

Despite government commitment to Commitment 3 at the World Summit for Social Development, global unemployment continues to grow as the economies of the world become more interdependent. This interdependence imposes the requirement of a global solution to the problem. Unless there is concerted international action, unemployment and its consequences will continue and Commitment 3 will be harder to fulfil.

EMPLOYMENT/UNEMPLOYMENT IN THE 1990S

For most of the world, a productive, adequately remunerated and reasonably stable job has become a dream.

In East and Southeast Asia, including China, employment has shown drastic growth. Jobs, however, are precarious and insufficient. Many workers receive salaries on which they can barely survive. These regions have been successful in increasing employment, but this success is fragile, as was shown by the recent crisis in the region. The East Asian crisis has become a global crisis, affecting various zones in the world with consequences that are still being felt.

In the relatively rich nations of the Organisation for Economic Cooperation and Development (OECD), economic growth has recovered, but new jobs are growing more slowly than production. Even in countries where unemployment fell (eg, England), new jobs are worse paid and less stable than in previous periods.

In Eastern Europe, rapid economic transformation has eliminated many jobs. Subsidies to soften the impact of this loss require government expenditure, which contributes to inflation, making the new poor even poorer. Among the former members of

SYNOPSIS OF A CHANGING MAP: EMPLOYMENT IN THE WORLD¹

the Soviet Union and the countries of Eastern and Central Europe, poverty doubled and even tripled between 1989–1995, while a small minority became very rich. Many people were pushed towards the informal sector by State reductions. In Hungary, eg, almost 22% of the work force are located in the informal sector. Under these conditions, growth of a parallel economy suggests a breakdown of socioeconomic structures and threatens social cohesion.

In Latin America, the composition and size of the work force is changing. The age of the economically active population (EAP) has increased, there are more women in the job market, and migration towards urban areas in search of work continues. Meanwhile, governments have made cuts in the public sector, resulting in fewer jobs in a region where new jobs arise in the informal sector.

In the Middle East and North Africa, the population has grown while income from oil has dropped. This drop has led governments to cease being employers, causing profound instability and preventing them from implementing economic reforms.

The unemployment crisis is more serious in sub-Saharan Africa, where population growth is unprecedented. Over half of non-agricultural workers are employed by the State. The governments of the region cannot continue to hire or increase salaries, however, and structural adjustment programmes have failed to increase employment.

THE IMPACTS OF UNEMPLOYMENT

Jobless growth is a new phenomenon. The elimination of jobs, presently an important measure to increase competitiveness,

1 The present article is based on the following papers: «Change: Social Conflict or Harmony?» Results of a Round Table held by UNDP in Stockholm and the Swedish Government. «Uncommon Opportunities: an Agenda for Peace and Equitable Development.» International Commission on Peace and Food, Zed Books, London – New Jersey, 1994; »Conditions for Social Progress: Humane Markets for Human Societies.« 1997 Copenhagen Seminar for Social Progress. Ministry of Foreign Affairs, Danida. 1998; Taken from: «The Employment Challenge: An agenda for global action.» United Nations Development Programme. International Labour Office, Geneva.

2 «We commit ourselves to promoting the goal of full employment as a basic priority of our economic and social policies, and to enabling all men and women to attain secure and sustainable livelihoods through freely chosen productive employment and work.»

involves considerable social consequences at different levels. In some of the richer countries, structural unemployment has reached record levels.

Three or four decades ago, the average «normal» unemployment rate was 3%. Presently it reaches 12%. It is increasingly common to observe low salaries hand in hand with high unemployment rates.

In the past, economists considered unemployment to be a temporary problem that would be solved by market forces. This is not the case at present. Market forces now lead to permanent cuts in the number of jobs.

Recommendations by the working group on unemployment³ set up in preparation for WSSD were aimed, *inter alia*, at linking employment with social integration and poverty, and at the need for macroeconomic stability.

- Governments must commit to the full use of human resources. Full employment should be a central goal of all economic and social policies. Social integration and eradication of poverty depend on the expansion of productive and remunerated jobs.
- Governments must intervene in the job markets to make them more efficient and responsible *vis-à-vis* the needs of the economy. Workers should have access to social protection and basic education.
- Governments must explore every alternative to ensure full employment with macroeconomic stability. This implies that full employment becomes a priority objective in policy formulation.

THE GOAL OF FULL EMPLOYMENT: ESSENTIAL AND POSSIBLE

In recent years, unemployment has emerged as a major concern of governments around the world. In industrialised countries, pessimistic prophecies evoke a near future in which tens of thousands of people will not be able to find work, technology will eliminate the need for human work, cheap imports will replace domestic employment, welfare systems will collapse under an intolerable load, children will have fewer economic opportunities than their parents, an increasing gap will divide rich and poor, and neither market nor government will be able to do anything about the situation.

In the developing countries, such prophecies lead to a loss of hope in the struggle against hunger, in the eradication of growing rural and urban poverty, and in the reduction of the gap separating them from the prosperous Western world. The same determinist mentality that, until a few years ago, concluded that nuclear war was inevitable, now leads many to think that growth of

unemployment, chronic poverty and social alienation are also inevitable. Both these apprehensions could become reality: peace and international security depend on the promotion and maintenance of domestic peace and peace among nations, which in turn depend on governments being able to provide food and economic security to their peoples.

Interdependency between peace, political stability and economic development is growing and will continue to grow in the future. Greater access to information and freedom of expression, which characterises democratic societies, together with the growth of peoples' expectations of higher economic levels, combine to generate powerful social pressure to provide economic opportunities and social freedom to all citizens. If greater freedom and greater expectations cannot find channels for their satisfaction, they may lead to a growth in frustration, tension and violence, jeopardising the prosperity of those occupying high levels and the stability of society as a whole.

Democracies will prosper and the revolution of increasing expectations will be satisfied peacefully, only if there are economic opportunities for everyone. The recent growth of right-wing politics, ethnic intolerance and opposition to immigration in Western Europe, together with the high level of criminality in the United States, are sufficient evidence of the corrosive impact that unemployment can have, even on mature democracies.

In the present context, employment is the most effective way to distribute the fruits of development among the people. The creation of jobs is not a question of possibility, it is a question of need. As in the case of the recent global response to depletion of the ozone layer, it is no longer acceptable to remain indifferent or to claim that we do not have power to act when the vital interests of the whole world are at stake. When war threatens a nation's borders, when technology threatens the environment, or unemployment threatens people's welfare and the fabric of their social existence, there is only one answer: action.

The acceptance of famines, poverty and unemployment as necessary or inevitable results of economic life must not be tolerated. Just as freedom was finally recognised to be an inalienable right of all human beings, now we are facing a time when society must recognise and ensure the right of all citizens to gainful employment. «Jobs for all» is an achievable goal for all industrialised countries in this decade and for the whole of humanity at the beginning of the 21st century. A change of attitude is the first requirement for this achievement.

FIGURES CONTINUE TO GROW...

There is a paucity of recent statistical data on employment in many countries of the world. Nevertheless, a survey of existing

³ Recommendations on unemployment by the Working Group set up in preparation of the World Summit Meeting on Social Development. «Change: Social Conflict or Harmony?» *Op.cit.*

70 data on employment in world regions poses serious cause for concern.

Unemployment in industrialised countries is at its highest level since the Great Depression. In the United States, the official figure is around 6.4%, but the true figure, if all those who no longer seek work (discouraged unemployed) are included, is about 10%. Over 35 million United States' citizens, that is to say 14% of the population, live on incomes under the poverty line, including 30% of the whole Afro-American and Hispanic populations.

In Western Europe, unemployment figures are the highest they have been in the last 30 years. The figure is expected to shortly reach 12%, or 18 million people unemployed. Juvenile unemployment (16–19 years) in the European Community is close to 20% and almost 50% of those unemployed have been so for over a year.

In the countries of Eastern Europe the former Soviet Union, the number of unemployed people rose from 100 thousand at the beginning of 1991 to over 4 million in March 1992 and the figure has continued to grow since then. Recent forecasts indicate that in Russia the number of unemployed will reach 15 million people or 18% of the population, in the near future.

The most serious problem lies in the developing countries, where unemployment figures reach, in many countries, 40%–50%. In Latin America, 192 million people, 46% of the population, live under the poverty line and 22% of these are considered to be in extreme poverty. Urban unemployment is around 8%, but jobs in the industry sector dropped by 17.5% in the 1980s, while the number of workers in the informal sector and those earning lower salaries doubled. In spite of the slowing down of population growth, the 72% increase in the rate of women's participation implies that the work force continues to expand rapidly. This region needs to double job growth to create 89 million new jobs, in order to provide full employment opportunities to its people.

In sub-Saharan Africa, where between 20 and 25 of the poorest nations of the world are located, urban unemployment affects almost 14 million people, 15% to 20% of the work force. According to forecasts, this will almost double in the next ten years. Young people comprise 65% to 75% of the total number of unemployed. With population growth close to an annual 3%, these counties need to create 100 million new jobs in the next decade, if only to maintain the present levels of unemployment.

High rates of population growth and severe economic crises have generated high unemployment rates in the Arab countries. Unemployment is estimated to have exceeded 25% at the beginning of the 1990s, and participation of women in the workforce is low.

The countries of Asia and the Pacific were an exception until the 1998 crisis. They took important steps to generate employment in the 1980s and continued to expand employment until last year. The newly industrialised countries, such as Hong Kong, Republic of Korea, Singapore, and Taiwan–China are facing severe drops in employment, together with Malaysia, Thailand and Indonesia. Other Asian countries continue with the challenge of creating jobs for all. China has created 100 million new jobs since 1985 and continues to create more, but the country still has 130 million rural workers in highly unstable situations.

Changes in society in general and in the job market in particular have repercussions on labour conditions and on workers' organisations. The international conventions of the International Labour Office (ILO) reflect the results of tough battles for human dignity and freedom, but implementation of these conventions is rarely on the agendas of governments, investors and business people.

Unions are frequently prohibited or persecuted by governments and business management. This, and the difficulties unions have had adapting their structures and strategies to the multiplicity of changes affecting modern economies, have led to their weakening. Changes in industry, reductions in the public sector and rejection of state intervention policies in the operation of the economy—to let market forces act freely—are some of a series of developments that are unfavourable to the union movement.

A recent ILO study shows that in a sample of 92 countries from North and South, half have union membership of under 20%. In France it is 9%—a drop of 31% in ten years. Union members is 14% in the United States, 24% in Greece and Japan, 25%–44% in the Netherlands, Germany, Austria, England, Italy and Canada, and 80%–90% in the Nordic countries. In the latter countries, high levels of union membership are associated with fewer labour conflicts, less poverty and higher standards of living. The strengthening of unions and globalisation of their strategies and solidarity networks may provide greater balance to the global system.⁴

Tables⁵ show data from seven regions on population and employment. Analysis of this data indicates that the employment problems facing the seven groups of countries are similar and each has sought solutions that, in general, may also be considered similar. As may be observed, considerable growth of the work force is expected in the Middle East, the whole of Africa and South Asia.

Important economic differences among the regions are reflected in the data. Differences are also due to the ways in which countries calculate income.⁶

4 «Conditions for Social Progress: Humane Markets for Human Societies.» 1997 Copenhagen Seminar for Social Progress. Ministry of Foreign Affairs, Danida. 1998.

5 Taken from: «The Employment Challenge: An agenda for global action.» United Nations Development Programme. International Labour Office, Geneva.

6 In some cases this is calculated on exchange rates and in others with relation to purchasing power.

Population and work force, 1991 (millions) and forecasts									
	Latin America and the Caribbean	Sub-Saharan Africa	East and South East Asia	South Asia	Middle East and North Africa	Former Members of the Soviet Union and Eastern Europe	OECD	Others	World
Population	445	526	1653	1195	297	414	803	42	5,374
Work force	172	191	902	435	98	215	390	18	2,420
Male W. F.	116	123	519	330	82	110	226	11	1,517
Female W. F.	56	68	384	104	16	105	164	7	903
Female W. F. as a % of total W. F.	32	36	43	24	16	49	42	39	37
Rate of male participation	53	47	61	53	54	56	58	52	56

Source: United Nations Projections on World Population, 1992 revision. New York, 1993; ILO, Economically Active Population, Geneva (in press).

Rates of growth and levels of income				
Annual Rate of Growth (%)				
	1973-80	1980-90	1990-93	1992 per capita GDP (B.M. Atlas method)
Latin America and the Caribbean				
Population	2.4	2.1	1.9	-
Per capita GDP	2.3	0.5	1.1	2,765
Sub-Saharan Africa				
Population	2.8	3.1	3.0	-
Per capita GDP	0.6	-1.1	-1.3	467
East and Southeast Asia				
Population	1.7	1.6	1.5	-
Per capita GDP	4.8	6.3	6.9	922
South Asia				
Population	2.4	2.2	2.0	-
Per capita GDP	1.8	2.9	1.5	316
Middle East and North Africa				
Population	2.9	2.9	2.8	-
Per capita GDP	1.9	-0.6	0.3	1,956
Former Members of the Soviet Union and Eastern Europe				
Population	0.8	0.7	0.7	-

Source: World Bank, World Tables, Washington DC.

EMPLOYMENT: KEY ISSUE

Employment is a key issue. It will be of vital importance over the next few years, and involve different dimensions and situations. Poverty levels, the dynamics of social participation, the situation of women, and the strength of democracy, *inter alia*, all affect the social situation and are not independent from employment.

Figures are scarce and/or out of date for many countries, but behind those that are available on the number of new jobs, employment and unemployment rates, and increases or drops in the EAP, are diverse factors that affect the quality of work and the social situation. These include, eg, salaries paid for the new jobs, labour conditions, stability, the informal market, women's unemployment, and restrictions on entry into the job market of young people, women, migrants, etc.

From the data available and material consulted, there is no cause for optimism in the short term. This data indicates that the Third Commitment requires political will and consensus-building at both national and international levels given that market forces alone will not provide responses.

It is essential that governments adopt measures at national levels, but global economic interdependence gives rise to conditions that cannot be completely controlled by nations individually and that require global solutions. The combination of national and international solutions is essential and increasingly necessary. ●