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## Record highs in global unemployment likely to persist in 2011, UN reports



ILO Director-General Juan Somavia

25 January 2011 – Despite a sharp rebound in economic growth for many countries, global unemployment in 2011 is likely to continue at the record highs of the past three years, highlighting the need for long-term policies that prioritize quality job creation, according to the United Nations labour agency.

Moreover, a narrow focus in developed economies on reducing fiscal deficits without addressing the challenge of job creation will further weaken employment prospects in 2011, the UN International Labour Organization (ILO) warns in a new report – “[Global Employment Trends 2011: The challenge of a jobs recovery](#).”

“In spite of a highly differentiated recovery in labour markets across the world, the tremendous human costs of the recession are still with us,” ILO Director-General Juan Somavia [noted](#) of official global unemployment, which stood at 205 million in 2010, essentially unchanged from 2009, that is 27.6 million more than on the eve of the global economic crisis in 2007.

The ILO projects a global unemployment rate of 6.1 per cent, equivalent to 203.3 million unemployed, through 2011, as the labour market registers a highly differentiated recovery with persistently high levels of unemployment and growing discouragement in developed countries, and employment growth but continued high levels of vulnerable employment and working poverty in developing regions.

These trends stand in stark contrast to the recovery seen in several key macroeconomic indicators. Global gross domestic product (GDP), private consumption, investment, and international trade and equity markets all recovered in 2010, surpassing pre-crisis levels.

“There is one common challenge: we need to rethink our standard macroeconomic policy mixes and make quality job creation and decent work a central target of macroeconomic policies, alongside high growth, low inflation and balanced public budgets,” Mr. Somavia said. “We must not forget that for people the quality of work defines the quality of a society.”

Worldwide, 78 million young people were unemployed in 2010, well above the pre-crisis level of 73.5 million in 2007, but down from 80 million in 2009. Unemployment in the 15-24 age group stood at 12.6 per cent in 2010, 2.6 times the adult rate of unemployment.

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

Some 55 per cent of the rise in global unemployment between 2007 and 2010 occurred in what ILO terms the Developed Economies and European Union (EU) region, which only accounts for 15 per cent of the world’s labour force. In several developing countries, such as Brazil, Kazakhstan, Sri Lanka, Thailand and Uruguay, unemployment rates have actually fallen below pre-crisis levels.

On a regional level, joblessness in South-East Asia and the Pacific did not increase but the number of workers in vulnerable employment rose by 5.4 million since 2007 to 173.7 million in 2009. South Asia had the highest vulnerable job rate at 78.5 per cent of all jobs in 2009. In East Asia, youth unemployment remains a major challenge at 8.3 per cent, 2.5 times the adult rate.

In Latin America and the Caribbean, rapid recovery has led to strong job growth but vulnerable jobs have increased. In sub-Saharan Africa, more than three quarters of workers are in vulnerable jobs and four out of five are living with their families on less than \$2 a person per day. In North Africa, an alarming 23.6 per cent of economically active young people were unemployed in 2010.

In Central and South-Eastern Europe and the former Soviet States, unemployment declined to 9.6 per cent after peaking in 2009 at 10.4 per cent, the highest regional rate in the world.

Globally, some 1.53 billion workers were in vulnerable employment in 2009, a vulnerable job rate of 50.1 per cent and broadly unchanged since 2008, in sharp contrast to the steady and significant average decline in the years preceding the crisis. Some 630 million workers – 20.7 per cent of all workers – lived with their families at the extreme \$1.25-a-day level in 2009 – 40 million more working poor and 1.6 percentage points higher than projected on pre-crisis trends.

Moreover, increasing food prices globally represent a growing threat, potentially leading to job losses in non-agricultural sectors if inflation is passed on to other areas of the economy.

Underlining the need for steps to boost job creation and jump-start a sustainable jobs recovery, the report stresses that an improved labour market will support a broader macroeconomic recovery. “Rebalancing the global economy so that growth is both strong and sustainable requires more than adjustments to currencies and financial regimes,” Mr. Somavia said.

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

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