

UN reports 'volatile' global employment recovery



Workers assembling electronic goods in Indonesia

10 November 2010 – Global employment rates are on an upward trend with different economic sectors showing uneven improvement in job creation during the first half of this year, according to new data released today by the United Nations labour agency.

Findings of the **new study** by the UN International Labour Organization (**ILO**), based on data from 13 sectors in 51 developed and developing countries, shows that while construction and manufacturing lost more than 5 million jobs in the first quarter of this year, the health sector added almost 2.8 million jobs.

“In 2010 the global economy seems to have entered into a new stage where divergence and volatility in a number of labour markets have significantly increased and uncertainty over the stability of the recovery remains high,” **said** Elizabeth Tinoco, the Director of the ILO Sectoral Activities Department.

“These trends are also observed across sectors and vary from country to country. We see this not only in developed countries, but also in strong emerging economies like China, South Africa and Brazil,” she added.

In addition to a net loss of jobs in construction and manufacturing, the ILO study shows that the recovery is progressing slowly in wholesale and retail trade, as well as in transportation, storage and communications, which remain highly dependent on the volatility observed both in domestic and export markets.

The financial sector also remains volatile, accord to the ILO study. Globally, employment levels in the sector during the first quarter of this year were 1.4 per cent below the same period in 2009. There was a slight improvement in the second quarter, which suggests that the industry is still undergoing restructuring, particularly in the United States and the United Kingdom.

Despite cuts in fiscal spending announced by many countries, however, employment levels in education, health and public administration continued to grow in the first half of 2010, albeit at a slower pace.

The education sector added nearly 138,000 employment opportunities to the labour market in the second quarter of this year, after having created some 240,000 jobs in the previous quarter. Employment in public administration grew slower in the second quarter of 2010 than in the first one, but still added 134,830 jobs year-on-year.

Employment levels have also risen in the hotel and restaurant services, rising by 1.5 per cent in the second quarter of this year, compared to the previous one. Jobs in real estate, including rentals and related services grew by 1.1 per cent.

Agriculture also remained resilient across regions in the first semester of 2010, compared to 2009, with some volatility observed globally in the first quarter of 2010.

The ILO study also analyzes the changes in labour markets in terms of hours of work. It says that after falling consistently throughout 2009, working hours began to rise again in the first and second quarters of this year in almost all sectors, with the exception of agriculture, forestry and fishing.

“One of the uncertainties we face is what will happen to private consumption in developed countries – will it remain weak or will it pick up?” posed Ms. Tinoco. “The same goes for fiscal consolidation plans – what impact will they have in the short run on the economy? The shape and scope of the recovery will depend on how these trends evolve,” she said.

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