World of Work

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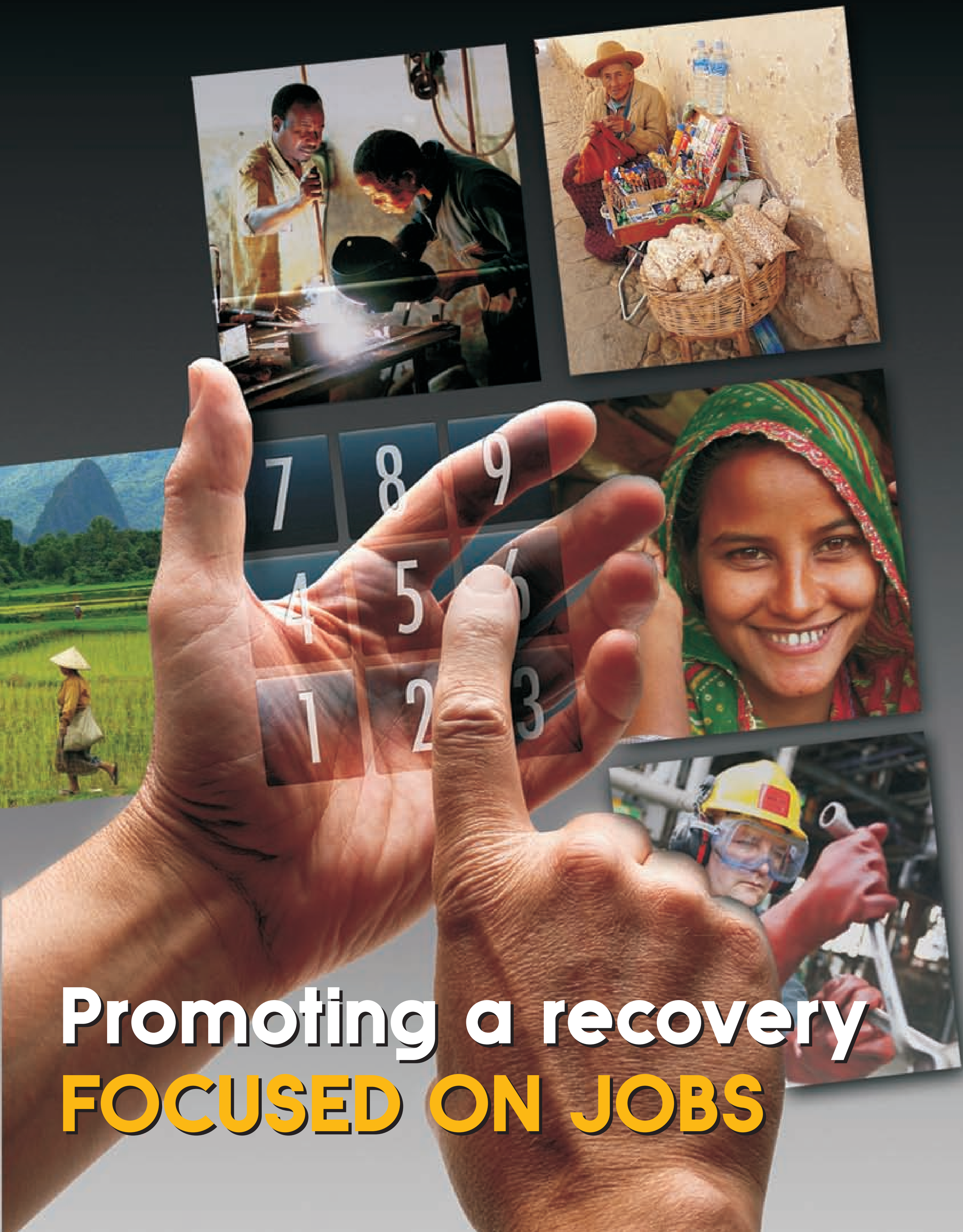

Promoting a recovery FOCUSED ON JOBS

World of Work
THE MAGAZINE OF THE ILO

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ILO in Hist

The long struggle for a social foundation of the global economy

There are important parallels between the issues the ILO faces today and those it addressed in the 1920s and 30s. The interwar period saw the repercussions of the process of international economic integration which had started in the 19th century and the onset of the Great Depression, while the last two decades have ushered in a new phase of globalization of production, finance and trade and its first Great Recession. Central issues then and now are how to embed social progress in the international economy and ensure global full employment. And in each period the ILO was an important actor.

It was founded in 1919 to establish international labour standards, not just to prevent a race to the bottom, but more positively as a way of ensuring that labour conditions improved alongside economic growth in all countries. Its first director, Albert Thomas, strongly believed that “the Organisation has the right, it may even be said the duty, of considering the effects that the realisation of its programme of social reform may have in the economic sphere”.

This idea that economic and social policies need to be considered together is a constant theme in the ILO’s history. In the 1930s the ILO continued to work on a broad front, addressing both social and economic issues. The Great Depression reinforced a belief in the need for coherence between international economic and social policy. However, for many reasons the League of Nations, the predecessor of today’s United Nations, was unable to coordinate an international response. Many at the time looked to the ILO, including Keynes who recognized the efforts of the Organization in *The General Theory of Employment, Interest and Money*.

The ultimately unsuccessful drive by the ILO in the 1930s to foster a new form of employment-oriented international economic cooperation did however eventually lead to the 1944 Declaration of Philadelphia which declares that it is a responsibility of the ILO to examine and consider all international economic and financial policies and measures in the light of its fundamental objectives.[1]

[1] *The Declaration contains the following statement of an integrated goal for the ILO: “All human beings, irrespective of race, creed or sex, have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity, of economic security and equal opportunity.”*

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ILO Director Edward J. Phelan signing the Declaration of Philadelphia at the White House, Washington D.C., on 17 May 1944. Seated, left to right: US President Franklin Delano Roosevelt, Walter Nash, E. J. Phelan. Standing, left to right: US Secretary of State Cordell Hull, US Secretary of Labor Frances Perkins, ILO Assistant Director Lindsay Rodgers.

Nevertheless, immediately after the war, the design of the new multilateral system largely sidelined the ILO's claim for a broad economic mandate. Responsibility for economic and financial issues in the non-Communist world was entrusted to the Bretton Woods institutions, and coordination of global economic and social policy issues to the United Nations Economic and Social Council (ECOSOC).

The tensions of the Cold War made it difficult to maintain a broader, global vision during the early decades after World War II. Trade and capital controls furthermore left individual States, certainly the more developed, largely in control of their economic fortunes. Only towards the end of the 20th century did global economic interdependence once again challenge countries to increase their policy coordination.

"THE ORGANISATION HAS THE RIGHT, IT MAY EVEN BE SAID THE DUTY, OF CONSIDERING THE EFFECTS THAT THE REALISATION OF ITS PROGRAMME OF SOCIAL REFORM MAY HAVE IN THE ECONOMIC SPHERE"

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Conference in Oslo last September – hosted by Prime Minister Jens Stoltenberg of Norway, co-sponsored by the IMF and the ILO.

A revival of international social policy

Not until the 1980s and early 1990s can we find two developments that show a re-emergence of international social policy. The first was the debate on the introduction of a social clause into international trade in the World Trade Organization (WTO). And the second was a broader effort in the UN system to refocus international policy on social development. In neither case was the ILO initially the main actor; but, in both cases, ultimately the ILO found ways to react.

In the first case, the issue of a formal link between labour standards and trade was blocked in the WTO and, in the end, the international community reaffirmed that the promotion of labour standards was the responsibility of the ILO. In the second case, the World Social Summit convened by the United Nations in 1995 set the promotion of core labour standards within a broad, coherent approach to social and economic development, embracing a range of key ILO concerns. The Summit was proposed and prepared by Juan Somavia, then Chilean Ambassador to the United Nations.

Even more important, the Social Summit helped to provide a way forward from the impasse over the social clause with its recognition of the importance of core ILO standards to the goals of full employment, poverty eradication and social integration. The process led on to the adoption of the ILO Declaration on Fundamental Principles and Rights at Work in 1998, a first step towards the building of a universal social floor to the global economy. The key feature of this instrument was its universality: It laid down principles and rights that all countries were to respect by virtue of their membership of the ILO, irrespective of whether they had ratified the standards concerned.

Decent work for all

The election of Juan Somavia as Director-General of the ILO in 1998 was a logical consequence of his successful role as initiator and organizer of the Social Summit.
He introduced the Decent Work Agenda as a way to bring the different ILO programmes together, grouping them under four strategic objectives: rights at work, employment, social protection and social dialogue.

However, it was not enough to progressively embed decent work in the ILO's structures. The point was to convince a variety of policy actors within and outside the Organization that an integrated approach built around decent work was needed and that it could connect economic and social policy at both national and international levels.

The first step was to establish decent work on the international agenda. Somavia attended the WTO Ministerial meeting in Seattle in 1999, took this message to the UNCTAD-X meeting in Bangkok in 2000, and to the annual meetings of the World Economic Forum and the World Social Forum in the following years. In parallel, ILO staff introduced decent work objectives into World Bank-led poverty reduction strategies in several countries.

The decent work goal was also widely adopted at the regional level, in statements by the European Union, the African Union, the

Organization of American States, and the Asian Development Bank. In 2005, world leaders at the United Nations General Assembly session to review progress on the Millennium Development Goals firmly endorsed this approach.

At the same time, it was becoming clear to world leaders that social progress at the national level increasingly depended on the pace and pattern of globalization. Protest movements such as those at Seattle proliferated against the Bretton Woods institutions and the WTO, blamed for promoting a socially destructive process of globalization. Job losses at a time of rising imports from developing economies and increased off-shoring of jobs, fuelled resentment and insecurity among workers in richer countries. In the developing world, there was growing concern about deep-seated poverty and the marginalization of many low-income countries from the global economy.

The ILO was well placed to respond to these growing social ills, strengthen the social pillar of globalization and propose new approaches to the governance of an unstable and under-regulated global economy. In 2001, the ILO successfully proposed the establishment of a World Commission to promote an integrated approach to economic and social policy at the global level. The 2004 report of the World Commission made a wide-ranging set of recommendations for bringing about a fairer and more inclusive pattern of globalization.

Towards more policy coherence in the international system

One conclusion of the report was the need for a greater "policy coherence" among the organizations of the multilateral system. The ILO launched a "Policy Coherence Initiative" to try and build a common international policy framework for growth, investment and employment, involving the international financial institutions and the relevant agencies of the United Nations.

At first, progress was slow. The difficulty was exemplified at one the meetings where the International Monetary Fund (IMF) representative asked whether coherence meant that "you are coherent with us, or we are coherent with you?" A number of joint activities have nevertheless developed, notably joint studies by the ILO and WTO on trade and employment.

But things are changing. At a historic conference in Oslo last September – hosted by Prime Minister Jens Stoltenberg of Norway and co-sponsored by the IMF and ILO – leaders from government, labour, business and academia met to tackle the sharp increase in unemployment and underemployment since the 2008 global financial crisis. The IMF and ILO agreed at the conference to work together on policy development in two specific areas, focusing on policies to promote employment-creating growth and the concept of a social protection floor for people living in poverty and in vulnerable situations.

Part of this and future international approaches to shortening the potential lag between economic recovery and job creation could be the ILO Global Jobs Pact adopted by the International Labour Conference in June 2009. In the aftermath of the global economic and social crisis, the Pact proposes a portfolio of practical, tried and tested social and economic policies that have worked well in many countries, and can be tailored to each national situation. The Pittsburgh G20 Summit in September 2009 welcomed the ILO Global Jobs Pact and agreed on the importance of building an employment-oriented framework for future economic growth.

Many economists are now looking back for lessons from the 1920s and 1930s that can help the world to never again repeat the catastrophic decline into mass unemployment, protectionism and nationalism. One of the lessons is that if the warnings and proposals of the ILO had been heeded, the Great Depression might have simply been followed by a Great Recovery. Current efforts to build greater policy coherence show considerably more promise and the ILO is playing an important role in the process. But recovery is by no means secure and the risk of a prolonged period of jobs distress clouds the outlook. ■

For further insights on the relevance of the ILO's history to contemporary issues see Gerry Rodgers, Lee Swepston, Eddy Lee and Jasmien van Daele: *The International Labour Organization and the quest for social justice 1919–2009* (Geneva, ILO, 2010).

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Three years into the crisis, the global economy has resumed growing, but the current economic recovery is not creating enough jobs and there are concerns about the quality of the jobs being created. Or, as ILO Director-General Juan Somavia puts it in the editorial of this issue of *World of Work*: "Financial and social stability must come together". Otherwise, not only the global economy but also social cohesion will be at risk.

Dear Readers,

The cover of your magazine *World of Work* has changed. It is more modern, clean and more prominent. As you opened the magazine, you must have noticed that the inside layout and design has also been reworked to improve readability and give prominence to the impact of photographs. Many of our columns look slightly different, and we have given importance to space and illustrations, endeavouring to maintain a right balance. We hope that you will enjoy the enhancements. If you have any comments or feedback, you may write to us at ilo_magazine@ilo.org.

Created in 1919, the International Labour Organization (ILO) brings together governments, employers and workers of its 183 member States in common action to improve social protection and conditions of life and work throughout the world. The International Labour Office, in Geneva, is the permanent Secretariat of the Organization.

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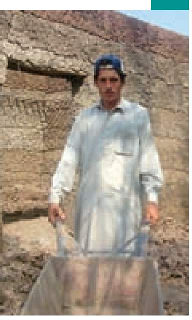

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Promoting a recovery

by Juan Somavia, ILO Director-General

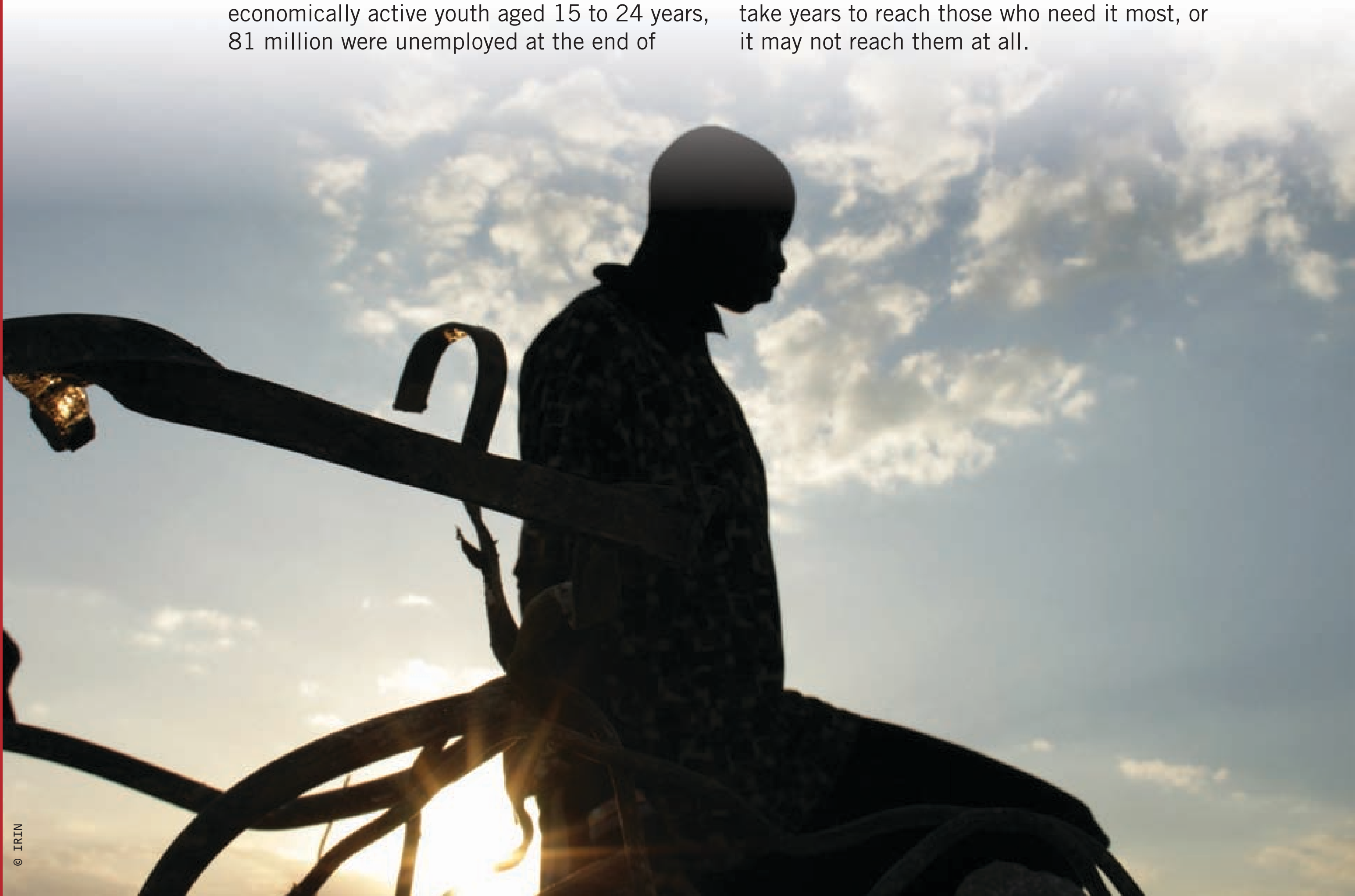
The global financial crisis has led to the highest level of unemployment ever recorded – 210 million people. This has sharpened prior international concern about the failure of the global economy to generate enough decent work opportunities in all countries.

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 *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 per cent in 2007 to 13.0 per cent 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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focused on jobs

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 organized the ILO/IMF Conference in Oslo last September. The Conference brought together the Managing Director of the IMF, Dominique Strauss-Kahn, a group of world leaders, senior representatives of employers' and workers' organizations, members of academia and ILO representatives, including myself. 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.

"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"

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

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It was also significant because we heard first hand from the leaders of three countries – Greece, Liberia and Spain – 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 met 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 the fiscal expertise of the IMF into the equation. Second, we will focus more, and work more closely together on, policies to create employment-rich growth.

There was also general agreement that social dialogue plays a key role in times of crisis, both as a way of building 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 to 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 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

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ILO Director-General Juan Somavia with IMF Managing Director Dominique Strauss-Kahn.

to have a fair chance at a decent job is at the top of the political agenda, at the top of opinion surveys.

The challenge now is to maintain the momentum created by the Oslo Conference. The recent G20 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.

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From one crisis to the next?

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"THE LONGER THE LABOUR MARKET RECESSION, THE GREATER THE DIFFICULTIES FOR JOBSEEKERS TO OBTAIN NEW EMPLOYMENT"

A September report by the research arm of the ILO says a long "labour market recession" is worsening the social outlook in many countries.

The study, entitled *World of Work Report 2010: From one crisis to the next?* and authored by the ILO's International Institute for Labour Studies, points out that three years into the crisis, the global economy has resumed growth. Yet it also warns that "new clouds have emerged on the employment horizon".

The study says that, if current policies persist, a recovery in employment to pre-crisis levels will be delayed beyond 2015 in advanced economies, instead of 2013 as it projected last year. Over eight million new jobs, it says, are needed to return to pre-crisis employment levels in developing countries alone.

"The longer the labour market recession, the greater the difficulties for jobseekers to obtain new employment," says the ILO report. "In the 35 countries for which data exist, nearly 40 per cent of jobseekers have been without work for more than one year and therefore run significant risks of demoralization, loss of self-esteem and mental health problems."

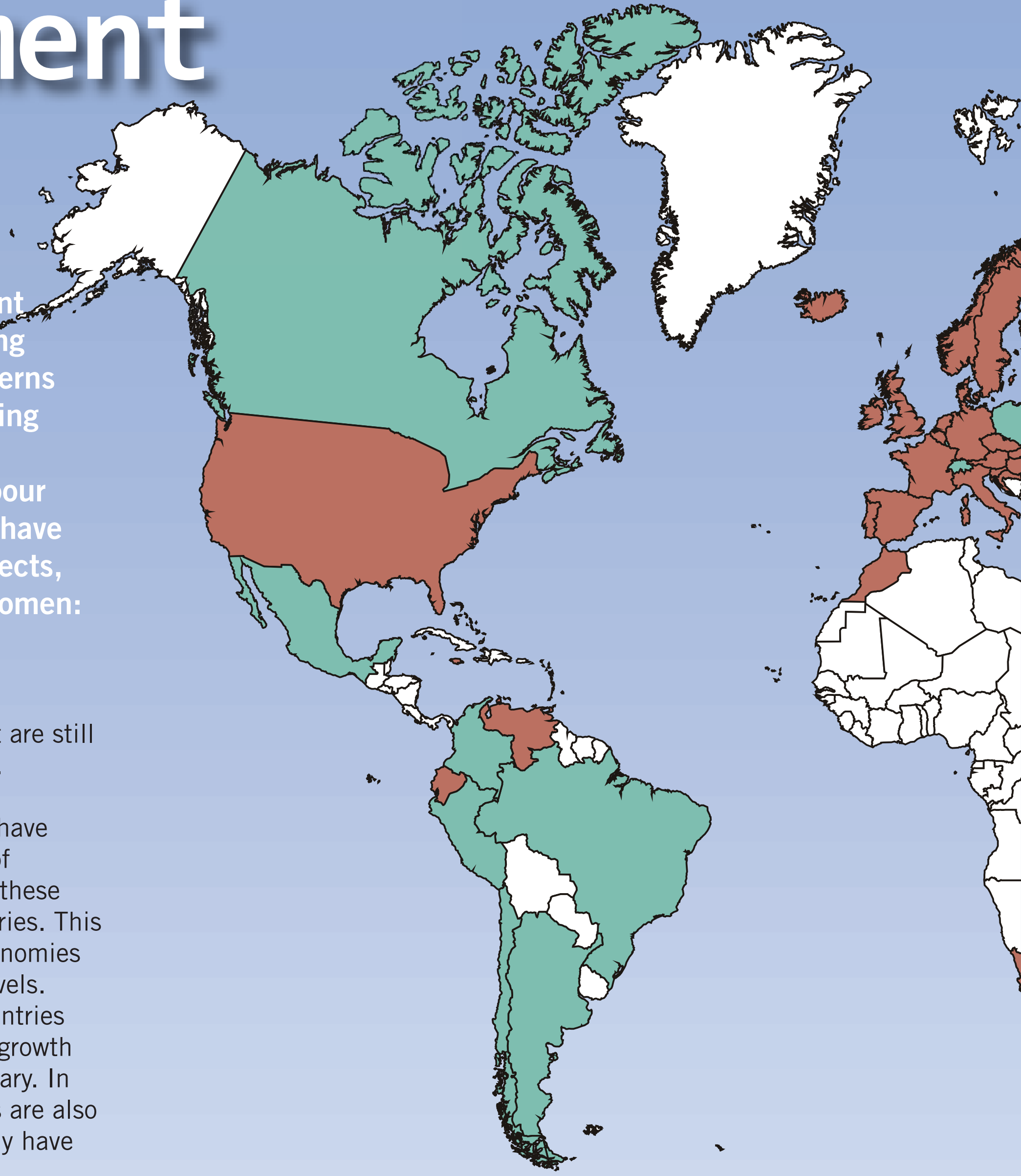
The study underscores the urgency of calls by a recent joint ILO and International Monetary Fund (IMF) conference for placing employment creation at the heart of the economic recovery, and making full employment a key macroeconomic objective alongside low inflation and sound fiscal policies.

The ILO study provides a three-pronged approach for getting out of the crisis. The first part of the approach would strengthen job-centred policies, reducing the risk of long-term unemployment. These policies should include targeted measures to support vulnerable groups, training that serves the needs of recovery, and employment-oriented social protection. Such measures have been used successfully in different regions of the world and are inexpensive to the public purse.

The second policy approach would promote a closer link between wages and productivity gains. Such a measure, the study shows, would be more effective in supporting growth in all countries than exchange-rate changes.

The third would require that financial reform be carried out that allows savings to be channelled to more productive investment and the creation of more stable jobs. ■

Global employment trends



The report shows that the current economic recovery is not creating enough jobs and there are concerns about the quality of the jobs being created. Workers are becoming discouraged and leaving the labour market altogether, which could have long-lasting and devastating effects, especially for young men and women:

- Among 68 countries with available information, more than 60 per cent are still below pre-crisis employment levels.
- Among the group of countries that have already recovered pre-crisis levels of employment, close to two thirds of these are emerging and developing countries. This means that only nine advanced economies are above pre-crisis employment levels. Moreover, in a number of these countries a disproportionate share of the job growth has been part-time – often involuntary. In some developing countries, workers are also working less than desired, and many have resorted to informal employment.
- The number of people unemployed for more than one year has increased in nearly all the

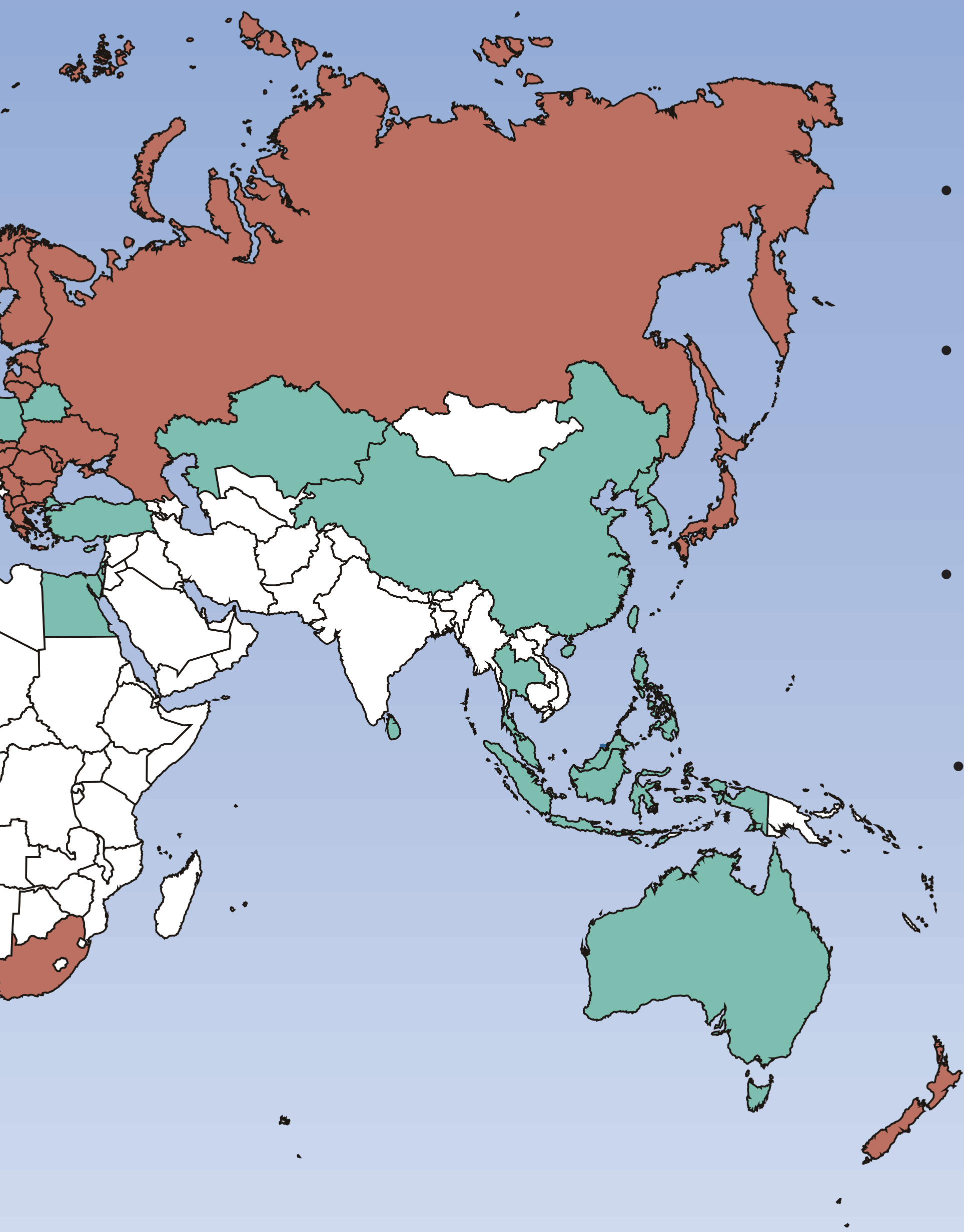
LOWER-MIDDLE INCOME COUNTRIES

- Albania
- China*
- Ecuador*
- Egypt
- Indonesia
- Moldova, Republic of
- Morocco
- Philippines
- Sri Lanka
- Thailand
- Ukraine

UPPER-MIDDLE INCOME COUNTRIES

- Argentina*
- Belarus
- Brazil*
- Bulgaria
- Chile
- Colombia
- Jamaica
- Kazakhstan
- Latvia
- Lithuania
- Macedonia, The former Yugoslav Rep. of
- Malaysia
- Mauritius
- Mexico
- Peru*
- Poland
- Romania
- Russian Federation
- Serbia
- South Africa
- Turkey
- Venezuela, Bolivarian Rep. of

Countries according to pre-crisis employment levels



countries for which information is available – in some cases significantly. Moreover, the longer workers remain out of a job, the risk that people leave the labour market entirely increases dramatically – a trend which has already occurred in a number of countries.

- Over the medium term, in advanced economies job growth is expected to remain stagnant through 2010 and a return to pre-crisis levels is not foreseeable before 2015.

- For the emerging and developing economies analysed, a V-shaped recovery is expected – with employment having quickly returned to pre-crisis levels in the first half of 2010. The challenge is to absorb labour surpluses from earlier years as well as new entrants.

- Young men and women have been disproportionately affected since the onset of the crisis. Earlier experiences have shown that it takes, on average, over 11 years for youth unemployment to return to pre-recession levels.

- The policy challenge is to build and ensure a sustainable and inclusive recovery – one that is job-rich in terms of quantity and quality. Analysis shows that countries that used an inclusive approach to promoting employment have been the most successful. It is also crucial to prioritize policies that prevent exit from the labour market and to avoid counterproductive solutions, such as poorly designed labour market reforms that would aggravate the labour market recession and create heightened social unrest (see next article). What's more, a coordinated effort to ensure adequate aggregate demand and balanced growth is needed (see article on *Planning for recovery*).

HIGH-INCOME COUNTRIES

- Australia
- Austria
- Belgium
- Canada
- Croatia
- Cyprus
- Czech Republic
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Iceland
- Ireland
- Israel
- Italy
- Japan
- Korea, Republic of
- Luxembourg
- Malta
- Netherlands
- New Zealand
- Norway
- Portugal
- Singapore
- Slovakia
- Slovenia
- Spain
- Sweden
- Switzerland
- Trinidad and Tobago
- United Kingdom
- United States

ABOVE PRE-CRISIS LEVELS
BELOW PRE-CRISIS LEVELS
UNKNOWN

*Notes: Analysis is based on latest information available. Data are seasonally adjusted. *Select urban data.*

Source: IILS analysis based on ILO, short-term indicators database.

Job losses

A threat to social cohesion

The *World of Work Report 2010* reports cases of social unrest related to the financial and economic crisis in at least 25 countries – many of them in advanced economies. Job losses combined with growing income inequalities may pose a threat to social cohesion. Gary Humphreys, a journalist based in the United States, reports.

For European Federation of Public Service Unions (EPSU) spokesperson Willem Goudriaan, there is little doubt that the austerity programmes introduced in many European Union countries in the wake of the global financial and economic crisis are hurting societies' most vulnerable members. "Governments are reducing public expenditure, and cutting back on social transfers and public services at a time when many European citizens need assistance," Goudriaan says, estimating that as many as 80 million Europeans are threatened with poverty.

Low-income households are not the only groups affected by fiscal austerity, but the available evidence suggests that they are being affected disproportionately. "Income inequalities are getting worse," says Raymond Torres, Director of the International Institute for Labour Studies (IILS) at the International Labour Office (ILO), and lead author of the *World of Work Report 2010*. And it is not just the elderly or the unskilled who are being left behind. There is growing evidence that young people are being affected en masse. "In the countries for which data are available, youth unemployment now stands at about 2.5 times higher than the adult unemployment rate," says Torres.

Significantly, young people – *lycéens* as well as college students – have been increasingly present in the ongoing protests in France, where they march alongside workers protesting proposed pension reform. For Anne-Marie Perret, Federal Secretary of the French union Force Ouvrière-Fonctionnaires, the presence of French students in the streets comes as no surprise: "They don't like where we are going," she says, arguing that the debate that has been engaged between government and workers in France goes way beyond pension reform. "Young people want to know what kind of future they will have. At the moment it doesn't look too good."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Raymond Torres

Perceptions of inequality damaging for social cohesion

For ILO research analyst Sameer Khatiwada, perceptions of inequality are in many ways more damaging for social cohesion than economic slumps themselves: "empirical evidence suggests that higher unemployment and income inequalities are key factors in driving social unrest," he says.


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One of the characteristics of the current crisis is a widespread perception that governments are protecting the interests of the rich at the expense of the poor. "Billions have gone to the banks and the bankers who are responsible for this crisis," says EPSU's Goudriaan, arguing that social inequality has been rising in most of the EU since the nineties. "I am surprised there has not been more anger," he says.

To date, the most obvious and therefore easily quantifiable expression of social discontent has been industrial action. According to Khatiwada, such expressions have been documented in more than 25 countries since 2008. More often than not people have been protesting against government-imposed austerity measures. A globally representative coverage of strikes and lockouts data for 2009 is not yet available, but the preliminary evidence suggests that emerging economies, including China, India, and parts of Latin America, have shown rises in strikes and lockouts.

In the United States, where the crisis arguably began, the focus of frustration has been on government support of too-big-to-fail insurance institutions and banks and the perceived lack of support for defaulting home owners in particular and "main street" generally. Much of this frustration has been crystallized by the "Tea Party", a loose agglomeration of conservatives and independents which has staged a number of demonstrations in US cities to protest measures instituted by the previous administration and continued by the present one.

Social fabric in Europe under strain

For the time being, however, it is in Europe, and notably in Eastern and southern Europe, that the social fabric looks to be under the greatest strain. Many of the Eastern European economies that grew fast at the beginning of the decade have been especially hard hit, notes Khatiwada, citing Latvia as an example. Latvia's economic woes have included a housing price collapse as well as a high-profile bank failure.

Some key findings of the new ILO study

- Cases of social unrest related to the financial crisis have been reported in at least 25 countries – many of them in advanced economies.
- In more than three-quarters of the 82 countries with available information, peoples' perceptions of their quality of life and standard of living declined in 2009 compared to similar data from 2006. Satisfaction at work has deteriorated significantly, with a sense of unfairness growing in 46 of 83 countries.
- In 36 of 72 countries, people have less confidence in governments now than before the crisis.

According to an IMF report published in September, the country saw its economy shrink a cumulative 25 per cent in 2008 and 2009, the largest contraction in the world. Faced with the prospect of an IMF and EU withdrawal of financial support, the Latvian Government responded by passing budget cuts equal to 6.2 per cent of gross domestic product in June. All this has made for a rocky political ride for Prime Minister Valdis Dombrovskis, who has faced protests larger than anything seen since the country became independent from the Soviet Union.

Greece too is fighting for its economic life, having narrowly avoided defaulting on its sovereign debt in May after the IMF and other EU countries provided rescue loans as part of a three-year €110 billion package. In return the Government has been forced to impose austerity measures, including cuts in public-sector salaries, a scaling back of pensions, and the elimination of public-sector annual bonuses amounting to two months' pay.

In early October, Greek civil servants staged a 24-hour strike calling for a change of course despite the fact that the Greek Government has so far made no announcements regarding layoffs among public-sector workers, who represent one out of every three people employed in Greece. Late October saw further strikes, this time on the trains. Meanwhile, the Government's draft budget for 2011 predicts a jump in unemployment from around 11.6 per cent this year to 14.5 per cent in 2011 and as high as 15 per cent the following year.

What effect all this will have on social cohesion in Greece remains to be seen, but if Latvia is anything to go by analysts will hesitate to call it one way or the other. Because in Latvia, despite the biting austerity measures introduced, Prime Minister Valdis Dombrovskis was returned to power in the October elections, and with a significantly increased mandate.

Social outcomes difficult to predict

For ILO's Khatiwada, what happened in Latvia is indicative of how difficult it is to predict social outcomes in the current economic climate. "In many ways societies are facing unprecedented challenges," he says, "and that makes it hard to predict what is going to happen in the next couple of years." For Khatiwada, any long-term solution is going to have to get past the in extremis knife-edge management of boom and bust (see next article), just as any meaningful analysis of the situation we face cannot be based solely on the latest strike and lockout statistics. "The long-term effects of unemployment and particularly long-term unemployment on social cohesion are subtle, and in many ways difficult to quantify," he says.

Torres concurs, pointing out however that important lessons can be learned from history. "In past recessions, around 40 per cent of the unemployed have dropped out of the labour market on average," he says, adding that there is a real risk that the unemployed become discouraged and leave the labour market altogether, undermining social cohesion. ■

Social cohesion: The global picture

As vivid as country examples may be, how indicative are they of broader global trends? And what are those trends anyway? The Economist Intelligence Unit (EIU) attempted to answer that question back in 2009 when it undertook a global risk assessment, ranking countries from 0 to 4, 0 being the least likely to go through a period of social unrest and 4 being the most likely. The analysis took into account political, social and economic developments in the aftermath of the financial and economic crisis of 2008–09. The upshot of the report was that most of the world remained at "medium" to "very high" risk of social unrest at that time, rating 62 of the 179 countries included as being at "high" or "very high" risk of social unrest. A further 64 countries were rated as being at "medium" risk of unrest.

Countries where people reported the lowest job satisfaction and lower confidence in government were also the countries with a higher risk of social unrest. Countries with high levels of income inequality were also judged to be at risk of social unrest. Income inequality data for 2009 are not yet available, but past experience shows that income inequality tends to increase during times of crisis, and the primary source of this is the fall in earnings of people in the lower percentiles of income distribution. Only effective labour market and social policies, which provide some sort of safety net for low-income households, can mitigate the increase in income inequality and prevent the social climate from worsening further.

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Planning for recovery

How to rebalance global growth and demand

As stimulus measures wind down, many governments are opting for austerity. According to the ILO's *World of Work Report 2010*, neither approach addresses the underlying drivers of global economic instability. Gary Humphreys reports.

The end came quickly, but so did the response. Faced with the complete shut-down of interbank lending after the collapse of Lehman Brothers in September 2008, central banks slashed interest rates and provided massive support in the form of loan guarantees, capital injections and, in some cases, nationalizations. It was an expensive undertaking.

"Bailing out the global financial system is estimated to have cost the United States and the European Union a total of US$11.4 trillion – about one-sixth of world GDP," says Raymond Torres, Director of the ILO's International Institute for Labour Studies.

There has been much criticism of the way the banking sector was shored up. In the words of Vasailis Xenakis, General Secretary for International Affairs at Greek trade union ADEDY: "The banks created the problem but the people were made to pay." But doing nothing at all – letting the banking system shut down and the global economy with it – would probably have been worse for everyone. "Without these policies there was a significant risk of a slide into a second Great Depression," says Torres.

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And government support was not solely directed at the banks. Those governments that could afford it cut taxes and/or increased government spending in a stimulus drive that amounted to around 1.7 per cent of global GDP in 2009, according to ILO figures. Torres also commends policy-makers for not resorting to protectionism. “Keeping trade f owing was crucially important and especially for developing economies which are dependent on exports to drive economic growth,” he says, pointing out that roughly 20 million jobs were saved or created[1] by the policy response, which in most cases focused on stimulating demand while at the same time at least partly alleviating the social impact of the crisis.

From stimulus to austerity

But in the past year things have changed as governments have veered from stimulus to fiscal austerity. This shift in policy happened very quickly. On 23 April when G20 finance ministers met in Washington they were still talking about the need for stimulus, but by 5 June the G20 position had changed to encouraging fiscal “consolidation”.[2] Between those two dates Greece came close to defaulting on its sovereign debt. It is what happened, or almost happened, in Greece that has changed the tenor of global policy discussions.

But should it have? “The reality is that sovereign states need to borrow on the bond markets, and the buyers of sovereign bonds like to know if they’re going to get paid,” says Ekkehard Ernst, an ILO research analyst, offering an explanation for the change in tack. The creditworthiness of a country is based on the state of its accounts and so cutting back on expenditure can lower the cost of borrowing. This is what Greece is hoping to achieve in order to retain IMF and EU support. But what effect does austerity have on the broader economy of a country trying to recover from recession? What effect does it have on society?

“There is a real danger that fiscal austerity will weaken the fragile economic recovery that is

[1] International Institute for Labour Studies: *World of Work Report 2009: The global jobs crisis and beyond* (Geneva, ILO, 2009).

[2] G20 Finance Ministers and Central Bank Governors Communiqué, Busan, Republic of Korea, 5 June 2010.

under way," says Torres, pointing out that it is the developed countries that have been hit hardest by the downturn. An unprecedented number of workers have been left without jobs and, two years after the Lehman Brothers collapse, factories are still running well below capacity.

According to OECD estimates, the gap between capacity and output in OECD countries is unlikely to close until 2015. Unfortunately it is the countries that are struggling economically – the countries that need stimulus most – that are being forced to slam on the brakes in order raise money in the capital markets. Laying off public-sector workers, or cutting back on welfare payments, depress consumer demand which in turn strangles businesses already weakened by tight bank credit (see next article), but it looks good in a bond issuance prospectus.

Faced with dwindling domestic demand, many governments are focusing on exports as a way out of recession, the United States being a notable example. President Obama made export growth a central theme in his State of the Union address in January and has committed to doubling US exports in the next five years. It has worked before. Sweden and Finland did the same thing in the early 1990s and the Republic of Korea, Malaysia and Thailand followed suit at the end of the decade.

But the world has changed a good deal since 1999, notably with regard to demand in developed countries. In fact, the United States has been exporting more to emerging markets than developed ones for some time, and in order to boost exports further it will need emerging market countries, notably China, to boost domestic demand. Foreign exchange rates play an important part in this, and the ongoing debate between China and the United States regarding the value of the Yuan is indicative of their importance.

Lessons from the crisis

But is focusing on trade balances missing a more important lesson offered by the crisis? ILO's Torres thinks so. "There is a need to think about alternatives to export-led growth, and to address the increasingly important issue of income inequality," he says, pointing to the increasingly unequal distribution of wealth in developed economies as one of the main drivers of instability in the global economy, and a contributing factor of fundamental importance to the 2008 crisis. In the United States, median real wages grew by a mere 0.3 per cent annually between 2000 and 2006 (compared to productivity gains of 2.5 per cent annually) while the share of income accruing to the richest 10 per cent of households rose, notes Torres, pointing out that the ratio of executive compensation in the 15 biggest US corporations, relative to average wages in the country as a whole, jumped from 370 to 521 between 2003 and 2007.

"THERE IS A NEED TO THINK ABOUT ALTERNATIVES TO EXPORT-LED GROWTH, AND TO ADDRESS THE INCREASINGLY IMPORTANT ISSUE OF INCOME INEQUALITY"

One of the effects of this overall decline in wages was a decline in aggregate demand – a phenomenon witnessed in both advanced and emerging economies. However, because of relaxed lending regulations in certain advanced economies, notably Ireland, Spain, the United Kingdom and the United States, despite stagnant real incomes households were able to continue to purchase durable goods by racking up debt.[3] It was debt that fuelled domestic demand in the United States until credit limits were reached and people began to default. And a similar dynamic was playing out at the macroeconomic level. Says Torres: "For a time the surpluses generated by export-driven emerging economies such as China funded the debt-led growth of other countries, but in the end debtors' inability to finance their credit proved unsustainable."

[3] International Institute for Labour Studies: *World of Work Report 2008:Income inequalities in the age of financial globalization* (Geneva, ILO, 2008); Joseph E. Stiglitz: "Wall Street's toxic message" (2009); Raymond Torres: article in *International Labour Review* (forthcoming 2010).

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Paying people a fair wage

If wages had ref ected productivity gains there would have been less of a need for private debt or government subsidies to support low-income groups with in-work benefits, negative income taxes and other such policies. Needless to say, matching wages to productivity has not been central to G20 or World Trade Organization discussions of the recovery and how to achieve it.

To get it on the agenda labour market institutions will have to make themselves heard. Not that they aren't already shouting. Strikers marching in the streets of Athens, Madrid and Paris have been calling for a halt to the dissolution of welfare benefits in the name of austerity, but there has been little in the way of focused discussion linking productivity to pay.

Put simply, paying people a fair wage can take some of the instability out of the global economy by boosting aggregate demand. An example of the kind of initiative that has been seen to work is China's Employment Contract Law which took effect in 2008, strengthened workers' rights and freed pent-up pressures for wage increases and better working conditions, to catch up with earlier economic growth.

And more can be done. According to a recent study by the McKinsey Global Institute, a cautious expansion of China's public pension and health insurance systems would raise the share of consumption in Chinese GDP by between 0.2 and 1.1 per cent by 2025.[4] This would help make domestic demand a stronger engine for the country's economic growth and of course increase opportunities for China's trading partners.

Of course trade imbalances are only one of the problems we face. In the coming decade Western Europe's working-age population is expected to start shrinking by roughly 0.3 per cent a year. In Japan, this number will be closer to 0.7 per cent a year. Even America, which has more robust population growth, will see the expansion of the working-age population slow to around 3 per cent, which is less than a third of the post-war average.

On the face of it, these trends appear to have an upside – fewer workers competing for jobs. But what they actually mean is a greater burden on social welfare programmes and health care. The stimulus versus austerity debate is going to be coming up a lot. For ADEDY's Xenakis the policy debate must be broadened to include issues other than the kind addressed by issuance prospectuses. "This is about deciding on the social model we want to live under," he says. "That is where the policy discussion should begin."

[4] McKinsey Global Institute: *Beating the recession* (2009).

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A bumpy recovery for financial markets

Fixing the financial sector

The ILO's latest *World of Work Report* also addresses the issue of financial sector reform and how such a reform can benefit all in the real economy – businesses, workers and their families. Despite the massive financial support given to financial institutions in the wake of the crisis, the flow of credit needed to support recovery has yet to materialize. And bigger problems loom, as Gary Humphreys reports.

For Jeegar Kakkad, senior economist at EEF, a representative body for UK manufacturing, watching bank credit slowly unfreeze in the wake of the crash has been a frustrating business. "Despite all the talk about getting banks to lend more, we have seen very little change in either the terms or amounts of loans being offered since 2008," he says. EEF has been monitoring credit conditions for manufacturing companies on a quarterly basis since the fourth quarter of 2007, and the latest survey showed little in the way of significant change in the lending environment for manufacturers.

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It is a situation faced by many countries in the developed world. "Credit started to contract in advanced economies from the second half of 2009 onwards," says Ekkehard Ernst, a senior economist at the ILO. "This trend has not yet been reversed even if it has begun to slow since the beginning of the year." Emerging economies have not been affected to the same extent, Ernst explains, partly because their banks had fewer ties to the US banks exposed to the sub-prime market, widely considered to be the eye of the storm that broke in September of 2008.

Given the importance of private-sector activity in the global economic recovery, the lending freeze is a significant problem. "Bank lending is crucial to greasing the wheels of economic recovery," says Stephan Alambritis, chief spokesperson for the UK's Federation of Small Businesses, the UK's largest campaigning pressure group promoting and protecting the interests of the self-employed and owners of small firms. "If firms can't get loans they postpone investment, and they postpone hiring."

Banks not entirely to be blamed

But the banks may not be entirely to blame. "Credit outstanding depends on demand as well as supply," says Stephen Cecchetti, Economic Adviser and Head of the BIS Monetary and Economic Department, who points to the tendency among consumers and businesses to focus on paying off debt rather than accumulating more in the aftermath of the crisis.

This view is supported by IMF economist Prakash Kannan, who recently published a study of 83 recessions in 21 countries since 1970 and found that recessions following financial crises have been characterized by sluggish credit growth, in contrast with "normal" recessions where demand tends to take off more quickly.

Banks too are trying to get their finances in order, struggling to repair balance sheets damaged in the wake of the crisis or being compelled to do so by regulators. Notable on the regulatory front is the so called Dodd–Frank Act designed to tighten control of the financial sector, which was passed by the US Congress in July. New rules also recently came out of Switzerland where the Basel Committee of international bank regulators agreed on new liquidity and capital requirements – termed Basel III – in September. Under Basel III global banks must have common equity equal to at least 7 per cent of their risk-weighted assets, compared with just 2 per cent now.

So far the response to Basel III has been mixed, with high-profile critics, including the Governor of the Bank of England Mervyn King, arguing that it doesn't solve the problem of systemic risk tied up with other issues such as the lack of transparency in interbank markets or implicit government guarantees for banks considered too big to fail. On the other side of the argument, bankers have expressed concern that Basel III will put a brake on lending, a position supported by the Institute of International Finance (representing the world's largest commercial and investment banks) which recently reported that the rules could shrink economic growth by 0.5 per cent per annum in America, 0.9 per cent in the euro area, and 0.4 per cent in Japan over five years.

Few attempts to correct system flaws

But beyond Dodd–Frank and Basel III, there have been remarkably few attempts to correct the systemic f aws exposed in 2008. The Toronto G20 meeting which took place in June, for example, was unable to generate any form of stricter regulation, and there was active resistance to the setting up of banking taxes to make the sector pay for the clean-up costs of the crisis. The European Commission, too, has only got as far as drafting proposals for a banking activity tax that would be used to fund a stabilization pool and to strengthen oversight of financial market activities.

Meanwhile the IMF has limited itself to advocating stricter regulation. Resistance to reform remains strong. "Even in Europe, where we are typically more favourable to regulation, reforms have been limited to side issues like legislation to limit or tax bonus pay. On the big issues like banning certain kinds of financial instrument coordination at the European level has so far been unsuccessful," says the ILO's Ekkeherd Ernst.

For Ernst the lack of a coordinated response to the evident fragility of the global banking system is a huge problem. "Regulatory reforms must happen at both the domestic and international level in order to avoid bankers engaging in regulatory arbitrage – cherry-picking the regimes with the slackest regulation." The sheer interconnectedness of markets imposes some kind of global regulatory framework.

"The fact that a shock originating in a small housing subsector was sufficient to cause the unravelling of the entire global financial system should be a wake-up call for bankers and the people responsible for regulating them," Ernst says, arguing that without a concerted international effort to address systemic risk, including the opacity of market operations and the incentives for excessive risk-taking by financial actors, we will continue to suffer the same kind of crises.

Significant moral hazard problem

Moreover, by bailing out banks without implementing deep reforms, a significant problem of moral hazard has been created, as implicit backing by governments will just mean that banks will continue to take risks.

"None of the proposals currently being talked about is the silver bullet," says Ernst. A tax on financial activities might take some of heat out of the market, while the revenues derived from such a tax could be used as a buffer against future financial crises, but such measures don't begin to address the deeper problems.

And those problems go very deep, touching on the very purpose of banks and their place in the global economy. "We have to ask ourselves what banks are for," says Raymond Torres. "We talk about today's profits becoming tomorrow's investments and the day-after-tomorrow's jobs, but in reality a large share of the banking sector's profits stay within the system, and those profits are getting bigger and bigger." Indeed, the financial sector's share of total corporate profit reached 42 per cent before the crisis, up from about 25 per cent in the early 1980s.

That bankers themselves are aware that a period of soul-searching is in order was borne out by a recent speech by Mervyn King delivered to an audience of financiers at a gathering in New York organized by *The Economist*. The Governor of the Bank of England said that of all the ways of organizing banking, "the worst is the one we have today". He went on to say that however the community decided to fix it, any repair should be based on the principal that the polluter pays – that the people who benefit from taking risks should also shoulder the consequences. ■

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Global youth unemployment reaches highest number ever

"Global youth unemployment has reached its highest level on record, and is expected to increase through 2010," according to a new ILO report issued to coincide with the launch of the UN International Youth Year on 12 August.

The report *ILO Global Employment Trends for Youth 2010* 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 per cent in 2007 to 13.0 per cent in 2009.

It adds that these trends will have "significant consequences for young people as upcoming cohorts of new entrants join the ranks of the already unemployed" and 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".

According to the ILO projections, the global youth unemployment rate is expected to continue its increase through 2010, to 13.1 per cent, followed by a moderate decline to 12.7 per cent in 2011. The report also points out that the unemployment rates of youth have proven to be more sensitive to the crisis than the rates of adults and that the recovery of the job market for young men and women is likely to lag behind that of adults.

The report indicates that in developed and some emerging economies, the crisis impact on youth is felt mainly in terms of rising unemployment and the social hazards associated with discouragement and prolonged inactivity.

The ILO report points out that in developing economies, where 90 per cent of young people live, youth are more vulnerable to underemployment and poverty. According to the report, in the lower-income countries the impact of the crisis is felt more in shorter hours and reduced wages for the few who maintain wage and salaried employment, and in rising vulnerable employment in an "increasingly crowded" informal economy.

The report estimates that 152 million young people, or about 28 per cent of all the young workers in the world, worked but remained in extreme poverty in households surviving on less than US$1.25 per person per day in 2008.

"In developing countries, crisis pervades the daily life of the poor," said ILO Director-General Juan Somavia. "The effects of the economic and financial crisis threaten to exacerbate the pre-existing decent work deficits among youth. The result is that the number of young people stuck in working poverty grows and the cycle of working poverty persists through at least another generation."

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The report sees the crisis as an opportunity to reassess strategies for addressing the serious disadvantages that young people face as they enter the labour market. It is important to focus on "comprehensive and integrated strategies that combine education and training policies with targeted employment policies for youth".

Trading up: Businesses teach entrepreneurship to the next generation

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As the youth unemployment crisis deepens, some enterprises are creating thousands of jobs by helping young people start their own businesses. Here are some examples on how to get young people into an economy that may not have room for them.

Youth Business International (YBI) was founded by International Business Leaders Forum in 2000 and now operates in 38 countries. Emphasizing education and mentorship, YBI also regularly finances promising proposals that can't find capital. According to its website, the group gave loans to over 8,500 entrepreneurs in 2009 and aims to help 100,000 annually by 2020.

In addition to those entrepreneurship initiatives directly funded by businesses, some programmes have found success with cooperative models. Founded in April 2009, the ILO's **Youth Employment Support Jobs for the Unemployed and Marginalized Young People** (YES JUMP) is a technical cooperation project working in Kenya and Zimbabwe to fight poverty. In partnership with COOPAfrica, the YES JUMP COOP Challenge Fund launched a call for proposals in the two countries. YES JUMP is just one of 29 technical cooperation projects that the ILO operates with a youth entrepreneurship component. Many of these projects have begun since the start of the financial crisis, and most offer education, mentoring, and networking services. Yet many also help businesses develop managerial practices in their first years, bringing down the high failure rates that plague new businesses.

Founded by Shell UK Limited in 1982, **Shell LiveWIRE** is a social investment programme funded by Shell Oil and regional partners. One of the most prominent corporate youth entrepreneurship initiatives, it operates free programmes in Africa, Asia, Europe and South America, emphasizing entrepreneurship education and providing mentoring for start-up businesses. One recent ILO working paper said that Shell LiveWIRE has had a hand in starting 100,000 new businesses, which created on average 3 to 4 new jobs each.

General Articles

Pakistan's devastating floods

Rebuilding lives and livelihoods

Sher Hassan watched helplessly through the driving rain as flood water approached his house. Horrified and panicking, and with little time to spare, the 24-year-old managed to take his elderly mother, five sisters and one younger brother to higher ground. Within an hour his home in the village of Masma was submerged under two metres of water.

Three days later, as the waters receded, Mr Hassan realized with dismay that his home, like those of his neighbours, was completely destroyed. The family was devastated as they lost not only their house, but all their belongings, including the dowries painstakingly saved for the five sisters.

During July and August – the annual monsoon season – Pakistan witnessed floods of biblical proportions resulting from record downpours in the northern mountains. Masma, in Pakistan's northwestern Khyber Pakhtunkhwa region, was among countless villages to bear the full force of the surging waters. At their peak, the floods reached all four provinces in Pakistan. More than 1,200 people died and 20 million were affected by the disaster.

The ILO estimates that at least 1.8 million homes were damaged or destroyed and more than 5.3 million people lost their jobs or had

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their livelihoods threatened. According to the Asian Development Bank, it could take two years for the agricultural cycle to return to normal.

Following the floods the ILO immediately mobilized its internal resources and started cash-for-work activities in Peshawar and Nowshera Districts to create 3,200 workdays of employment for flood-affected communities. The ILO's "Cash for Work" (CFW) programme specifically benefits women, men and disabled people by helping them restore critical infrastructure – rebuilding houses, repairing roads and workplaces.

"The Cash for Work project was started to provide quick employment opportunities in affected areas," said Mr Donglin Li, the Director of the ILO's Country Office for Pakistan. "This project provides not just income to those people affected, it also helps individuals rebuild their homes and restore their livelihoods." He added that during the initial relief period the project also organized young people, whose lives have been affected by the disaster, to clean and fumigate the temporary shelters set up for those who lost their homes.

Using ILO resources, flood water and rubble were cleared, houses renovated, and anti-mosquito pesticides sprayed throughout the worst-affected communities. Later, activities were expanded to other districts, creating short-term employment for many more. As a result of this initial success the ILO received a grant of US$200,000 from the UN Office for the Coordination of Humanitarian Affairs (OCHA) to implement Cash-for-Work activities in other severely flood-affected areas, helping to create 43,200 days of work for women and men.

Sher Hassan's house is among those being restored

The ILO is also initiating a programme to teach local young people some of the skills that will be most in demand during the forthcoming huge reconstruction process.

Training is planned or under way for 300 young men in Peshawar, Nowshera and Charsadda, in bricklaying, carpentry, welding and electrical repairs. In addition, the Canadian Government


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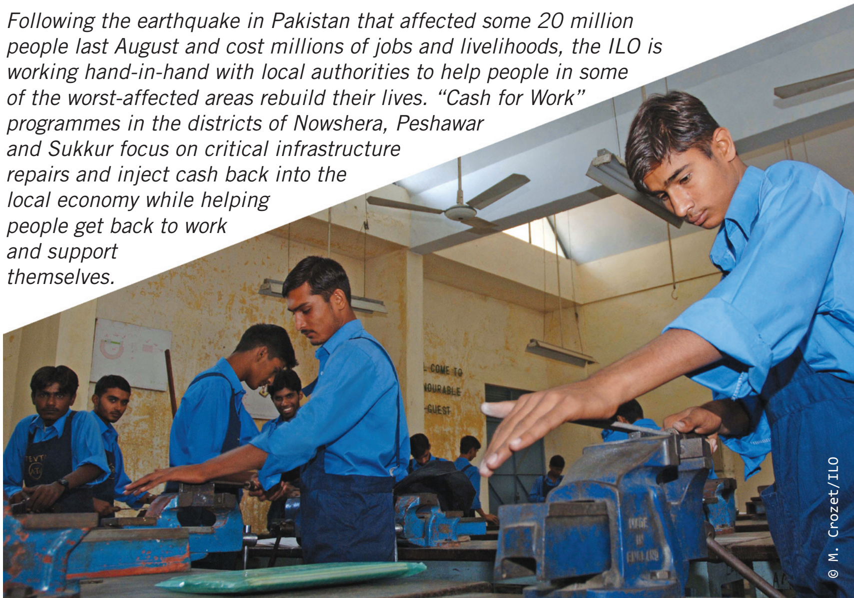
is funding a project on Gender Equality for Decent Employment that will provide skills training for 1,300 women and girls, so increasing their chances of employment. At the same time the ILO Media Project (funded by the Norwegian Government) has helped local Pakistani media organizations to highlight ways that flooding might affect child labour as well as strategies to counter this.

The Cash for Work interventions are implemented through ILO constituents (government, workers' and employers' organizations) and civil society groups.

In addition to these large-scale relief programmes, cash donations also continue to arrive from ILO staff, locally and globally. The ILO has used this money to buy some most-needed daily items, both food and non-food supplies. These have been distributed among the worst-affected communities in the Districts of Sukkar, Peshawar, Nowshera and Multan, in ceremonies attended by Mr Tariq Iqbal Puri, Federal Secretary of Labour & Manpower, Mr Haji Muhammad Javed, President of the Employers' Federation of Pakistan (EFP), and Mr Khurshid Ahmad, General Secretary of the Pakistan Workers' Federation (PWF).

Saifullah Chaudhry, Senior Programme Officer in the ILO Country Office in Islamabad, reporting from Peshawar.

Following the earthquake in Pakistan that affected some 20 million people last August and cost millions of jobs and livelihoods, the ILO is working hand-in-hand with local authorities to help people in some of the worst-affected areas rebuild their lives. "Cash for Work" programmes in the districts of Nowshera, Peshawar and Sukkur focus on critical infrastructure repairs and inject cash back into the local economy while helping people get back to work and support themselves.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How TREE changed a young man's life

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The ILO's Training for Rural Economic Empowerment (TREE) Programme is a proven platform that assists those working in largely informal economies to build the skills and abilities needed to generate additional income. By linking training directly to community-determined economic opportunities, TREE programmes ensure that skills delivered are relevant. R. Sivapragasam, Senior Training Specialist in the ILO Office in Colombo, reports from Sri Lanka.

Thangavel Nadesaseelan, aged 17, is from the remote village of Panchenai in Batticaloa District, Sri Lanka. His mother died when he was two and his father remarried and left his young family behind to fend for themselves. Seelan, as he is called by his friends, and his elder sister were left with their maternal grandparents and a widowed aunt.

As in many similar situations, Seelan attended the village school up to Grade 8 but dropped out at the age of 14 to work, because there was no other breadwinner in the family.

With his limited education, opportunities for work were rather restricted. During the agricultural season Seelan worked in the paddy fields and at other times in road construction or any other work that was available, to provide for his family's basic needs. After his grandmother's death Seelan had to take on more responsibility, as his grandfather was unable to work due to old age and his aunt was losing her sight.

Despite these difficulties, Seelan was able to give his sister away in marriage and to continue his life with his grandfather and aunt in the small hut that they built.

The year 2007 brought a difficult period in his life, as the war between the Liberation Tigers of Tamil Eelam (LTTE) and the government forces escalated in the east of Sri Lanka. Seelan and his family had to move out of their village to stay in a camp. They had to leave all their belongings behind; when they returned after the war, all that was left was the land they owned. So for Seelan the struggle for survival started again. Once they were resettled in their own village, he managed to put up a small hut, using the assistance provided to resettled families by the Government and other humanitarian agencies, and started to work again as an unskilled worker.

When the Recovery Coordination Initiative (RCI) – Phase II started in Batticaloa District in July 2009, Seelan's village, Panchenai, was selected as one of the locations for the interventions. A needs assessment was conducted in all six project locations to identify prospective employment areas. It became apparent that there was a demand for mechanics for agro-machinery and motorcycle repair, so training in these areas was offered to young people in all the locations, through the St John's Vocational Training Centre and the Vocational Training Authority.

The Recovery Coordination Initiative (RCI) – Phase II was a joint United Nations effort, in which the ILO, the Food and Agriculture Organization (FAO) and United Nations Development Programme (UNDP) took the lead in implementing the project, while the World Food Programme (WFP), United Nations Children Fund (UNICEF) and United Nations High Commissioner for Refugees (UNHCR) played a complementary role, assisting with the resettlement process and providing food for the resettled communities. The ILO was given responsibility for vocational training and enterprise development assistance for resettled families, and once again successfully used the Community-Based Training for Economic Empowerment (TREE) methodology to help initiate livelihood activities for these resettled communities.

Seelan was one of seven young men selected from Panchenai. Initial group discussions were held on how they could attend the training and complete it successfully. The main problem faced by most participants was leaving their families behind to attend the training, because they were the main breadwinners. The next problem was commuting daily to the training location. Taking these concerns into consideration, the ILO decided to enrol them in a three-month residential training course at the St John's Vocational Training Centre in Batticaloa.

"ARMED WITH NEW SKILLS AND TRAINING, SEELAN IS CONFIDENT THAT HE CAN MAKE ALL HIS DREAMS COME TRUE"

The ILO also arranged with the World Food programme (WFP) to include these trainees in their Food-for-Training (FFT) programme, clearing the way for them to attend the training while their families were being taken care of by the WFP. The WFP Batticaloa Field Office enthusiastically supported this arrangement and provided dry rations to the families of all trainees during the training period. In addition, all the logistical support was provided by UNDP Batticaloa. The ILO provided the funding and moral support to the trainees by visiting them regularly to monitor their progress and give encouragement.

Seelan, together with 15 other boys, graduated as an agro-machinery mechanic after successfully completing the three months of institutional training and two months on-the-job training. He has now been offered employment at the workshop where he underwent training.

Under RCI – Phase II, the ILO has offered vocational training to 170 young women and men in agro-machinery repair, motorcycle repair, heavy equipment operation, tailoring, carpentry, masonry, tractor driving and electrical wiring. They were all also supported

by the ILO in finding either waged employment or forming group enterprises. In addition, another 140 women were supported by the ILO with skills training, equipment and tools, work space and other operational assistance, allowing them to start community-based microenterprises. Fourteen such group enterprises, including a group farm, have been established.

Today Seelan wants to be a leading agro-machinery mechanic in Batticaloa District and to run his own workshop one day. He dreams of building a new house, making the lives of his grandfather and aunt comfortable and supporting his sister's family. Above all, like all youngsters, he dreams of driving his own motorcycle. Armed with new skills and training he is confident that he can make all these dreams come true. ■

The Training for Rural Economic Empowerment (TREE) Programme

The ILO's Training for Rural Economic Empowerment (TREE) Programme was designed to build on existing job-creating programmes of governments and NGOs, make those programmes more effective, and fill in gaps where programmes are weak or non-existent. It is based on the ILO methodology of community-based training for employment and income generation.

Tested under recent technical cooperation projects in Bangladesh, Burkina Faso, Madagascar, Niger, Pakistan, the Philippines and Sri Lanka, TREE builds on ILO's long-standing experience in promoting community-based training worldwide. Starting with institutional arrangements and planning among partner organizations at the national and local levels, a TREE programme aims to systematically identify employment and income-generating opportunities at the community level, design and deliver appropriate training programmes with local public and private training providers; and provide the necessary post-training support, for example in facilitating access to markets and credit.

In communities where formal training institutions do not exist, for example in remote rural locations, arrangements for mobile training may bring in teachers and equipment to identify appropriate levels of training, to design curricula and to deliver training locally. This can serve as a measure to strengthen training delivery by formal institutions through the development of new training programmes that meet local demands.

Swiss President Doris Leuthard hoped that SCORE Indonesia could set an example for other SMEs throughout the country and elsewhere.

Helping small and medium-sized enterprises to keep SCORE

Employing more than 95 per cent of the world's working population, small and medium-sized enterprises (SMEs) are the main source of employment in developing countries but they have been severely affected by the global economic crisis. To help SMEs become more productive and competitive, the ILO has launched the Sustainability through Competitive and Responsible Enterprise (SCORE) Programme in several countries. SCORE is now active in China, Colombia, Ghana, India, Indonesia, South Africa and Viet Nam. Gita F. Lingga, Communications Officer in the ILO Jakarta office, reports from Indonesia.

There is now a different working environment at PT Laksamana Teknik Makmur, a small-to-medium auto-part company located in Jakarta. The working spaces are tidy and clean. No more paint dust, no more auto parts and equipment scattered around – they are neatly arranged in spacious built-in storage racks where each item can be easily found and recorded.

"In the past, we never knew about the process of hygienic productivity. We used to paint outside without any protection, which made the paint dusts contaminate the surrounding environment and was also bad for workers' health. We never considered it important to have racks or storage for our products and equipment. They just lay here and there, scattered around the working spaces," says H. Suwarno, Director of PT Laksamana Teknik Makmur.

After his company joined and applied the SCORE Programme a change took place. "We are now doing the painting in the spray-booth so that it is safe for the environment and also for the workers. We are also engaging and participating in the process of hygienic productivity," Suwarno says.

Communication between workers and the management is also smoother. "Before, the workers had no understanding of the company's targets, while the management did not understand the needs of the workers. Now, it has changed. We do communicate better and it also boosts our productivity," he explains.

These changes in the working environment have benefited not only the management – the

workers say that they have made their work easier, faster and more effective. "We are now able to locate the correct items quickly, calculate the amount of goods easily and control the inventory effectively," says Agung Nugraha, one of the employees.

The problems faced by PT Laksamana Teknik Makmur are common for SMEs in many developing countries, including Indonesia. SMEs face competition from other companies and deal with pressures from the surrounding communities as well as from legislation: they not only have to be productive and competitive but must also comply with environmental standards. They are vulnerable to external shocks and have suffered severely in the aftermath of the global financial crisis, putting the quality of their jobs at risk.

Indonesia was chosen to host the ILO programme because the country has many SMEs, most of which need to improve their productivity and competitiveness at national and international levels. Launched in July 2010, the SCORE Programme in Indonesia is funded jointly by the Swiss State Secretariat for Economic Affairs (SECO) and the Norwegian Agency for Development Cooperation (NORAD) in partnership with the ILO. It aims to assist SMEs in boosting their quality and productivity, improving their working conditions and reducing their environmental footprint by strengthening collaboration and communication between employers and workers. This helps enterprises to be more competitive internationally, thus creating jobs.

Productivity is not just a matter of technology

"Improving the productivity of a business is not solely a matter of new technologies or revolutionary production methods; it can only be accomplished with the full and comprehensive participation of the workforce, both men and women, and through the dialogue they are able to have with the head of the company," said the President of the Swiss Confederation, Doris Leuthard, in her remarks during the project launch. She hoped that SCORE Indonesia could set an example for other SMEs throughout the country and elsewhere.

Meanwhile, the Indonesian Minister of Manpower and Transmigration, Muhaimin Iskandar, has stated that SCORE Indonesia would definitely support the Strategic Working Plan of the Manpower Ministry in promoting the creation of employment opportunities for decent work. "The programme will also assist the improvement of industrial relations as well as labour competency and productivity," he said.

SCORE training programmes consist of a two-day comprehensive workshop with SCORE experts, and three site visits to each enterprise per training module. Five training modules cover issues related to workplace cooperation, quality, productivity and cleaner production, human resources management and safety, health and workplace relations.

To date, 11 SMEs that supply their products to the Astra group's network have registered, expressing strong commitment to participating in the SCORE training programmes. This is also in line with the ultimate beneficiaries – workers and employers in small and medium-sized auto-parts manufacturers that have between 50 and 200 employees.

Sofjan Wanandi, Chairman of the Indonesian Employers Association (APINDO), strongly supports the initiatives under this programme. "The SCORE Programme will help Indonesia's SMEs to compete in national and international markets. It is urgently needed by the SMEs, as they need to improve productivity, efficiency and competitiveness as well as collaboration between employers and workers in order to create better working conditions."

Similarly, the Indonesian union confederation also greatly welcomed the appointment of Indonesia to host the programme. Sjukur Sarto, Chairman of the Confederation of All Indonesia Trade Unions (KSPSI), said, "The SCORE Programme will help to unite the interests of both employers and employees. I believe that the increase in labour productivity will also increase the company's productivity which will lead to an increase in national productivity."

And Yayat Supriyatna, Director of CV Mitrakarsa, another small-to-medium auto-parts company that has joined SCORE Indonesia, emphasizes the importance of focusing on workplace safety and health. "We took very little responsibility for the safety and health of workers, which at one point contributed to one of our workers having an accident. The SCORE Programme, however, has changed the way we do business. We are now more educated and aware of workers' health and safety. We now equip our workers with the necessary safety gear, such as gloves, masks, and shoes," he says.

"IMPROVING THE PRODUCTIVITY OF A BUSINESS IS NOT SOLELY A MATTER OF NEW TECHNOLOGIES OR REVOLUTIONARY PRODUCTION METHODS"

With better awareness and understanding of productivity, competitiveness and responsible workplace practices, SMEs can improve their business growth, quality and productivity and develop a business culture that promotes harmonious employee–management cooperation and workplace management that reduces work accidents and sick leave. ■

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The Sustainability through Competitive and Responsible Enterprise (SCORE) Programme

SCORE is an ILO programme that supports small and medium-sized enterprises (SMEs) to grow and create more and better jobs by improving their competitiveness. SMEs benefit through increased productivity and quality, as well as healthier, more committed employees, and improved access to market opportunities at the local, national and global level. For the workers, this means more opportunities for productive and decent work and workplaces that are in compliance with national standards. Local associations and business support organizations provide short training sessions for workers and managers followed by enterprise visits and counselling to meet the specific needs of individual enterprises. The Programme is particularly relevant for enterprises that face internal problems relating to quality, productivity, pollution and waste, workplace health and safety, or human resources management.

For further information on the SCORE Programme see ***www.ilo.org/score.***

Green jobs in construction

Small changes – big effect

Construction was the first specific sector of the economy to be addressed in the ILO's Green Jobs Initiative. The sector is responsible for 25–40 per cent of global energy use, and 30–40 per cent of global greenhouse gas emissions. Andrew Bibby, a London-based journalist, reports from the suburb of Khayelitsha, Cape Town's largest informal settlement, where the Kuyasa Initiative has targeted 2,000 homes for basic energy-saving measures, creating jobs at the same time.

The project, the first African initiative registered under the Kyoto Protocol's Clean Development Mechanism, is designed to produce a significant reduction in carbon dioxide emissions and to improve local air pollution. The work undertaken includes the installation of insulated ceilings, solar water heaters (to replace expensive electric water heaters) and low-energy lighting. For the residents, there is an immediate saving: a reduction of up to 40 per cent on electricity costs.

The Kuyasa Initiative has also created jobs and helped community cohesion. Seventy-six jobs have been directly established, primarily in the task of installing the solar water heaters and ceilings, whilst indirectly South African companies manufacturing the technology are looking to success in Kuyasa to lead to a rapid growth in demand for their products and to employment creation. The community itself has been affected "dramatically", according to site manager Zuko Ndamani: "It has brought together the community, something you don't necessarily see in the townships," he told the local *West Cape News*.

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The modest venture in Kuyasa is a small indication of the potential significance which can come from the development of so-called "green jobs" in the construction sector, a subject tackled in detail in a report just published by the ILO.* This focus on construction is part of the broader Green Jobs Initiative (see *World of Work*, No. 69), the unique partnership between the ILO and the UN Environment Programme (UNEP) launched in 2008 which also brings in the International Organisation of Employers and the International Trade Union Confederation.

As Elizabeth Tinoco, director of the ILO's Sectoral Activities Department, points out, construction has been recognized as a significant contributor to global warming. "Construction is the main sector of the economy in regard to climate change impact – and hence in regard to potential for improvement. New buildings and refurbishment of existing buildings alike give the opportunity to reduce CO2 emissions and energy consumption, and to encourage the development of new professional skills leading to employment opportunities," she says.

It is a message which deserves a wide audience, given the importance of the construction sector worldwide. The workers who are improving houses in Kuyusa are part of an estimated 111 million people who, across the globe, earn their livelihood in construction. The sector provides work for 7 per cent of the world's formal workforce, and contributes 5–15 per cent of national GDP. The actual figure, including the informal economy, is much higher but difficult to estimate.

Three-quarters of these workers are in developing countries, and – as the new ILO report makes clear – there are particular opportunities in these countries to take practical steps to address environmental problems and to create new green jobs.

Whilst it is vital to ensure that new buildings are built to high environmental standards, appropriate retrofitting and refurbishment of existing buildings is even more important, given that most of the world's building stock for the medium term has already been built. The challenge is to work with what we already have, to make it better.

According to Edmundo Werna, the ILO official with particular responsibility for green jobs and the construction industry, research suggests that construction is responsible for 25–40 per cent of global energy use, and 30–40 per cent of global greenhouse gas emissions. Buildings overall contribute 33 per cent to CO2 emissions.

"The environmental impacts of the construction industry have been well documented. There are impacts related to the choice of sites for construction, to the construction process, and to the choice of building materials and equipment as well as to the products of the industry (e.g. the types of building). Construction has a significant role to play in the mitigation of climate change," he says.

The ILO report, entitled *Green jobs creation through sustainable refurbishment in the developing countries*, offers case studies from Brazil and South Africa as well as an overview of good practice in the Netherlands. It points out that 2.3 million workers already work in renewable energy such as solar photovoltaics and solar thermals. It also suggests that there are significant opportunities for creating additional green jobs in sustainable refurbishment in developing countries.

* *Downloadable from http://www.ilo.org/public/english/dialogue/sector/papers/construction/wp275.pdf.*

An emblem of a more sustainable economy

Edmundo Werna echoes the report's message. "Green jobs have become an emblem of a more sustainable economy and society that preserves the environment for present and future generations and is more equitable and inclusive," he says. New green jobs in construction are particularly important, since the sector makes use of low-skilled workers and tends to attract entrants to the labour market. But he warns that the quality of these new green jobs is also an important issue.

"The evidence shows that green jobs do not automatically constitute decent work. Many of these jobs are dirty, dangerous and difficult. Employment in construction and other industries such as recycling and waste management tends to be precarious, and incomes from them are low. If green jobs are to be a bridge to a truly sustainable future, this needs to change."

Data from a number of industrialized countries already show that construction workers are three to four times more likely than other workers to die from accidents at work, and the risks for workers in developing countries are greater still. Unfortunately, there are already examples collected by the UK-based NGO Hazards (hazards.com) of accidents and poor safety and health practices in areas of industry related to energy saving and recycling. Hazards has challenged the use of toxic materials in technologies such as solar photovoltaics. "Green jobs are not necessarily risk-free jobs. Many green jobs are old jobs in green livery. The waste industry morphed into the recycling industry, and it remains many times more deadly than industry as whole," claims Rory O'Neill of Hazards.

But green jobs are not necessarily decent jobs

For Edmundo Werna, issues like this underline the importance of linking together the Green Jobs Initiative with the ILO's Decent Work Agenda. "Just because jobs are green doesn't necessarily mean that they will be better for workers," he points out. He adds that new technologies are likely to mean changes in the labour process which need to be taken into consideration. He also expresses concern that existing labour problems in construction, including the use of casual labour, poor working conditions and weak social dialogue, could be transferred to the new green jobs in the sector.

There are opportunities here to be taken, however. "The creation of green jobs entails

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an opportunity to provide training for specific target groups such as women, who have had limited openings in construction. Youth can also be targeted, and training in green jobs can give them specialized skills to enter the market. Specialized training for migrant workers can give them more power to negotiate better working conditions," he maintains.

Demolition and recuperation of materials

Certainly there are grounds for optimism. Many employers and governments have shown enthusiasm for the idea of green construction, and UNEP has built up through the Sustainable Buildings and Climate Initiative a valuable partnership with building-sector stakeholders including leading construction companies such as Skanska and Lafarge, professional associations such as the International Federation of Consulting Engineers, property investors and building managers.

"THE EVIDENCE SHOWS THAT GREEN JOBS DO NOT AUTOMATICALLY CONSTITUTE DECENT WORK"

There are also many opportunities for synergy between the different sectors of the built environment, including construction, infrastructure, utilities and waste management, and recycling. "There are linkages with regard to labour in the sectors of the built environment and there are benefits from addressing them in an integrated way. Green buildings are not an end in themselves. They are a foundation for sustainable cities and communities," explains Werna.

And Elizabeth Tinoco also stresses the opportunities which are here for advancing the UN's agenda for development. "Decent green jobs effectively link Millennium Development Goal 1 (poverty reduction) and Millennium Development Goal 7 (protecting the environment)," she says. "It makes them mutually supportive."

Gundo Lashu

Labour-intensive public road

With more than 25 per cent of jobless people, the Republic of South Africa is faced with rampant unemployment – coupled with high levels of poverty and a lack of skills. As part of the South African Government's strategy to provide poverty and income relief through temporary work, the labour-intensive Expanded Public Works Programme was introduced in 2004. It received technical support from the ILO, which is also assisting the Government with the development and formulation of policy. South African journalist Eleanor Momberg reports from Johannesburg.

Travelling in the rural areas and smaller towns of Limpopo Province in the north of South Africa there is evidence of communities benefiting from the work of thousands of people who have gained from labour-intensive public works programmes.

Approved by the Cabinet in November 2003 and launched in 2004, the South African Government's Expanded Public Works

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(Our Victory)

s programmes in South Africa

Programme (EPWP) actively contributed to this through the promotion of economic growth and sustainable development, creating temporary work opportunities for the unemployed, particularly the unskilled.

The goal of the first phase of the EPWP, which combined work opportunities with training and skills development, was to help alleviate unemployment by creating at least one million work opportunities by 2009, of which at least 40 per cent of beneficiaries would be women, 30 per cent youth and 2 per cent people with disabilities. That goal was reached in 2008, with 1.6 million work opportunities created by the end of phase 1 of the project in 2009.

A Growth and Development Summit took place that year resulting in the allocation of R100 billion for the creation of employment-intensive public works projects. While the South African programme is unique in that it is now wholly government-funded and thus not reliant on the generosity of donors, it was built on the lessons learnt from ILO-assisted programmes such as the successful Gundo Lashu (Our Victory) labour-intensive provincial roads programme implemented in Limpopo Province by the Limpopo Roads Agency in 2001.

The provincial government, with initial financial assistance of the United Kingdom Department for International Development – South Africa and a team of ILO technical advisors, teamed up with municipalities to bring local emerging contractors into labour-intensive road and bridge construction and maintenance projects aimed at rehabilitating gravel roads in the province. These contractors, trained by the ILO, employed local labour to carry out the projects, resulting in each of these workers learning a new skill and earning an income for the duration of the contract period, thus improving not only their own lives but those of their families.

Ignatius Ariyo, Chief Director, Infrastructure Sector, EPWP in the National Department of Public Works (NDPW), said the EPWP was aimed at increasing the labour intensity of government-funded infrastructure projects to upgrade rural and municipal roads, municipal pipelines and storm water drains to improve access to water and sanitation. Training was provided through state training authorities, while the Department arranged for access to finance for learner contractors.

Creation of millions of jobs expected

"The EPWP has been very successful. We hope to create 4.5 million work opportunities or 2 million full-time equivalents by 2014 during Phase 2, which was launched earlier this year. In the first quarter ending in June 193,000 work opportunities were created, which is 30 per cent of the target of 642,000 for the 2010/11 financial year. So we are on course to meet our target," Ariyo says.

He adds that surveys had shown that the equivalent of 100 days of work had a positive impact on people's lives. "This is not a perfect solution to unemployment, but it is something. Public works labour-intensive programmes do not create permanent jobs. They are just an intervention for a period, but they do give people the skills to enter the formal labour market and play a role in the growth of the economy."

Kleintjie Mathabathe is the learner contractor installing pavements in the town on Mokopane in Limpopo Province. "I started by employing 10 people, but I now have 28 people working for me since May," says Miss Mathabathe. "My life has improved and so have the lives of the workers because we make a decent wage. I want to become the best contractor in Limpopo when I finish my learnership."

Her mentor on the project, Miss Gloria Ramdela, completed her learnership through the ILO in Lesotho, working first on the Gundo Lashu project before becoming a supervisor, site manager and now a mentor. "I show the

contractors and the workers what to do, step back and watch. Then I advise and coach them and assist them with financial management and procurement processes," says the woman who now wants to become a civil engineer.

"I STARTED BY EMPLOYING 10 PEOPLE, BUT I NOW HAVE 28 PEOPLE WORKING FOR ME"

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The role of the ILO

Mr Ariyo says the ILO contributed significantly to the EPWP in providing standards in the infrastructure sector, determining best practice, developing training manuals and assisting with training.

There are eight ILO technical advisors in South Africa. All are specialists in labour-intensive methods of employment. They provide technical assistance and advisory support to labour-intensive investment programmes at national, provincial and municipal levels and are involved in the overall management of the EPWP. They also coordinate activities in the provinces. "We also have two specialists advising the Government on policy and rollout in so far as these pertain to the world of employment," says Mr van Vuuren, Director of the ILO Office in Pretoria.

Mr Kwaku Osei-Bonsu, a senior specialist for employment-intensive investments in the ILO's Decent Work Team for Southern and Eastern Africa, would like to see the creation of a training facility in South Africa much the same as those in Ethiopia, Ghana, Kenya, Madagascar, the United Republic of Tanzania, and Uganda. "The reason for having a formal training centre is that you have permanent trainers who become more experienced as they run the training programmes," he says.

The need for skills transfer

A major problem in South Africa is a lack of capacity, particularly technical and engineering expertise within the Department of Public Works, which has meant that the ILO's technical team in Limpopo often had to step in to perform departmental duties. Mr Osei-Bonsu said he would prefer a situation where the ILO was present in South Africa in an advisory capacity, where "we only bring expertise and enrich the nationals involved".

Mr van Vuuren concurs, saying that project management in South Africa is sometimes weak. "There needs to be a transfer of skills so that people can learn to run this kind of project." In his view, there needs to be a provision of skills into the market with retention happening through stronger leadership from government and emphasis on the way staff are managed internally, to create an environment where they will want to remain in the positions where they are needed.

And Mr Osei-Bonsu concludes: "I applaud what has been done by the South African Government. Yes, there are challenges, but these are not insurmountable. They can be addressed if there is political commitment and there is a buy-in by all."

The ILO's Employment-Intensive Investment Unit (EMP/INVEST, EIIP) leads work on the development and implementation of employment-intensive approaches to infrastructure investment. EIIP supports governments, employers' and workers' organizations, the private sector and community associations worldwide in enhancing the employment content of infrastructure investments and improving access by the poor to basic goods and services. EIIP works in more than 70 countries.

THE ILO and labour-based public roads programmes in South Africa

Following advisory work during the development process of the National Employment Programme (NEP) as of 1994, the ILO's actual programme work in South Africa started in 1996, two years after the first democratic elections, with a programme of collaboration with the Universities of Natal and the Witwatersrand to introduce labour-based road work and research through the development of new curricula and course materials for under- and post-graduate studies.

In 1996 and 1997 the ILO was requested by the National Department of Public Works to evaluate the Community-Based Public Works Programme which resulted in the South African Government realigning the Programme to address its major goals of poverty reduction, employment creation, local empowerment and skills development. A subsequent evaluation in 2001 enabled the Government to determine the success of the Programme and its impact on the quality of life of previously disadvantaged individuals.

From 1998 to 2000 the ILO provided the Department of Public Works with technical assistance, advising on policy aimed at integrating employment issues into the delivery and maintenance of public infrastructure. This work continues today, as does the capacity building in the Limpopo department of public works.

Following the success of the 12th Regional Seminar for Labour-Based Practitioners in Durban in 2007, a high-level mission for the implementation of a Global Jobs Pact (GJP) was undertaken by the ILO in South Africa. A first draft of the GJP Country Scan for South Africa was submitted, identifying priorities such as the creation of green jobs, and maximizing the employment impact of infrastructure development.

The EPWP is highlighted and presented as one of the three countries showcased in the newly launched Innovations in Public Employment Programmes (IPEP) approach, an international course offered at the ILO's International Training Centre in Turin. "Their ability to impact on the multiple objectives of employment generation, income support, asset creation and social protection, and as a scalable response to specific circumstances, is a key strength of these programmes," says Mito Tsukamoto, a senior ILO expert for employment and investment policies.

In the meantime, the employment-intensive work approach in the Republic of South Africa has moved beyond traditional infrastructure and construction programmes. Public Works Programmes (PWP) and Employment Guarantee Schemes (EGS), said Dr Kate Philip, who led a strategy process on inequality and economic marginalization for the South African Presidency this year, had become "strongly associated with infrastructure and construction 'works', but this has changed, with examples of employment-intensive work in the social sector, environmental services, and multi-sectoral, community-driven programmes."


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Teachers and trainers for the future

The ILO estimates that unemployment is up by more than 30 million worldwide since 2007. As the ILO's Global Jobs Pact adopted in 2009 sets out, one of the key policy solutions to ending the worldwide jobs crisis will be equipping the workforce with the skills needed for employability. Delegates representing workers, employers, and ministries of labour and education from 43 countries, meeting in Geneva on 29–30 September, suggested policies and measures to be urgently put in place to strengthen technical and vocational education and training (TVET) systems worldwide.

The Global Dialogue Forum on Vocational Education and Training examined how TVET systems can deal with employment and workplace challenges through balanced skills development that responds more closely to real workplace needs.

A need for closer cooperation between employers and unions, schools and other stakeholders involved in TVET in order to deliver and assess outcomes has become apparent. Specific skills development strategies for economic sectors and those developed by major groups of countries such as the G20 have emerged in response to these challenges.

The Forum looked especially at the training, remuneration, teaching and working conditions of TVET professionals. TVET systems are confronted with a worldwide shortage of teachers and trainers, strong competition from private enterprise for skilled professionals, new training and skill profiles of teachers, low salaries especially in developing countries and lack of up-to-date infrastructure and equipment.

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"We have to see these challenges in a context of increasing funding difficulties created by economic stagnation and severe government fiscal and budgetary constraints," explains Michael Axmann, a senior ILO training specialist.

What's more, TVET systems worldwide are under pressure to deal with a host of other employment and workplace challenges in a creative and employment-driven way, including changing technologies, shorter product cycles, new forms of work organization, sustainable development and "green jobs". Using TVET policies in the most effective way in support of enhanced education and skills levels of workers has become of prime importance in economic, employment and social integration strategies worldwide.

Satisfying new demands by higher quality employment

Employment of TVET teachers and trainers varies over time by country, but has shown strong growth in some. More than half of the 23 European countries for which comparable data are available have increased the numbers of secondary-level teachers in recent years. Overall, three-fifths of developing countries increased employment in this sector to meet increased demand in the period leading up to the beginning of the worldwide financial crisis.

"WE HAVE TO SEE THESE CHALLENGES IN A CONTEXT OF INCREASING FUNDING DIFFICULTIES CREATED BY ECONOMIC STAGNATION AND SEVERE GOVERNMENT FISCAL AND BUDGETARY CONSTRAINTS"

High-income countries have adopted a range of measures to address actual or looming teacher shortages, including cross-national recruitment, "fast track" training and recruitment policies, and greater recourse to part-time and flexible working arrangements. Low- and middle-income countries often struggle with new demands concerning the employment and career structures of TVET teachers.

As Bill Ratteree, a senior education specialist at the ILO and one of the authors of the report,* notes, "A significant new development is the increase of women teachers and trainers in a sector of education where they have traditionally been under-represented. A majority of countries in all regions report higher employment growth among women teachers and trainers than for the totals."

Training the trainers

The increasingly multi-functional roles and responsibilities of teachers and trainers have led to new learning approaches with greater autonomy for programme decisions and outreach to the world of work.

A wide range of countries now require significant non-academic work experience and emphasize pedagogical training as part of training and certification in efforts to break down divides between TVET institutions and workplaces. Teacher assessment mechanisms are increasingly part of reforms to prepare teachers for TVET jobs and enhance effectiveness.

The financing of this level of education, considered to be more costly than general education, remains low. In developing countries it is increasingly compromised by lower levels of development assistance, and in the industrialized world by the general impact of the current economic recession on government budgets. Long-established public–private partnerships provide a source of much-needed financing and may be emulated more broadly in the future.

* *Teachers and trainers for the future - technical and vocational education and training in a changing world, ILO, Geneva, 2010.*

A need for more social dialogue

Increasing changes affecting TVET and its relationship to the world of work have rendered social dialogue between governments, employers and workers ever more relevant to the search for policy solutions. "Although social dialogue between governments, employers, trade unions and other stakeholders is growing, it is often constrained by poor or non-existent institutions or mechanisms. This remains one of the most timely, even urgent policy issues in TVET reform," says Bill Ratteree.

After two days of intensive debate, the Forum adopted a set of recommendations on TVET upgrading and reform, including policies for a higher status and new esteem for TVET; enhancing development assistance to countries for up-to-date information collection and analysis on skills demand and supply; improving qualifications, recruitment and retention of TVET teachers and trainers; human resource policies to encourage employment of qualified women and minorities; a well-financed TVET infrastructure with up-to-date training equipment; strengthening social dialogue between employers and trade unions representing teachers and trainers; and promoting links with workplace and lifelong learning activities.

The Forum also asked the ILO to help member States meet their needs for more relevant data, exchange of good practices and development of policies and programmes to meet TVET challenges. ■

News

G20 urged to implement commitment to jobs, social protection

Amidst widespread concern about the slow recovery in employment, ILO Director-General Juan Somavia urged the G20 Leaders last November to implement their commitment to the central role of social protection and decent work in global recovery.

The G20 Leaders' Declaration stated that "we are determined to put jobs at the heart of the recovery and to provide social protection and decent work and also to ensure accelerated growth in low-income countries".

"Worldwide concern over jobs deficits has helped focus Leaders' minds on coordinated action to bolster recovery. The Seoul Summit 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," said Mr Somavia, who participated in the Summit.

"Rebalancing the global economy so that growth is both strong and sustainable requires more than adjustments to currencies and financial regimes. Investing in social protection and quality jobs will encourage entrepreneurship and investment in the real economy and get sustainable growth moving," he said.

He drew attention to the "shared growth" championed by the G20 Seoul Summit, adding, "this approach spreads the benefits of growth within countries and narrows the gap between developing and higher income countries." He added, "ensuring that wages move ahead in line with productivity is essential to sustainable growth".

The ILO Director-General highlighted the importance of the "Seoul Development Consensus for Shared Growth" adopted by the G20 Leaders. "I particularly welcome the G20 approach to development centred on investment, jobs and social protection," said Mr Somavia. "The recognition that social protection is an investment in higher productivity and resilient growth is encouraging," he added.

Mr Somavia noted that the ILO's Decent Work Agenda and Global Jobs Pact were increasingly entering the mainstream of the G20's approach to balanced growth and development.

In a deepening of their Framework for Strong, Sustainable and Balanced Growth, Leaders adopted the Seoul Action Plan on cooperative and country-specific policy actions. The ILO is called upon to continue to provide its expertise to the G20-led review of country commitments and progress under the Framework. In this respect, Leaders called for continued close collaboration between the IMF and the ILO.

The ILO is also requested to contribute to a multi-year development action plan spanning nine pillars of growth, ranging from private investment and trade to job creation, skills development, social protection and food security.

The G20 Leaders considered a joint OECD, ILO, World Bank and WTO report calling for a coherent approach to trade and employment policies. The G20 Leaders' Declaration in Seoul acknowledged contributions from the Business Summit on private sector-led growth and job creation. Leaders also decided to increase consultations with the wider international community, including trade unions.

Mr Somavia drew attention to the effective efforts by trade union leaders on the eve of the Summit in pressing the G20 on the importance of acting to accelerate recovery in employment. They were attending a conference in Seoul organized by the International Trade Union Confederation, the Trade Union Advisory Council to the OECD, Global Unions and their Korean affiliates.

Michelle Bachelet: "Social protection floor is first step forward"

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Former Chilean President Michelle Bachelet presided over the first meeting of the Social Protection Floor Advisory Group, held in Geneva on 11 and 12 August and convened by the ILO Director-General, Juan Somavia.

The Social Protection Floor is a set of basic social security rights and transfers, as well as essential services in the area of employment, health, water and sanitation, nutrition, education and family support, to protect and empower poor and vulnerable people to work out of poverty. These social policies must be combined in a coherent and integral life-cycle approach and have a special focus on the most vulnerable groups of society, including women, children and youth.

Globally, four out of five persons in the working-age population have no adequate social protection, lacking access to social security, health and unemployment assistance. The economic crisis has had an adverse impact on these vulnerable populations in both developed and developing countries. Global unemployment has reached its highest level on record, and is expected to increase throughout 2010.

It is estimated that the combination of the economic and food crises added around 98 million people to the population living on less than US$2 a day in 2009. Young people have been particularly affected.

During the two-day meeting, *(see photo pp. 52-53)* Ms Bachelet engaged with prominent experts and policy-makers – the members of the Group – in discussions concerning the meaning of a Social Protection Floor; its main components; its political, economic and financial feasibility, as well as its institutional dimensions, fiscal space availability and overall sustainability in very diverse situations and according to different countries' circumstances and needs.

The Group includes Mr Juan Somavia, ILO Director-General, and Ms Margaret Chan, Director-General of the World Health Organization (WHO), who act as ex-officio members.

"Social protection measures not only prevented millions of people from falling further into poverty by ensuring access to much-needed social services, but also helped to reduce the likelihood of social unrest and made an important contribution to limiting the fall in aggregate demand, thus curtailing the potential depth of the recession," said Ms Bachelet.

"But social protection policies – and the goal of a social protection floor – will be even more important in the months and years ahead to tackle the enormous human cost that the economic crisis has left behind. It is now time to come together in an effective coalition and synergize our activities to make social protection a reality for all. The launch of this group is the first step forward," Ms Bachelet added.

The United Nations system, the IMF and the World Bank, under the leadership of the UN Secretary-General Ban Ki-Moon, have agreed to jointly promote the implementation of the Social Protection Floor. This is one of the nine joint initiatives adopted in April 2009 by the United Nations System Chief Executives Board for Coordination (UNCEB) to cope with the effects of the economic crisis. The Social Protection Floor Initiative is led by the ILO and WHO and involves a group of 17 other agencies.

IMF/ILO commit to recovery focused on jobs

Last September, the heads of the International Monetary Fund (IMF) and the International Labour Organization (ILO), along with other leaders, called for a broad international commitment to a jobs-focused policy response to the global economic downturn.

At a historic conference in Oslo – hosted by Prime Minister Jens Stoltenberg of Norway and co-sponsored by the IMF and ILO – leaders from government, labour, business and academia met to tackle the sharp increase in unemployment and underemployment since the 2008 global financial crisis.

"The international community must respond to the very real impact the crisis has had on working people," said IMF Managing Director Dominique Strauss-Kahn. "This gathering has helped to define the steps that must be taken to bring millions back into the workforce. Tackling the jobs crisis is not only critical for a meaningful global economic recovery, but also for social cohesion and peace."

"When growth is not fair, it becomes unsustainable," said ILO Director-General Juan Somavia. "This has been the overriding lesson of the crisis. High levels of employment creation should be a key macroeconomic objective alongside low inflation and sustainable budgets. We need to steer globalization in the right direction. For that we need coherence and balance across policies, as well as coordination and dialogue among institutions and nations. This conference has marked an important step in that direction."

The ILO estimates that unemployment is up by more than 30 million worldwide since 2007. The increase in unemployment in advanced economies has been particularly severe, but the crisis has also has emerging market and developing economies.

The Oslo Conference brought together senior government leaders, including President Ellen Johnson Sirleaf of Liberia; Prime Minister George Papandreou of Greece; and Prime Minister José Luis Rodríguez Zapatero of Spain. A large delegation of labour leaders was led by International Trade Union Confederation General Secretary Sharan Burrow.

The IMF and ILO agreed at the conference to work together on policy development in two specific areas. First, they agreed to explore the concept of a social protection floor for people living in poverty and in vulnerable situations, within the context of a medium- to long-term framework of sustainable macroeconomic policies and strategies for development. Second, the two institutions will focus on policies to promote employment-creating growth.

From left to right: Prime Minister of Norway, Jens Stoltenberg; President of Liberia, Ellen Johnson Sirleaf; ILO Director-General, Juan Somavia; IMF Managing Director, Dominique Strauss-Kahn.

There was also agreement on the central role that effective social dialogue can play in building the consensus needed to tackle the difficult adjustment challenges created by the crisis, and to ensure that the social consequences of the crisis and its aftermath are taken fully into account.

The two institutions also agreed to continue and deepen their cooperation in support of the G20 and its Mutual Assessment Process aimed at ensuring strong, sustained and balanced global growth.

ILO Director-General receives MDG Award

Juan Somavia, Director-General of the International Labour Office (ILO), has received a "Lifetime Achievement Award" for his work towards the achievement of the Millennium Development Goals (MDGs) and promoting social development.

Mr Somavia received the honour from the MDG Awards Committee which cited his "vision and advocacy in support of the need to secure decent work for women and men throughout the world".

The ceremony was held as world leaders gathered in New York for a UN MDG Summit on 20–22 September to accelerate progress towards the MDGs.

"In this struggle, we must do better and aim higher, inspired by a new vision where the dignity and security of working families lead us into a more peaceful world. If you want peace, promote social justice," said Juan Somavia in his acceptance speech.

This annual MDG Award is intended to support and raise awareness of the Millennium Development Goals by providing a high-profile platform to honour and celebrate exemplary efforts by national governments and civil society stakeholders in advancing these international development goals. The MDG Awards are a collaboration of the United Nations Office for Partnerships (UNOP) and the Millennium Campaign.

Since becoming Director-General in 1999, Mr Somavia has been a tireless advocate for the ILO's Decent Work Agenda to provide opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity. The goals of the Decent Work Agenda are in line with those of the Millennium Declaration.


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ILO Director-General celebrates rescue of Chilean miners

On 13 October, ILO Director-General Juan Somavia expressed his deep emotion over the rescue operation to free the 33 miners trapped underground for more than two months in a mine in northern Chile.

"Both as Director-General of the ILO and as a Chilean, I share the joy of millions of people all over the world at the return of these heroes from the depths of the earth," said Mr Somavia in a statement issued as the operation to rescue the trapped workers was still under way.

"Behind this impressive achievement we have to admire above all the calm, courage, organization and love of life displayed by the miners. Their fortitude in the face of disaster, which has amazed us all, was a constant encouragement for the rescue efforts. They have my most profound respect," he said.

Mr Somavia highlighted “the tenacity, the skill and the efficiency of all those from the public and private sector, Chileans and non-Chileans alike, who contributed their know-how to this great collective success”.

“Above all, let us pay tribute to the solidarity shown by the miners’ families and the entire nation and to their confidence that what seemed impossible was indeed possible,” he added.

In his statement, Mr Somavia said the miners’ odyssey had taught the world many lessons: “We cannot allow ourselves to forget how this terrible drama began, a group of miners found themselves trapped underground simply because the safety measures in place were inadequate. Safety at work is a core concern of the ILO.”

Mr Somavia said that “in Chile the issue of safety at work is part of the joint agenda pursued by the Government, employers and workers. The ILO, guided by the principles of decent work, will continue to collaborate with them in realizing the goals they set.”

But, he added, a lot remained to be done to improve working conditions in the mining industry and other hazardous activities around the world.

“By the ILO’s reckoning the mining sector employs around 1 per cent of the global labour force, and yet at the same time it generates 8 per cent of fatal accidents... Every day some 6,300 people die from occupational injuries or diseases, an annual total of more than 2.3 million deaths; and to this a further 337 million accidents at work per year must be added,” he said.

© M. Crozet/ILO

2010 Nobel Prize in Economics

Following the award of the 2010 Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel to three renowned economists last October, ILO Director-General Juan Somavia expressed his satisfaction with the decision of the Royal Swedish Academy of Sciences.

“The work being honoured today could not be more topical. It addresses a crucial concern of governments and people around the world: how to translate economic growth into desperately needed jobs and decent work,” Mr Somavia said upon learning of the attribution of the distinguished prize.

“The decision by the Royal Swedish Academy of Sciences highlights the importance of employment, labour market and social protection policies and their interaction with economic policy and the real impact they can have on improving peoples’ lives,” Mr Somavia said.

The prize – most commonly known as the Nobel Prize in Economics – was awarded to the trio of economists for their work on how regulation and economic policy affect employment, job vacancies and wages – all issues very close to the work and mandate of the ILO.

Experts adopt new ILO Code of Practice on safety and health in agriculture

On 29 October 2010, experts representing workers, employers and governments adopted a new draft Code of Practice on Safety and Health in Agriculture designed to improve working conditions in agriculture which employs some one billion workers worldwide.

The new draft Code was adopted by 15 government, employer and worker experts following a five-day meeting here and is to be submitted to the ILO Governing Body in March 2011 for endorsement.

The overall objective of the new Code is to help promote a more preventive occupational safety and health (OSH) culture in agriculture, which employs more than a third of the world's labour force, second only to services. It complements the ILO's Safety and Health in Agriculture Convention, 2001 (No.184), and its supplementing Recommendation (No.192), and provides further guidance for their application in practice.

Agriculture is the largest sector for female employment in many countries, especially in Africa and Asia, and accounts for approximately 70 per cent of child labour worldwide.

The draft Code would raise awareness of the hazards and risks associated with agriculture and their effective management and control; prevent occupational accidents and diseases and improve the working environment in

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practice; encourage governments, employers, workers and other stakeholders to cooperate to prevent accidents and disease; and promote more positive attitudes and behaviour towards OSH in agriculture throughout the sector.

Agriculture involves a wide range of different types of machinery, animals, plants and products, and agricultural enterprises range from subsistence farming to highly mechanized large-scale businesses.

"Such wide-ranging profiles, both in terms of employment and of enterprise, have a significant bearing on levels of risk awareness and attitudes towards preventing accidents and diseases within the sector. Agriculture is in fact one of the most hazardous of all sectors and many agricultural workers suffer occupational accidents and ill-health each year," says Elizabeth Tinoco, Director of the ILO's Sectoral Activities Programme.

The new Code would establish a national framework specifying the roles of the competent authorities, employers, workers and their organizations, and contain specific provisions for identifying and addressing the main hazards and risks in the sector.

ILO codes of practice are intended for use by both the public and private sectors with responsibility for safety and health management in relation to specific occupational hazards, sectors of activity, or equipment. Importantly, codes of practice are not intended to replace national laws or regulations or accepted standards.

Around the

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Maria Nazareth Farani Azevêdo, Ambassador of Brazil, and ILO Director-General Juan Somavia

ILO and Brazil team up

Last October, the Government of Brazil and the ILO launched a three-year programme aimed at enhancing the capacity of countries to respond to social and natural disasters. The joint programme – to be developed by the ILO Training Centre in Turin – will seek to improve the capacity building of countries in humanitarian assistance, train them on the prevention of natural and social disasters, and help them deal with post-crisis recoveries. The first beneficiaries of the programme will be Haiti, Niger, the Occupied Palestinian Territories, East Timor and Portuguese-speaking African countries. A total of 276 government officials will originally be trained on capacity building and other issues. Brazil has signed a number of funding partnerships with the ILO since 2005, including on child labour, forced labour and social protection. This latest partnership represents the first programme on humanitarian assistance in the world of work.

Youth Employment Network

Last July, the Youth Employment Network (YEN), an interagency partnership of the ILO, the United Nations (UN) and the World Bank, signed an agreement with the Jacobs Foundation, a Swiss-based private foundation, to build an evidence base in youth employment through evaluating the impact of youth employment programmes. The Jacobs Foundation has committed to provide CHF450,000 in funding over three years (2010–2012). The project will be delivered through the Fund for Evaluation in Youth Employment, whereby eligible youth employment organizations can submit applications answering a call for proposals to receive financial and technical support for conducting an impact evaluation.

For more information, please contact Drew Gardiner, Youth Employment Network, Email: gardiner@ilo.org, phone: +4122/799-7824; web: www.ilo.org/yen.

© JAcobs Foundation

Dr. Bernd Ebersold, CEO, Jacobs Foundation

ILO welcomes landmark agreement

Last September, the ILO welcomed the landmark agreement reached by Cambodia's garment sector unions and manufacturers, to improve relations in the industry. The new Memorandum of Understanding (MoU) covers important aspects of collective bargaining, arbitration, and productivity, and includes specific measures for implementation. It was signed by the Garment Manufacturers Association in Cambodia (GMAC), which represents some 300 of the largest factories employing about 300,000 workers, and six major union confederations and federations who together represent the vast majority of those workers.

For more information, please contact the ILO Regional Office for Asia and the Pacific, phone: +66 2 288 1234; fax: +66 2 288 3062, email: Bangkok@ilo.org

Continents

Promoting a social floor

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During an official visit to Viet Nam last October, the Executive Director of UN Women and Chair of the Social Protection Floor Advisory Group, former Chilean President Michelle Bachelet, called for a global social protection floor, as "the first line of defence" for families and economies against the impact of economic crises and an effective means of achieving the Millennium Development Goals. The One UN initiative on a social protection floor is led by the ILO and WHO and aims to promote a set of basic social security rights and transfers, as well as essential services in the area of employment, health, water and sanitation, nutrition, education and family support to protect and empower poor and vulnerable people to work out of poverty. During her visit Ms Bachelet travelled to An Bình Village, in the rural area, to meet female farmers who have benefited from the Tao Yeu May (TYM, or people-loving-people Fund). The Fund, set up in 1992, has helped more than 55,000 women escape poverty and participate in managerial and social activities. The ILO has helped to strengthen the capacity of the Fund via training courses, pilot testing and distribution of microfinance products.

Decent work and tripartism

On 24 September, the Ministry of Labour, Invalids and Social Affairs of Viet Nam, the Viet Nam General Confederation of Labour, the Viet Nam Chamber of Commerce and Industry, the Viet Nam Cooperatives Alliance and representatives of the ILO inaugurated a mural illustrating "Decent Work and Tripartism" which is part of the so-called Ceramic Road. The length of the entire ceramic mosaic mural is approximately 4 kilometres. Running along the dyke of the Hong river in Hanoi, the mural is recorded as the longest of its kind in the world. The "Decent Work and Tripartism" part, taking up over 70 metres, was accomplished with the support of the country's government, workers' and employers' organizations and the ILO, and portrays a montage of activities in various sectors in Viet Nam, such as industry, agriculture, handicraft and aquaculture. The colourful ceramic pictures also depict the main actors in the labour market – government, workers and employers – highlighting cooperation, social dialogue and decent work in Viet Nam.


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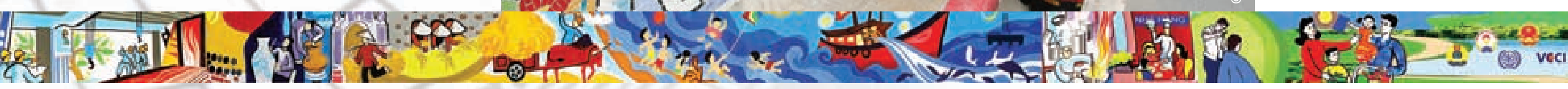


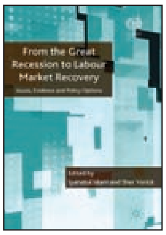
ILO launches new statistics database

On the occasion of World Statistics Day on 20 October, the ILO launched a new statistics database containing timely information on the labour market and consumer prices aimed at providing vital information needed by policy-makers faced with a global economic and social crisis. The new database will be updated each month with the latest national data for indicators, reflecting recent and short-term changes on the labour market. It contains selected indicators for some 70 countries and territories that gather infra-annual information for the current year. In addition, 40 indicators are available disaggregated by sex.

The new service also includes an interactive map containing most of the data organized by country and topic. Country profiles provide a quick and accurate snapshot of each country's labour market situation, while information organized by topic allows for cross-country comparison and global analysis. Data are collected in close contact with national statistical offices, and the process has been optimized in order to extract the greatest amount of information in the shortest period of time. Especially interesting is the inclusion of seasonally adjusted sectoral data.

For more information
http://laborsta.ilo.org/sti/sti_E.html

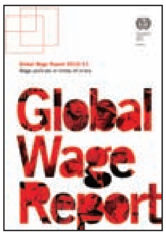
Media Shelf



From the Great Recession to labour market recovery: Issues, evidence and policy options

Iyanatul Islam and Sher Verick (eds)
ISBN 978-92-2-124031-0. Geneva, ILO, 2010. Copublished with Palgrave Macmillan. US$105, €75, 110 Swiss francs

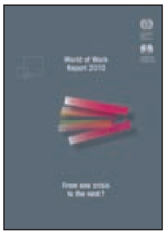
This book showcases research undertaken by leading experts on the macroeconomic and labour market dimensions of the financial crisis of 2007–2009. It provides a global overview, interpreting the causes, consequences and policy responses to the Great Recession from the perspective of both developing and developed countries. Noting particularly the need for a combination of sound macroeconomic and labour market policies, the authors explore policy options for a post-crisis future. The volume argues that such a future would entail a renewed commitment to full employment and global collective action to advance the cause of "fair globalization".



Global Wage Report 2010/11: Wage policies in times of crisis

ISBN 978-92-2-123621-4. Geneva, ILO, 2010. US$50, €35, 50 Swiss francs. Also available in French and Spanish

The second in a series of ILO reports focusing on wage developments, this volume reviews the global and regional wage trends during the years of the economic and financial crisis of 2008 and 2009. In Part I, the report highlights the slowdown in the growth of monthly average wages as well as some short-term fluctuations in the wage share. Part II discusses the role of wage policies in times of crisis and recovery, while Part III concludes with a summary of the report and highlights issues that are critical for improving wage policies.



World of Work Report 2010: From one crisis to the next?

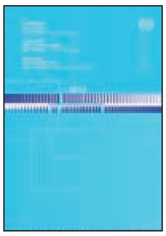
International Institute for Labour Studies
ISBN 978-92-9014-948-4. Geneva, ILO, 2010. US$50, €35, 50 Swiss francs

Economic recovery from the crisis triggered by the collapse of Lehman Brothers in 2008 remains both weak and uneven across countries. The result is persistently high unemployment in some countries, and growing job precariousness almost everywhere. In the countries where the crisis originated, the financial system remains dysfunctional, thereby affecting enterprise investment and further delaying a job recovery. The report shows that a sustainable, job-rich recovery is possible – provided that the factors that led to the crisis are tackled.

Yearbook of Labour Statistics, 2010. Time series

ISBN 978-92-2-023438-9. Geneva, ILO, 2010. US$275, €205, 290 Swiss francs. Trilingual English/French/Spanish

Since its first edition in 1935–36, the *Yearbook of Labour Statistics* has established itself as the world's foremost work of statistical reference on labour questions, bringing together in systematic form a mass of data from a vast network of authoritative sources of information in some 190 countries. *Time series* contains 31 tables corresponding to nine major substantive chapters on economically active population, employment, unemployment, hours of work, wages, labour cost, consumer prices, occupational injuries, and strikes and lockouts.



Yearbook of Labour Statistics, 2010. Country profiles

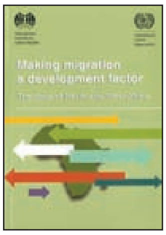
ISBN 978-92-2-023439-6. Geneva, ILO, 2010. US$190, €140, 200 Swiss francs. Trilingual English/French/Spanish

Country profiles introduces a new format showing the latest available statistics (without time series) for each of over 200 countries, areas and territories.

Special offer for both titles: *Time series and Country profiles:*
ISBN 978-92-2-023440-2: US$375, €275, 390 Swiss francs.

Yearbook of Labour Statistics, 2010. Sources and Methods

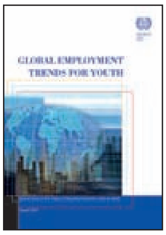
Labour Statistics, Volumes 1–10. CD-ROM
ISBN 978-92-2-123441-8. Geneva, ILO, 2010. Single-user: US$ 275, € 205, 290 Swiss francs. Multi-user: US$ 415, €310, 435 Swiss francs. English only



Making migration a development factor: The case of North and West Africa

International Institute for Labour Studies
ISBN 978-92-9014-928-6.
Geneva, ILO, 2010. US$20, €14, 20 Swiss francs. Also available in French and Spanish

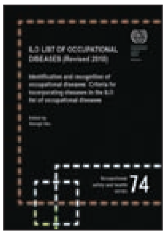
The employment situation in North and West Africa, difficult before the global financial crisis, has become even more so. With many more workers relocating to Europe, mainly to France, Italy and Spain, key issues for the African countries include enhancing human capital, better leveraging remittances and encouraging return migration. This report, focusing on the specific cases of Algeria, Mauritania, Morocco, Senegal and Tunisia, examines the many ways in which migration, combined with sound labour markets, can better support development.



Global Employment Trends for Youth

ISBN 978-92-2-123855-3.
Geneva, ILO, 2010. US$39, €28, 40 Swiss francs

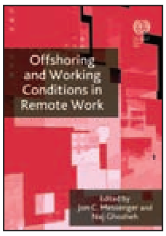
Incorporating the most recent labour market information available, this report examines the vulnerability of youth to unemployment and decent work deficits. It shows where progress has or has not been made in terms of tapping the energy, talent and creativity of young people for the benefit of the economy's productive potential. It updates the world and regional youth labour market indicators and gives detailed analyses of longer-term trends in youth population, labour force, employment and unemployment, while providing a first glimpse at new estimates of working poverty among youth.



ILO List of Occupational Diseases (Revised 2010). Identification and recognition of occupational diseases: Criteria for incorporating diseases in the ILO list of occupational diseases

Occupational Safety and Health Series, No. 74
ISBN 978-92-2-123795-2.
Geneva, ILO, 2010. US$30, €22, 30 Swiss francs. Also available in French and Spanish

The number of physical, chemical, biological and psychosocial factors affecting workers' health is constantly on the rise. The ILO has been responding to the challenge of creating safe and healthy working conditions since its founding in 1919. Agreed by governments as well as employers' and workers' organizations, this new list, approved in March 2010, reflects the state of the art in the identification and recognition of occupational diseases. The list, annexed here to the List of Occupational Diseases Recommendation, 2002 (No. 194), is designed to assist countries in their prevention, recording, notification and, if applicable, compensation of diseases caused by work.



Offshoring and working conditions in remote work

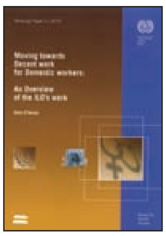
Jon Messenger and Naj Ghosheh (eds)
ISBN 978-92-2-123001-4.
Geneva, ILO, 2010. US$100, €75, 110 Swiss francs. Copublished with Palgrave Macmillan

Advances in information and communication technologies (ICTs), combined with organizations seeking to reduce costs, have led to a dramatic growth in service-sector offshoring and outsourcing, most notably to developing countries such as India. The authors address this phenomenon by examining and providing a historical context for the development of the business process outsourcing (BPO) industry, based on case study analysis of working conditions in four countries where this industry is large or growing – Argentina, Brazil, India and the Philippines. Policy advice is offered to policy-makers and companies on how the growth of "good quality" jobs can be promoted as these industries grow and mature around the world.

Women in labour markets: Measuring progress and identifying challenges

ISBN 978-92-123318-3.
Geneva, ILO, 2010. US$25, €18, 25 Swiss francs

Fifteen years have passed since the Fourth World Conference on Women in Beijing adopted a global platform for action on gender equality and women's empowerment. This report evaluates the progress achieved towards gender equality at work and identifies where and why obstacles continue to exist. Using the latest ILO *Key Indicators of the Labour Market* (KILM), it compares outcomes for men and women. The findings highlight continuing disparities in both opportunities and quality of employment.



Moving towards decent work for domestic workers: An overview of the ILO's work

Working paper 2/2010
Asha D'Souza
ISBN 978-92-2-122050-3.
Geneva, ILO, 2010. US$30, €22, 30 Swiss francs. Also available in French and Spanish

Domestic workers typically work long hours, are poorly remunerated and have little social protection. This study, produced in advance of the 2010 International Labour Conference, outlines the salient features of domestic work, laying important groundwork. It examines the problem of lack of data, enumerates the human rights violations experienced by domestic workers, profiles the existing ILO standards and national legislation relating to domestic work, and gives an overview of the current activities of the international trade unions and NGOs.

Action against child labour 2008–2009: IPEC progress and future priorities

ISBN 978-92-2-123250-6.
Geneva, ILO, 2010. US$20, €14, 20 Swiss francs. Also available in French and Spanish

The effective abolition of child labour is one of the most important human rights issues of our time. For the International Programme on the Elimination of Child Labour (IPEC), the challenges have been compounded by the present global financial crisis, natural disasters and war. The key objectives of this report are to critically assess the IPEC projects undertaken in the ILO member States and to outline points for developing a more coherent, more sustained global effort to eradicate child labour.

Global child labour developments: Measuring trends from 2004 to 2008

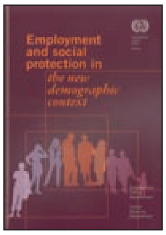
Yacouba Diallo, Frank Hagemann, Alex Etienne, Yonca Gurbuzer and Farhad Mehran
ISBN 978-92-123522-4. Geneva, ILO, 2010. US$20, €14, 20 Swiss francs. Also available in French and Spanish

As part of its efforts to increase the knowledge base on child labour, the ILO produced new global and regional estimates for 2008 and for trends from 2004 to 2008. The results show several encouraging trends, notably that the global number of children aged 5 to 17 in employment dropped between 2004 and 2008 (by 17 million), with a significant decrease in the number of girl child labourers (15 million) and fewer children doing hazardous jobs (a decrease of 13 million). Nonetheless, with some 306 million children in employment, 176 million in child labour and 76 million doing hazardous work, much remains to be done in terms of implementing the ILO Minimum Age Convention, 1973 (No. 138) and the Worst Forms of Child Labour Convention, 1999 (No. 182).

Microinsurance Innovation Facility: Protecting the working poor. Annual Report 2009

ISBN 978-92-2-123050-2. Geneva, ILO, 2010. US$15, €12, 15 Swiss francs. Also available in French and Spanish

For millions of low-income families in developing countries, the effects of accidents, illnesses, deaths in the family and severe weather can be devastating. Microinsurance is a mechanism that can protect people against such risks, affording them premium payments tailored to their preferences and capacity to pay. The ILO's Microinsurance Innovation Facility is dedicated to offering protection for the people who need it the most. The purpose of this detailed report is to assist managers in providing better, more relevant insurance coverage to millions of the working poor, especially those working in the informal sector. This second Annual Report of the Microinsurance Innovation Facility was launched in 2008 by the ILO with the support of the Bill & Melinda Gates Foundation.



Employment and social protection in the new demographic context

ISBN 978-92-2-122689-5. Geneva, ILO, 2010. US$30, €22, 30 Swiss francs. Also available in French and Spanish

Increased life expectancy combined with declining fertility is changing global demographics in major ways. Population ageing is already advanced in developed countries and is progressing rapidly in developing ones. In the industrialized countries, where social security coverage is higher, longer and healthier lives have not been accompanied by extended working careers. In low-income countries, only a minority is covered by social security for the elderly. Both the labour markets and social policy urgently need to address these new developments, by integrating older people into the economy and solving the looming social security dilemma.

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Global South-South Development Expo 2010 (GSSD) www.southsouthexpo.org

GLOBAL SOUTH-SOUTH DEVELOPMENT EXPO

Organized by the United Nations, the GSSD provides a forum to enable developing countries and their development partners, including donor agencies, international organizations, to showcase their evidence-based South-South development solutions. The International Labour Organization hosted the Expo from 22 to 26 November at its Headquarters in Geneva. Solution forums included social protection and decent work, food security, climate change and environment, HIV/AIDS, global health, and education. These solutions are deeply rooted in and developed under historical, political, economic, social and geographical conditions specific to the SSDS-originating countries.

"The growing trend among Southern countries to look not only to reducing poverty within their own borders but also to raise the development prospects of other developing countries is exhibited across a range of countries, including strong emerging economies and other South-South pivotal countries."

Ban Ki-moon,
Secretary-General, United Nations

"Developmentally-focused South-South flows of finance, technology, and know-how must be recognized and further encouraged as an increasingly important dimension of development co-operation."

Helen Clark,
Administrator, United Nations
Development Programme

"Respect for national autonomy and priorities; diversity of circumstances and of solutions; solidarity among nations; no one-size-fits all solution. These orientations of South-South Cooperation converge with the approach of the ILO's Decent Work Agenda. The ILO is pleased to put this Agenda at the service of South South Cooperation initiatives to promote internationally agreed development goals. Count on our continued engagement!"

Juan Somavia,
Director-General of ILO

Photos can be viewed at:
http://www.ilo.org/dyn/media/mediasearch.specialDetail?p_lang=en&p_special_main_id=27

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