.05 MB) (Geneva).
- ILO. 2009. [*Recovering from the crisis: A Global Jobs Pact*](#) (pdf 117 KB) (Geneva).
• [Français \(pdf 143 KB\)](#) • [Español \(pdf 86 KB\)](#)
- 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 Videos

- [CNN Interviews ILO Director-General Juan Somavia: Jobs recovery may be at risk](#) - 
- [ILO Director-General Juan Somavia presents his report to the ILO's 99th International Labour Conference](#) - 
- [Marion Jansen on Trade and Employment in the Global Crisis](#) 

ILO Websites

- [Decent work](#)
- [Employment promotion](#)
- [Global Job Crisis Observatory: Employment Promotion](#)
- [Global Job Crisis Observatory: Fair globalization](#)
- [Global Job Crisis Observatory: Social dialogue](#)
- [Global Job Crisis Observatory: Social security](#)
- [Global Jobs Pact](#)
- [Short term indicators of the labour market](#)
- [Millennium Development Goals](#)
- [Social Security](#)
- [Tripartism and social dialogue](#)