

ILO report warns weak jobs recovery to continue through 2011, youth employment a world priority

International Labour Office

With global unemployment, as officially measured, at record highs for the third straight year since the start of the economic crisis, the International Labour Office (ILO) warned in its annual employment trends survey that weak recovery in jobs is likely to continue in 2011, especially in developed economies.



[Global Employment Trends 2011: The challenge of a jobs recovery](#), points to a highly differentiated recovery in labour markets, with persistently high levels of unemployment as well as growing discouragement in developed countries, and with employment growth and continued high levels of vulnerable employment and working poverty in developing regions. These trends stand in stark

contrast to the recovery seen in several key macroeconomic indicators: global GDP, private consumption, investment, and international trade and equity markets have all recovered in 2010, surpassing pre-crisis levels.

“In spite of a highly differentiated recovery in labour markets across the world the tremendous human costs of the recession are still with us” said ILO Director-General Juan Somavia. As the World Economic Forum gets underway in Davos, Mr Somavia highlighted: “There is one common challenge: we need to rethink our standard macroeconomic policy mixes and make quality job creation, decent work, a central target of macroeconomic policies along side high growth, low inflation and balanced public budgets. We must not forget that for people the quality of work defines the quality of a society.”

Despite a sharp rebound in economic growth for many countries, official global unemployment stood at 205 million in 2010, essentially unchanged from 2009, and 27.6 million more than on the eve of the global economic crisis in 2007. The ILO projects a global unemployment rate of 6.1 per cent, equivalent to 203.3 million unemployed, through 2011.

The report shows that 55 per cent of the increase in global unemployment between 2007 and 2010 occurred in the Developed Economies and European Union (EU) region, while the region only accounts for 15 per cent of the world’s labour force. In

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several economies in the developing world, such as Brazil, Kazakhstan, Sri Lanka, Thailand and Uruguay, unemployment rates have actually fallen below their pre-crisis levels.

The report notes that globally, an estimated 1.53 billion workers were in vulnerable employment in 2009, corresponding to a vulnerable employment rate of 50.1 per cent¹. The incidence of vulnerable employment has remained broadly unchanged since 2008, in sharp contrast to the steady and significant average decline in the years preceding the crisis.

The report also finds there were 630 million workers (20.7 per cent of all workers in the world) living with their families at the extreme US\$ 1.25 a day level in 2009. This corresponds to an additional 40 million working poor, 1.6 percentage points higher than projected on the basis of pre-crisis trends.

Worldwide, 78 million young people were unemployed in 2010, well above the pre-crisis level of 73.5 million in 2007, but down from 80 million in 2009. The unemployment rate among youth aged 15-24 stood at 12.6 per cent in 2010, 2.6 times the adult rate of unemployment. However, the ILO also warned that among 56 countries with available data, there were 1.7 million fewer youth in the labour market than expected based on pre-crisis trends, and that such discouraged workers are not counted among the unemployed because they are not actively seeking work.



“Youth employment is a world priority” stated Mr. Somavia. “The weak recovery in decent work reinforces a persistent inability of the world economy to secure a future for all youth. This undermines families, social cohesion and the credibility of policies” he added.

The study points out that the delayed labour market recovery is seen not only in the lag between output growth and employment growth, but also in productivity gains poorly reflected in real wage growth in many countries. “This can threaten future recovery prospects, as there are strong linkages between growth in real wages, consumption and future investments” the report says.

Among other key findings:

- Total global employment in industry declined in 2009, which is a major divergence from the historical annual growth rate of 3.4 per cent over the period from 2002 to 2007. In the Developed Economies and European Union region, employment in industry plummeted by 9.5 million between 2007 and

¹ Workers in vulnerable employment, defined as the sum of own-account workers and contributing family workers, are less likely to have formal work arrangements, and are therefore more likely to lack elements associated with decent employment such as adequate social security and recourse to effective social dialogue mechanisms.

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2009, while in the developing regions industrial employment grew, though at a much reduced pace.

- Global employment in agriculture grew in 2009, which represented a divergence versus historical trends and reflected that the lower-productivity agricultural sector often serves as a buffer for workers who lose jobs in manufacturing and services.
- Increasing food prices around the world represent a growing threat. For non-agricultural sectors, continued sharp increases in food prices could lead to employment losses if inflation is passed on to other areas of the economy.



In South-East Asia and the Pacific, unemployment rates did not increase on average during the crisis, however the number of workers in vulnerable employment rose to 173.7 million in 2009, a 5.4 million increase since 2007. South Asia has the highest rate of vulnerable employment in the world, at 78.5 per cent of total employment in 2009. In East Asia youth unemployment remains a major challenge at 8.3 per cent in 2010, 2.5 times the adult rate.

In Latin America and the Caribbean, the rapid recovery has led to strong job growth; however, vulnerable employment has increased.

In sub-Saharan Africa, more than three-quarters of workers are in vulnerable employment while around four out of five workers are living with their families on less than US\$ 2 per person per day, and in North Africa an alarming 23.6 per cent of economically active young people were unemployed in 2010, according to the report.

In Central and South-Eastern Europe and CIS region unemployment declined to 9.6 per cent, having peaked in 2009 at 10.4 per cent, the highest regional rate in the world².

The report also warns that in developed economies a “narrow” focus on reducing fiscal deficits without addressing the challenge of job creation will further weaken employment prospects in 2011 for the unemployed, for those who have dropped out of the labour force due to discouragement and for the new entrants into the labour market.

The report underlines the importance of measures that can help boost employment generation and jump-start a sustainable jobs recovery, stressing that improved labour market outcomes would support a broader macroeconomic recovery and could help offset the adverse effects of fiscal consolidation.

“Rebalancing the global economy so that growth is both strong and sustainable requires more than adjustments to currencies and financial regimes,” Mr. Somavia

² Please refer to the “key findings” section of the report for a more comprehensive summary of regional trends.

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said. “Promoting entrepreneurship, investments in the real economy, inclusive labour markets and income-led growth are the means to get growth moving while measures to expand social protection and improve the quality of jobs will ensure more sustainable outcomes.” “This is a win win situation for both enterprises and workers while enhancing the credibility of public policies” he added.

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Executive summary: • [English \(pdf 787 KB\)](#)

Further resources

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ILO Videos

[As Economies Recover What About Jobs in the Developing World? An Interview with Theodoor Sparreboom](#) - 

[Global Employment Trends for 2011: BBC World Interviews ILO's Theodoor Sparreboom](#) - 

[CNN Interviews ILO Director-General Juan Somavia: Jobs recovery may be at risk](#) - 

[Global Employment Trends 2011: Weak Jobs Recovery to Continue](#) - 

[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](#) - 

[The Outlook for Jobs in Developed Economies in 2011 - An Interview with Steven Kapsos](#) - 

ILO Websites

[Decent work](#)

[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: Youth employment](#)

[Global Jobs Pact](#)

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

[Short term indicators of the labour market](#)

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